GUIDED

For Life For Generations



CEYLINCO LIFE®

A Relationship For Life™

CEYLINCO LIFE INSURANCE LIMITED

INTEGRATED ANNUAL REPORT 2025



GUIDED

For Life For Generations

For over 38 years, Ceylinco Life has been the North Star of Sri Lanka's life insurance industry, guiding policyholders, communities, and generations with unwavering purpose. Sustainability is at the heart of this guidance embedded in every decision, innovation, and initiative. From environmental stewardship and responsible investments to community empowerment and ethical governance, we ensure our actions today create lasting value for the future. As a steady beacon, Ceylinco Life illuminates the path toward secure, thriving lives and meaningful generational impact.

Ceylinco Life - Guided for Life and Generations.

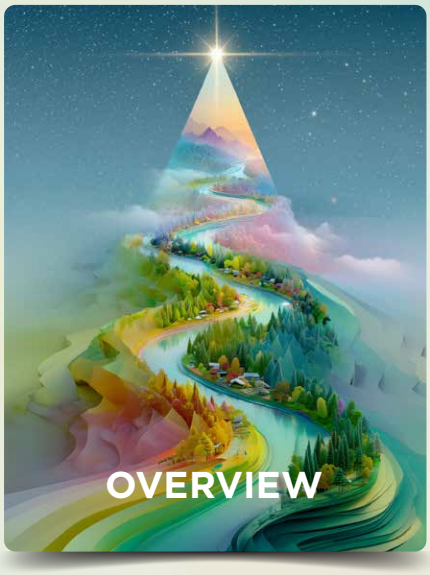


CEYLINCO LIFE®

A Relationship For Life™

CONTENTS

01



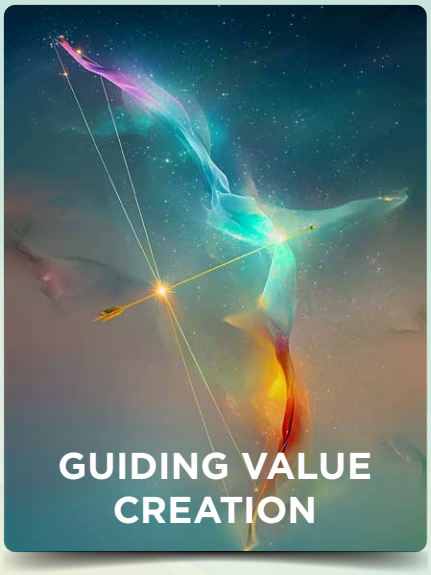
Enabling Accessibility and Convenience Through Digital Transformation 10
Overview 11
About Us 12
Vision, Mission Our Path Forward 13
A Legacy of Leadership 14
3P Impact 16
38 Years of Trust, Protection and Promise 18
Year At a Glance 20
Organisation Structure 22
Financial Highlights 24
Non-Financial Highlights 25
Awards 26
Our Impact Story 28
Value Added Statement 29

02



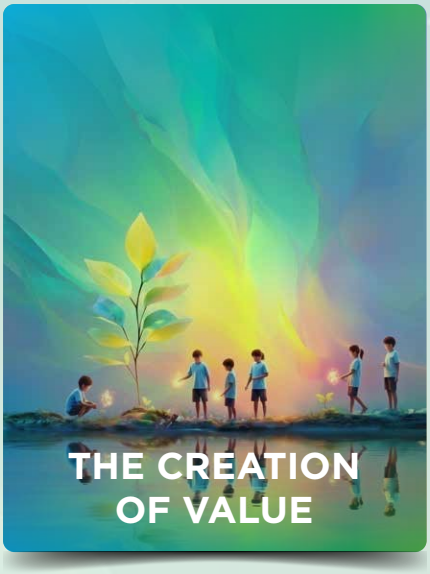
Chairman's Message 32
Chief Executive Officer's Review 36
Board of Directors 42
Strategic Management 49
Corporate Management 50
Managers 53

03



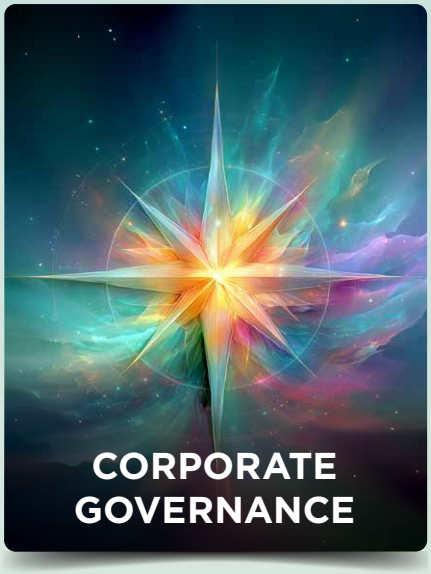
SLFRS Sustainability-related Financial Disclosures 56
Our Impact Driving Sustainable Development 76
Operating Environment 80
Enterprise Risk Management 91
Stakeholder Engagement 104
Materiality Assessment 117
ESG Integration and Purpose-Driven Strategy 125

04



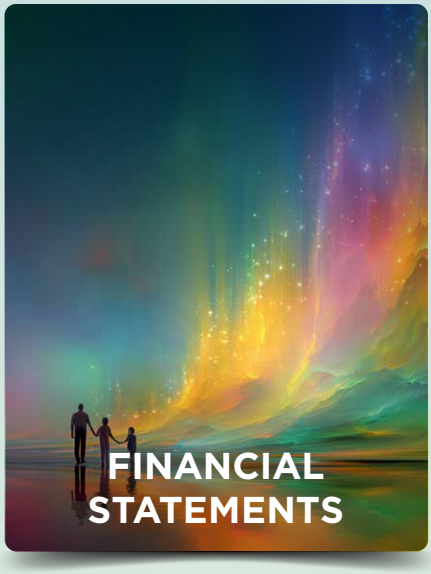
Value Creation Model 150
Value Creation Results 152
Financial Performance 155
Environmental Sustainability 199
Social Responsibility 224
Strengthening Policyholder Relationships 227
Elevating People Performance and Excellence 243
Empowering a Future-Fit Sales Force 279
Nurturing a Responsible and Resilient Supply Chain 293
Building Resilient Communities 307

05



Corporate Governance 319
Annual Report of the Board of Directors 377
Other Directorships 386
Report of the Board Remuneration Committee 388
Report of the Board Nominations and Governance Committee 390
Report of the Board Audit Committee 392
Report of the Related Party Transactions Review Committee 395
Report of the Board Investment Committee 397
Report of the Board Risk Management Committee 399
Report of the Board Environmental, Social and Governance Committee 402
Statement of Directors' Responsibility for Financial Reporting 405
Chief Executive Officer's and Chief Financial Officer's Statement 406
The Board's Statement on Risk Management and Internal Control 407
Independent Assurance Report on Sustainability Reporting 408
Independent Assurance Report on Integrated Reporting 410
Independent Assurance Report on SLFRS Sustainability-Related Financial Disclosures 412

06



Financial Calendar 415
Actuarial Report 416
Independent Auditors' Report 417
Statement of Financial Position 419
Statement of Comprehensive Income 421
Statement of Changes in Equity 423
Statement of Cash Flows 424
Notes to the Consolidated Financial Statements 426

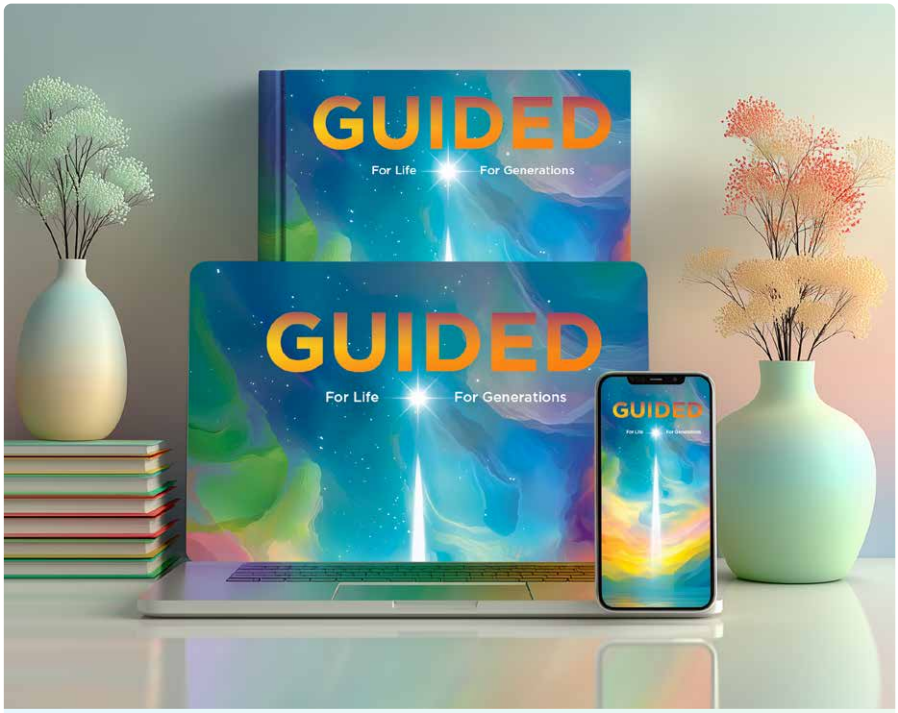
SUPPLEMENTARY INFORMATION

Statement of Supplementary Financial Position – Policyholders 544
Insurance Revenue Account 545
Quarterly Analysis 2024/2025 546
Ten Year Summary 548

SUSTAINABILITY DISCLOSURES

GRI Content Index 555
Glossary of Key Terms 563
Notice of Annual General Meeting 568
Form of Proxy 569
Stakeholder Feedback Form 571
Notes 572
Corporate Information IBC

ABOUT THIS REPORT



Welcome to the 11th Integrated Annual Report of Ceylinco Life.

Reflecting its leadership in reporting, Ceylinco Life continues to present its Annual Report through a distinctive structure built around Financial, Environmental, Social and Governance pillars. As the first life insurer in Sri Lanka to adopt this format, the Company has continued to refine and strengthen the approach, with 2025 marking the third consecutive report presented on this basis.

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 2025 to 31st December 2025. 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 the reporting period and up until the Board of Directors' sign-off date on 25 February 2026, have been stated herein. The previous years' reports can be accessed via the Company website.



FRAMING THE NARRATIVE:

The theme **"Guided for Life. For Generations."** reflects Ceylinco Life's enduring role as a North Star: a trusted guide that safeguards lives, empowers stability, and creates lasting value across generations. It speaks both to the Company's long-standing leadership and to its continued responsibility to guide customers, communities, and the industry with strength and purpose into the future.

This idea is expressed through various narrative devices embedded across the Report, by utilising icons, highlights, case studies, and milestone references to reflect on Ceylinco Life's leadership journey. These elements collectively illustrate a legacy that has been built in the past, strengthened in the present, and carried forward into the future.

Given the evolving structure of the Report, the integrated reporting boundary is presented through the key themes and reporting lenses that collectively communicate the Company's context, strategy, governance, value creation and stakeholder impact.

INTEGRATED REPORTING BOUNDARY

Business Overview

Presenting the Company, its purpose and key developments.

page 14

Operating Landscape

Reflecting the external environment and conditions shaping the business.

pages 80-90

Governance and Stewardship

Demonstrating oversight, accountability and responsible stewardship.

pages 319-376

Strategic Direction and Value Creation

Showing how the Company responds, creates and sustains value.

pages 125-151

Sustainability and Stakeholder Impact

Outlining environmental, social and wider stakeholder-related impacts.

pages 199-318

Risks, Stakeholder Matters, and Material Matters

Highlighting the matters most relevant to stakeholders, resilience and performance.

pages 117-124

11 Material Topics

4 Dimensions

- Financial Performance
- Environmental Sustainability
- Social Responsibility
- Governance

FINANCIAL REPORTING BOUNDARY

Ceylinco Life Insurance Limited

- Subsidiaries
- Associates

ESG REPORTING BOUNDARY

- Shareholders
- Policyholders and Beneficiaries
- Employees
- Reinsurers
- Actuaries
- Suppliers
- Sales Agents
- Regulators
- Industry Associations
- Banks and Financial Institutions
- Community and Environment

SIGNIFICANT CHANGES AND RESTATEMENTS

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-related reporting, compared to the previous year.

Changes made to the Report primarily relate to improvements in reporting structure, connectivity and disclosure presentation.

MATERIALITY

This Integrated Annual Report is based on matters that are material to the organisation and its stakeholders, reflecting both financial materiality and broader sustainability impacts. During the year, the Company refined and consolidated its material matters to align more closely with evolving regulatory expectations, stakeholder priorities and the changing risk landscape. Accordingly, 11 material topics were identified for 2025, compared with 15 in the previous year, with the changes reflecting refinement and improved alignment rather than any loss of relevance.

Refer pages 117-124 for details on the materiality assessment and derived topics.

ABOUT THIS REPORT

REPORTING STANDARDS AND FRAMEWORKS

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)	The Board's Statement on Risk Management And Internal Control Reporting to Board Audit Committee Internal Audit and Internal Control Mechanisms	Independent Auditor's Report (Refer pages 417-418) Appointed Actuary's Report (Refer page 416)
	Regulation of Insurance Industry Act No. 43 of 2000 and amendments including Guidelines, Determinations, Circulars, Rules and Regulations issued by the IRCSL		
	The Companies Act No. 7 of 2007		
	IRCSL Direction No. 2 of 2022 – Corporate Governance Framework for Insurers		
	Code of Best Practice on Corporate Governance issued by CA Sri Lanka		
Integrated Reporting	International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework		Independent Assurance Report on Integrated Reporting (Refer pages 410-411)
	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		
	United Nations Sustainable Development Goals Sri Lankan Sustainability Reporting Standards (SLFRS S1 & S2)		Independent Assurance Report on Sustainability Reporting Financial Disclosure Pages 412-413

ADOPTION OF THE GUIDING PRINCIPLES OF THE <IR> FRAMEWORK

Area	Improvements to the Report 2025
Strategic focus and future orientation	The Report demonstrates stronger linkage between purpose, strategic direction, value creation and outcomes across the Company's reporting pillars.
Connectivity of information	Greater connectivity has been established between the operating context, risks, material matters, stakeholder priorities, strategy and performance across the Report.
Stakeholder relationships	The stakeholder universe reflected in the Report has been expanded, with clearer disclosure of stakeholder concerns, strategic responses and outcomes.
Materiality	Material matters and risks have been refined and realigned to reflect evolving concerns, regulatory expectations and strategic priorities.
Conciseness	Greater cross-referencing and consolidation of sections have helped reduce repetition and improve clarity.
Consistency and comparability	Comparative performance, milestones and progress are presented more clearly across the strategic pillars and Financial and ESG dimensions.

IMPROVEMENTS TO THE REPORT

Area	Improvements to the Report 2025
Content	Strengthened the Report's narrative around legacy, leadership and long-term value creation through milestones, journeys, case studies and comparative disclosures across Financial and ESG dimensions.
Reporting Structure and Connectivity	Revised the reporting structure to reduce repetition and improve flow, with ESG more directly embedded into strategy, value creation and the overall narrative. Strengthened linkages between context, strategic pillars, risks, material matters, stakeholders and outcomes.
Materiality and Risk Alignment	Realigned material matters and risks to reflect evolving concerns, changing regulatory expectations and the Company's risk landscape.
Governance and Accountability	Expanded reporting on governance and oversight across pillars and focus areas, while strengthening connections between governance, risk oversight, stakeholder concerns, strategic responses and outcomes.
Accessibility	Improved readability and navigation through clearer cross-referencing, visual pathways and a more intuitive report structure.
Digital Enhancement	Expanded the digital reporting experience through an interactive Annual Report platform, enhanced AI-enabled accessibility and supporting multimedia content.

Transparency

Reasonable steps have been taken to ensure that the Report presents material information in a clear, balanced and decision-useful manner. The Report reflects improved connectivity across strategic, financial and ESG-related disclosures, with clearer linkage between context, risks, material matters, stakeholder priorities and outcomes.

- Strengthened comparative and cross-referenced disclosures across the Report
- Enhanced presentation of milestones, journeys, case studies and performance highlights
- Improved visibility of both financial materiality and broader sustainability impacts



Accountability

Accountability remains central to the Report, reflecting Ceylinco Life's responsibility to policyholders, shareholders and other stakeholders. The Report demonstrates clearer alignment between stakeholder concerns, strategic responses, governance oversight and reported outcomes.

- Stronger linkage between stakeholder concerns, strategic responses and outcomes
- Expanded reporting on governance and oversight across pillars and focus areas
- Clearer articulation of responsibility for reported financial and non-financial matters



Governance

High standards of governance and oversight continue to underpin the Report. Governance-related disclosures have been more closely integrated across the reporting pillars, demonstrating stronger alignment between Board oversight, strategic priorities, risk management and sustainability-related matters.

- Improved governance and oversight reporting across all pillars and sub-focus areas
- Stronger integration of governance, risk oversight and strategic decision-making
- Continued strengthening of sustainability-related governance and reporting oversight



Sustainability

Sustainability is increasingly embedded within the Company's overall strategy, operations and reporting approach. Rather than being treated as a separate theme, ESG-related matters are directly integrated into the Report and the organisation's strategic priorities, reflecting the extent to which sustainability considerations are embedded in value creation, risk management and long-term decision-making.

- ESG embedded more directly into the overall reporting narrative
- Continued strengthening of SLFRS S1 and S2-related disclosures
- Material matters refined to reflect evolving regulatory, stakeholder and sustainability priorities



ABOUT THIS REPORT

FORWARD-LOOKING STATEMENTS

This Report contains statements relating to the Company's outlook, future strategy and expected performance. Ceylinco Life recognises that a range of risks, uncertainties and external factors may cause actual outcomes to differ materially from the expectations set out in this Report.

The Company does not undertake any obligation to publicly update or disclose any revisions to forwardlooking statements as a result of changes in circumstances or events arising after the reporting date.

PRECAUTIONARY PRINCIPLE

Ceylinco Life adopts a precautionary approach to environmental and social sustainability, taking practical measures to mitigate potential adverse effects on the environment and the communities within which it operates.

The Company also gives due consideration to sustainability-related matters, including climate-related issues, by incorporating Sustainability-related Risks and Related Opportunities (SRROs) into its risk management and reporting processes. This enables stronger decisionmaking, supports resilience and reinforces responsible stewardship across the business.

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: +94112461117
E mail:sandeepas@ceylife.lk
Web: www.ceylincolife.com

BOARD RESPONSIBILITY STATEMENT

Dear Stakeholder,

This Integrated Report sets out the strategies adopted during the year to navigate the evolving operating environment and create sustainable value over the long term. It provides insight into our outlook and future direction, while presenting a balanced view of our performance and the matters material to our stakeholders that have been adequately disclosed.

The contents of this Report were prepared under the guidance and direction of the Corporate and Strategic Management teams and reviewed by both internal staff members and external consultants. The Board is satisfied that the Report is prepared in accordance with the applicable reporting frameworks, as outlined on page 7. The Board acknowledges its full and final responsibility for ensuring the integrity of the Report and its contents. All information presented herein has been assessed by the Board for its accuracy, validity and relevance to decision-making.

This Report was approved by the Board of Directors on 25th February 2026.

Signed for and on behalf of the Board by;



R Renganathan
Executive Chairman

25 February 2026



E T L Ranasinghe
Managing Director / Chief Executive Officer

25 February 2026

NAVIGATING THIS REPORT

CAPITALS

- FC — Financial Capital
- SC — Social and Relationship Capital
- MC — Manufactured Capital
- HC — Human Capital
- IC — Intellectual Capital
- NC — Natural Capital

STRATEGIC PILLARS

- Financial Performance
- Environmental Sustainability
- Social Responsibility
- Corporate Governance

Stakeholders

- Shareholders
- Policyholders and Beneficiaries
- Employees
- Reinsurers
- Actuaries
- Suppliers
- Sales Agents
- Regulators
- Industry Associations
- Banks and Financial Institutions
- Community and Environment

Risks and Opputunities

- IR — Insurance Risk
- RR — Regulatory Risk
- FR — Financial Risk
- OR — Operational Risk
- SR — Strategic Risk
- LC — Low Carbon Transition Risk
- DR — Data Security Risk
- TR — Tax Legislation Risk
- REP — Reputational Risk
- SR01 — Digital Transformation & Data Insights

Material Topics

- M1 — Financial Resilience, Capital & ALM
- M2 — Competitive Positioning
- M3 — Responsible Investment & Long-Term Value
- M4 — LFRS 17 & SLFRS 9 Implementations
- M5 — Climate Change & Energy Transitions
- M6 — Customer Experience & Trust
- M7 — Community Protection & Financial Inclusion
- M8 — Talent Capability & Employee Well-being
- M9 — Ethical Business Conduct & Compliance
- M10 — Cybersecurity & Data Privacy
- M11 — Digitalisation & Automation

UN SDGs



ENABLING ACCESSIBILITY AND CONVENIENCE THROUGH DIGITAL TRANSFORMATION

Ceylinco Life continues to strengthen the accessibility and convenience of its Annual Report through ongoing digital transformation initiatives. By integrating interactive platforms, intelligent technologies, and visual storytelling tools, the Company seeks to make key information more accessible and engaging for a diverse range of stakeholders.

These initiatives support a more seamless reading experience, enabling stakeholders to explore the Company's performance, strategy, and impact through intuitive and user-friendly digital channels.



DEVELOPMENT OF AN INTERACTIVE DIGITAL ANNUAL REPORT PLATFORM

During the year, the Company's IT team successfully designed and launched an interactive Annual Report website fully in-house. The platform enables stakeholders to navigate key disclosures, financial highlights, and sustainability information through a dynamic digital interface. By presenting the report in an interactive web format, the Company enhances accessibility while providing readers with a more engaging and convenient way to explore its disclosures.



ENHANCING AI-POWERED ASSISTANCE WITH VOICE CAPABILITIES

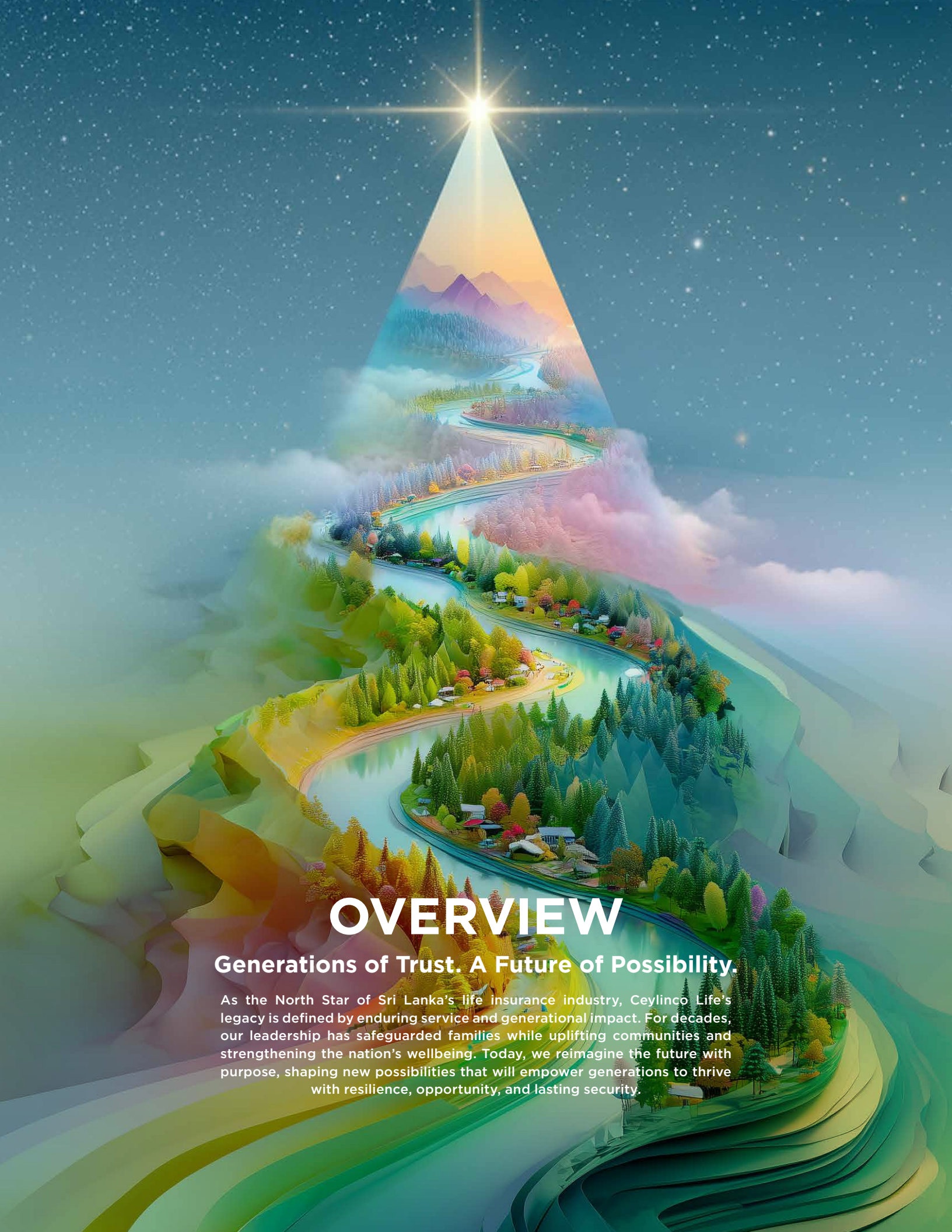
The Company further strengthened its digital engagement capabilities by upgrading its AI-powered virtual assistant with voice-enabled functionality. This enhancement enables more intuitive interaction with digital platforms, allowing users to access information and support services more easily while improving the overall accessibility of digital advisory tools.



INTRODUCING A VISUAL IMPACT OVERVIEW THROUGH THE ANNUAL REPORT VIDEO

To complement the written report, an Annual Report impact video was developed to provide stakeholders with a concise visual overview of the Company's key achievements during the year. The video highlights major developments across performance, strategy, and impact, enabling stakeholders to quickly grasp the organisation's progress through a simplified and engaging format.

Scan the QR code to access the video.



OVERVIEW

Generations of Trust. A Future of Possibility.

As the North Star of Sri Lanka's life insurance industry, Ceylinco Life's legacy is defined by enduring service and generational impact. For decades, our leadership has safeguarded families while uplifting communities and strengthening the nation's wellbeing. Today, we reimagine the future with purpose, shaping new possibilities that will empower generations to thrive with resilience, opportunity, and lasting security.

ABOUT US



GUIDED FOR

For Life.
For Generations.

Like the North Star that remains steady amidst shifting skies, Ceylinco Life stands as a constant in Sri Lanka's life insurance landscape, guiding generations with clarity, security, and confidence. Built on over three decades of financial strength, enduring trust, and responsible growth, the Company has become a benchmark for stability and leadership in the industry. By combining innovation with disciplined stewardship and customer-centric solutions, Ceylinco Life continues to evolve while remaining firmly anchored to the values that define its legacy.

OUR TRUE NORTH

The enduring principles that shape our vision, guide our mission, and anchor our values.

OUR GUIDING STAR

VISION

To take the message of life insurance and retirement planning to every Sri Lankan and provide protection to every family.

OUR PATH FORWARD

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 GUIDING COMPASS

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.

A LEGACY OF LEADERSHIP

For 38 years, Ceylinco Life Insurance Limited has played a defining role in shaping Sri Lanka's life insurance industry. What began as a growing life insurance segment within a broader composite insurer has evolved into the country's undisputed market leader guided by foresight, resilience, and an unwavering commitment to long-term protection. Across key phases of economic change, regulatory reform, and sector liberalisation, the Company has consistently played a leadership role introducing solutions, standards, and practices that shaped the life insurance industry in Sri Lanka.



Our legacy dates back to Ceylon Insurance Company Limited, founded in 1939. Ceylinco Insurance Co. Limited commenced in 1988 and later became Ceylinco Insurance PLC. (CIPLC). The Life Division of CIPLC was segregated as Ceylinco Life Insurance Limited by operation of law and commenced business in 2015.

LEADERSHIP THROUGH INDUSTRY FIRSTS...

01st in Sri Lanka

Institutional Leadership

- First Ceylonese public company registered under the Companies Ordinance (1938)
- First Sri Lankan public company to be registered in British-ruled Ceylon (1939)
- Ceylon Insurance Company recognised as the leading insurer in Sri Lanka prior to nationalisation (1962)

Financial Leadership

- First life private insurer to surpass Rs. 1 billion in annual premium income (1998)

Product Leadership

- Sri Lanka's first critical illness insurance product 'Ceylinco Life Digasiri' (1991)
- Sri Lanka's first pension product addressing retirement needs (1999)

Digital Leadership

- Sri Lanka's first online life insurance plan and introduction of tele-underwriting (2012)

Professional and Ethical Leadership

- Produced Sri Lanka's first MDRT qualifier (1993)
- Won the first-ever CSR Award for an insurance company in the Asia Pacific Region (2005)
- Pioneer in introducing LUTC and AMTC courses in Sri Lanka.

Environmental Leadership

- Pioneer of green building practices in the sector, integrating energy efficiency and sustainable design models (2014)

LEADERSHIP THROUGH SUSTAINED EXCELLENCE...

38 years of excellence

Market Leadership & Recognition

- 22 years of market leadership; private-sector life insurance leader since 1992
- 19 consecutive years as People's Life Insurer of the Year
- 12-time winner Best Life Insurance Company in Sri Lanka - World Finance (2025)
- No. 1 insurance brand in Sri Lanka, and ranked 22nd overall - Sri Lanka 100 (2025) by Brand Finance, recording a +5 growth in rankings
- Five national and international awards recognising excellence in brand leadership, service quality, governance, and reporting

Customer Trust & Long-Term Relationships

- Differentiated loyalty programmes with unmatched rewards, including overseas travel through Ceylinco Life Family Savari.
- Pranama Scholarships Scheme, supporting education and intergenerational value creation

22 years of consecutive market leadership	**19** years adjudged People's Life Insurer of the Year
12 years winning Best Life Insurance Company in Sri Lanka	**84.3%** brand value growth since 2023
AAA- brand rating by Brand Finance	Rs. **6.45** Bn brand value

Rather than episodic success, the Company's leadership is reflected in its ability to deliver a strong performance year after year earning the confidence of customers, regulators, and the wider market.

This sustained excellence is demonstrated through long-term market leadership, repeated third-party recognition, and growing brand strength outcomes underpinned by disciplined governance, customer-centric strategy, and a clear focus on long-term value creation.

Refer 'Financial Performance' (pages 155-198) for market leadership insights.

Refer 'Social Responsibility' (pages 224-318) for customer-facing initiatives.

Refer 'Awards and Accolades' (pages 26-27) for industry recognition.

ABOUT US

LEADERSHIP THROUGH HOLISTIC IMPACT...

At Ceylinco Life Insurance Limited, impact extends beyond financial performance to the protection of lives, the security of families, responsible environmental stewardship, and sustained economic contribution. The Company's approach is deliberate, measurable, and embedded within its core business model.

3P impact

PEOPLE



Social Protection Inclusion & Human Capital

Ceylinco Life's most significant social contribution lies in the scale of lives protected and futures secured across Sri Lanka.

- **One million lives covered across the portfolio**
  Providing financial protection through life, health, savings, and retirement solutions.
- **147,538 active retirement futures**
  Active retirement policies supporting long-term income security and financial dignity.
- **102,581 lives covered against Non-Communicable Diseases**
  Strengthening resilience against major health risks.
- **Rs. 31.4 Bn claims and benefits paid during the year**
  Delivering timely financial assistance to policyholders and their families.
- **Rs. 200 Bn Bn total claims and benefits paid to date**
  Demonstrating sustained legacy impact and long-term financial commitment.

Workforce Stability & Capability Development

Ceylinco Life continues to invest in organisational stability and talent development, while offering opportunities for employment.

- **87% employee retention rate**
  Reflecting operational continuity and institutional expertise.
- **13 trainees absorbed into permanent roles**
  Supporting youth employment and internal capability building.
- **10% of leadership positions held by women**
  Indicating progress in gender representation at senior levels.

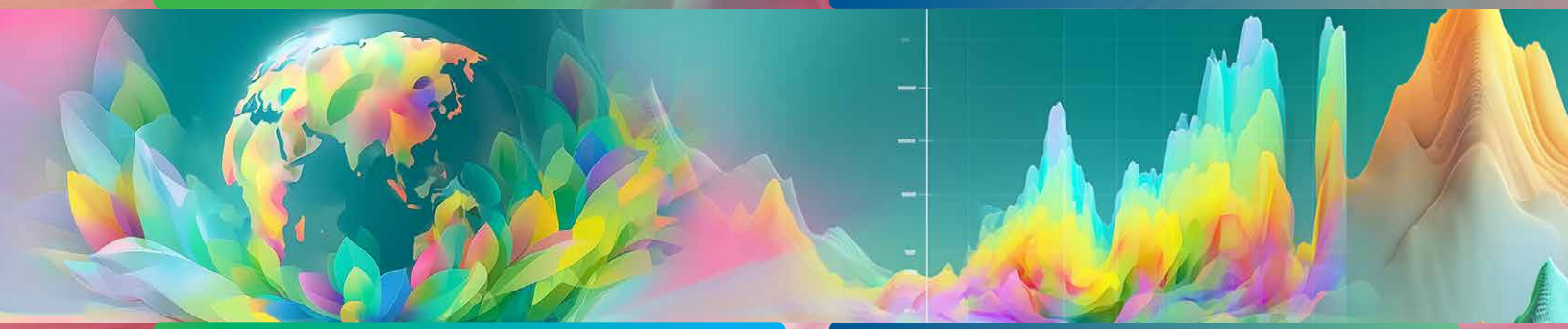
Expanding Access and Community Development

Ceylinco Life contributes to community development by expanding access and supporting educational and family-focused initiatives.

- **Nationwide presence across 119 locations**
  Enabling access to financial protection across urban and regional communities.
- **3,466 scholarships awarded and 3,800 Family Savari beneficiaries**
- **12 health camps conducted, and 5 HDUs supported.**
  Strengthening community well-being through education infrastructure development and healthcare outreach initiatives such as Waidya Hamuwa.
- **89 classrooms developed and maintained**

PLANET

PROFIT: ECONOMIC CONTRIBUTION



Environmental Responsibility in Operations

Environmental stewardship is integrated within branch operations, infrastructure planning, and digital transformation initiatives.

- **94% of own branch powered by solar energy**
  Advancing renewable energy adoption across operations.
- **429 tonnes of CO_2 emissions avoided**
  Through renewable installations and energy-efficiency initiatives.
- **1% reduction in overall energy usage (YoY)**
  Driven by conservation measures and improved monitoring systems.
- **32 green buildings**
  Strengthening environmentally responsible infrastructure within the operational footprint.

Economic Contribution & Financial Strength

As a life insurer, economic impact is reflected in capital stability, long-term fund security, and sustained contribution to national development.

- **Rs. 287 Bn in total Assets Under Management (AUM)**
  Supporting long-term policyholder commitments.
- **Rs. 201.8 Bn Life Fund**
  Safeguarding future claims and retirement obligations.
- **Rs. 67.9 Bn Shareholders' Fund**
  Providing capital resilience and growth capacity.
- **19.45% market share**
  Reflecting customer trust and industry position.
- **Rs. 980 Mn Dividends to Shareholders**
  Delivering shareholder returns while sustaining long-term stability.

38 YEARS OF TRUST, PROTECTION AND PROMISE

1939

Ceylon Insurance Company was formed on 3 April 1939 as the first Ceylonese insurance company and the first ever company to register under the Companies Ordinance No. 51 of 1938.

1962

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

1987

Ceylinco Insurance Company Limited was incorporated on 11 February 1987 under the Companies Act No. 17 of 1982 and received its licence to carry out long-term insurance business on 11 February 1987.

1988

Ceylinco Insurance PLC (presently known as Ceylinco Holdings PLC) began with a solid and innovative start. The business commenced on the 14th of January 1988 with Life and General Insurance.

1991

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

1992

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

1993

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

1998

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

2001

Launched Pranama Scholarships for the first time

2004

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

2005

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

2008

Won 'People's Life Insurance Brand of the Year' by SLIM for the 11th consecutive year

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

2014

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

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

2016

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

2017

Won 'Best Life Insurer in Sri Lanka' by World Finance for the 4th consecutive year

2019

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

2020

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

2021

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

2022

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

2023

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

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.



2025

Ceylinco Life reinforced its position as Sri Lanka's largest life insurer for the 22nd consecutive year.

The Life Fund crossed the Rs. 200 billion mark to reach Rs. 201.81 billion, and the investment portfolio expanded 13.9% to Rs. 253.43 billion, reflecting the Company's financial strength. These milestones highlight Ceylinco Life's commitment to providing reliable, customer-focused life insurance, backed by prudent investment management and sustainable growth.

YEAR AT A GLANCE

CHARTING A PURPOSEFUL PATH OF GROWTH...

- Throughout 2025, Ceylinco Life continued to navigate with clarity and purpose.
- From strengthening customer engagement during Life Insurance Week, to reaffirming public trust through its 19th consecutive People's Award, the year reflected sustained brand leadership.
- Experiential engagement initiatives such as Family Savari strengthened emotional connection with policyholders, while recognition through Brand Finance rankings reinforced corporate credibility.
- Expansion initiatives including new branch openings and setting the foundation of a green branch demonstrate a forward- looking commitment to accessibility and sustainable infrastructure.
- Community programmes such as the WaidyaHamuwa and Classroom Developments reflect the Company's enduring promise to uplift lives beyond financial protection.
- Each milestone represents a star in the constellation individually powerful, collectively guiding the journey forward.



Life Insurance Week

February

Strengthening public awareness and engagement around life insurance protection.



19th SLIM-KANTAR People's Award

March

Reaffirming our position as a brand closest to the hearts of Sri Lankans.



Annual Awards Ceremony

March

Celebrating performance excellence across the organisation, with over 250 sales agents recognised for their performance.



Father's Day Campaign

June

Honouring fathers as protectors and guiding forces, reinforcing the Company's promise of lifelong security.



Family Savari

April – June

Facilitating Family Savari tours to Malaysia and China and Pearl Bay creating memorable family experiences for 265 valued policyholders and their families.

Brand Finance®

Brand Finance Ranking

August

Ranked as the most valuable life insurance brand in Sri Lanka and 22nd most valuable overall brand.

September - December

Launch and nationwide rollout of the 19th edition of Sri Lanka's largest customer loyalty programme, with 37,000 policyholders awarded with overseas tours to date.



24th Pranama Scholarships

September

A multi-tier scholarship programme recognising academic excellence and empowering the next generation, with 128 students awarded during the year.



Nittambuwa Branch Opening

November

Strengthening regional outreach with the opening of a purpose-built branch, enhancing customer accessibility and service delivery.



Waidyahamuwa Health Camps

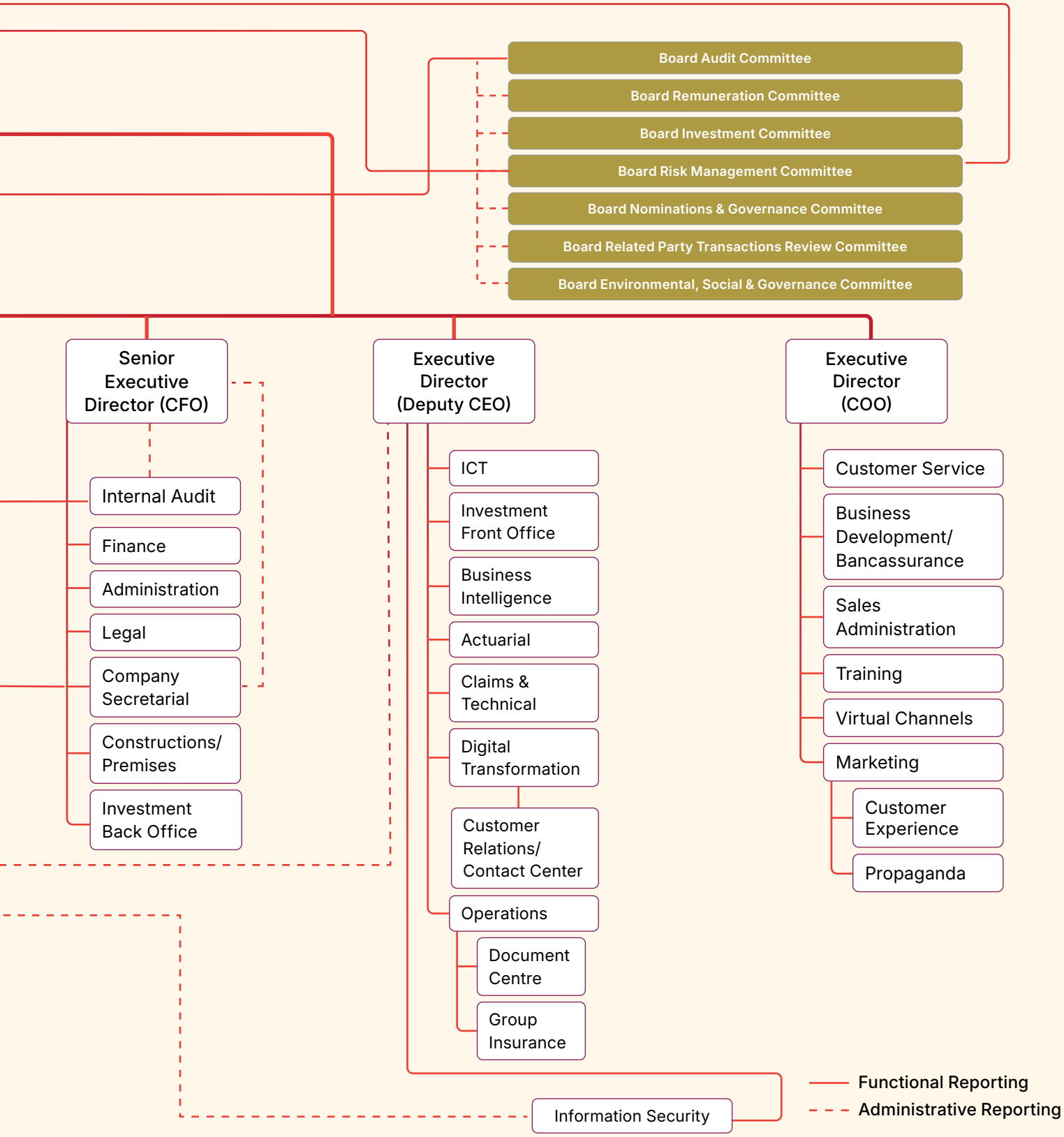
January - December

Conducted a series of community health camps under the Waidyahamuwa programme, providing free medical consultations and essential healthcare support to underserved communities, benefitting over 2,900 individuals.

ORGANIZATION STRUCTURE



- Chairman & the Board of Directors
- MD/CEO
- Senior Executive Director
- IS Audit
- Human Resources
- Digital Data Analytics
- Channel Development
- Risk Management
- Investment Middle Office
- Compliance/Data Protection


Board Audit Committee
Board Remuneration Committee
Board Investment Committee
Board Risk Management Committee
Board Nominations & Governance Committee
Board Related Party Transactions Review Committee
Board Environmental, Social & Governance Committee
Senior Executive Director (CFO)
Executive Director (Deputy CEO)
Executive Director (COO)
Internal Audit
Finance
Administration
Legal
Company Secretarial
Constructions/ Premises
Investment Back Office
ICT
Investment Front Office
Business Intelligence
Actuarial
Claims & Technical
Digital Transformation
Customer Relations/ Contact Center
Operations
Document Centre
Group Insurance
Customer Service
Business Development/ Bancassurance
Sales Administration
Training
Virtual Channels
Marketing
Customer Experience
Propaganda
Information Security
Functional Reporting
Administrative Reporting

FINANCIAL HIGHLIGHTS

Year Ended 31 December	Company		
	2025 Rs.'000	2024 Rs.'000	Change %
Results for the Year			
Gross Written Premium	44,182,751	37,140,416	18.96
Net Claims / Net Benefits	31,074,962	25,048,619	24.06
Increase in Long Term Insurance Fund	20,681,104	23,051,748	(10.28)
Investments and Other Income	28,253,583	28,408,237	(0.54)
Shareholder Transfer	3,500,283	3,006,999	16.40
Profit Before Taxation	11,213,032	10,052,081	11.55
Profit After Taxation	7,847,198	7,071,487	10.97
Position at the Year End			
Shareholder's Equity	67,860,172	60,745,459	11.71
Long Term Insurance Fund	201,814,463	180,895,714	11.56
Investments	253,426,587	222,508,618	13.90
Total Assets	287,023,598	251,437,154	14.15
Per Ordinary Share			
Earnings (Basic) (Rs.)	156.94	141.43	10.97
Final Dividends - Proposed (Rs.)	19.60	17.70	10.73
Final Dividends - Paid (Rs.)	17.70	15.00	18.00
Net Asset Per Share (Rs.)	1,357.20	1,214.91	11.71
Ratios			
Return on Total Assets (%)	2.73	2.81	(2.70)
Return on Equity (%)	11.56	11.64	(0.65)
Dividend Cover on Proposed Dividend (Times)	8.01	7.99	0.22
Dividend Payout Ratio on Proposed Dividend (%)	12.49	12.52	(0.25)
Capital Adequacy			
Total Available Capital (TAC) (Rs. Mn)	110,445	100,862	9.50
Risk Based Capital Requirement (RCR) (Rs. Mn)	25,543	22,496	13.54
Risk-based Capital Adequacy Ratio (CAR) (%)	432	448	(3.56)
Minimum CAR (%) Required by Regulator	120	120	-

NON- FINANCIAL HIGHLIGHTS

Environment	GRI Relevance	Unit of Measure	2025	2024
Electricity consumption		MWh	**1,449**	1,440
Fuel consumption		Liters	**175,939**	176,040
Water withdrawal		Liters	**23,972**	24,716
Direct GHG emissions (Scope 1)		tCO2e	**326**	248
Energy indirect GHG emissions (Scope 2)		tCO2e	**605**	616
Other indirect GHG emissions-(Scope 3)		tCO2e	**1,835**	1,999
Indirect GHG emissions from products used by the organisation (Scope 4)		tCO2e	**-**	-
Total GHG emissions		tCO2e	**2,766**	2,863
Weight of waste paper recycled through 3rd party contractors		Kg	**4,950**	6,102
Significant environmental fines		Rs. Mn	**Nil**	Nil

Social	GRI Relevance	Unit of Measure	2025	2024
Inclusive Protection and Solutions				
Sustained complaints on breach of customer privacy and loss of customer data		Count	**Nil**	Nil
Non-compliance with social and economic laws and regulations		Count	**Nil**	Nil
Incidents of non compliance concerning product and service information and labeling.		Count	**Nil**	Nil
Customer complaints as a percentage of active policies		Count	**0.07**	0.07
Empowering People				
New employees		Count	**75**	92
Employee turnover		Count	**95**	103
Total employees		Count	**708**	729
Estimated value of Defined Benefit Plans		Rs Mn	**3,324**	2,667
Work-related injuries		Count	**Nil**	Nil
Work-related ill health		Count	**Nil**	Nil
Incidents of child labour		Count	**Nil**	Nil
Average hours of training per employee		%	**20.2**	19.87
Employees receiving regular performance and career development reviews		%	**100**	100
Incidents of discrimination		Count	**Nil**	Nil
Incidents of forced or compulsory labour		Count	**Nil**	Nil
Trusted Partnerships				
Number of Pranama scholarships recipients		Count	**128**	152
Value of Pranama scholarships granted		Rs.Mn	**18**	22
Number of sales agents		Count	**2,673**	2,577
Female representation in agency force		%	**56**	54
Number of MDRT qualifiers		Count	**277**	313
Premium ceded to reinsurers		Rs.Mn	**700**	550
Number of new policies Issued		Count	**65,916**	61,325
Resilient Communities				
Number of Waidya Hamuwa programs conducted		Count	**12**	12
Number of class room developed and maintained		Count	**89**	89

Governance	GRI Relevance	Unit of Measure	2025	2024
Direct economic value added		Rs. Bn	**72**	65
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	**11:06**	10:05
Female representation on the Board		%	**23**	13
Reported incidents of corruption		Count	**Nil**	Nil
Incidents of non-compliance concerning marketing communication		Count	**Nil**	Nil

AWARDS AND ACCOLADES

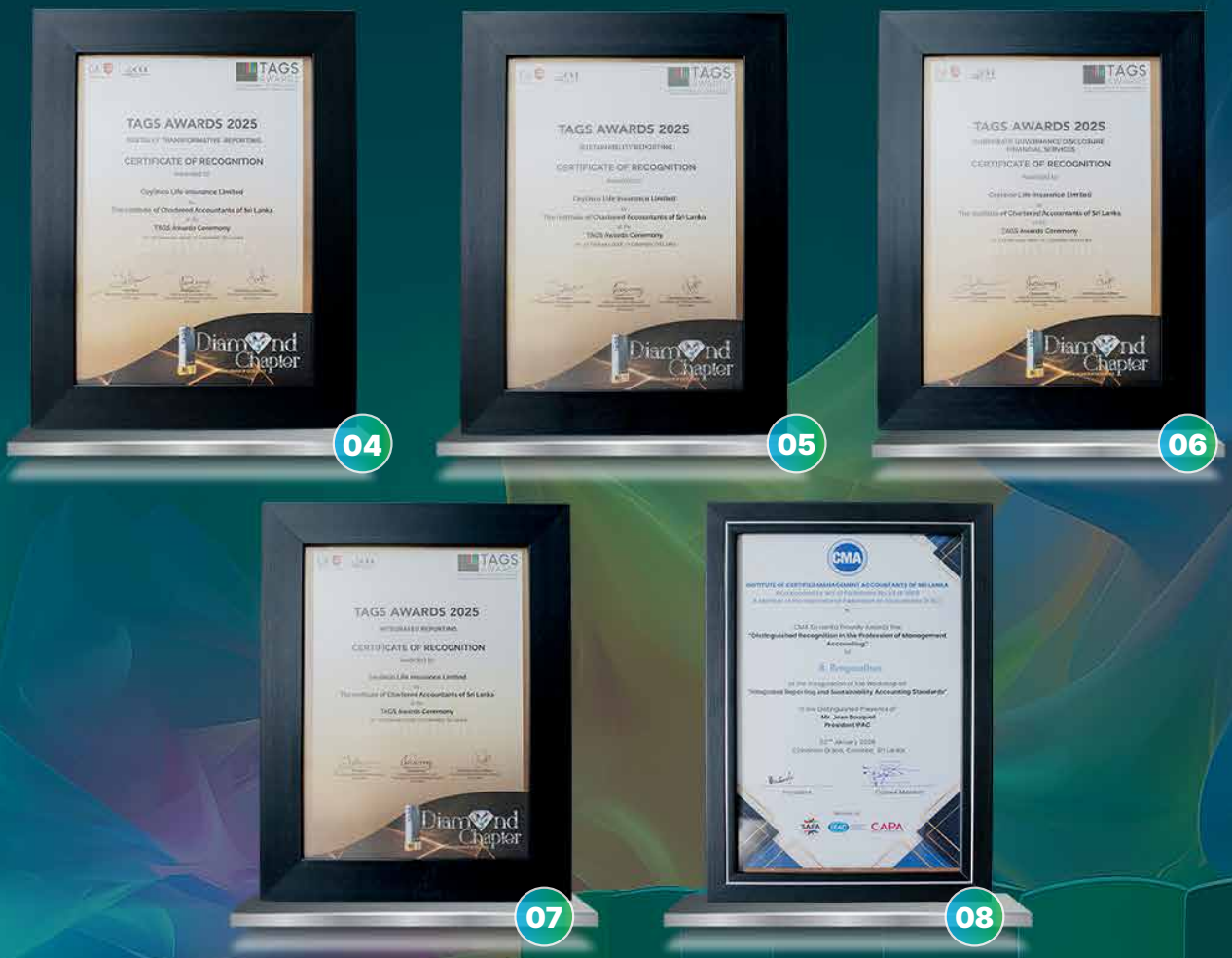


Ceylinco Life remains committed to upholding the highest standards of corporate reporting, recognising transparency and accountability as fundamental to building stakeholder trust. The Company views its annual report as a strategic communication platform that provides stakeholders with clear insights into its performance, governance, and long-term value creation.

Accordingly, the Company continuously enhances its disclosures in line with evolving global best practices and reporting frameworks, ensuring greater clarity, relevance, and depth in communicating its strategic direction.

These efforts have been recognised across several prestigious platforms, including the CMA Excellence in Integrated Reporting Awards, the TAGS Awards, and accolades from ACCA. While these recognitions affirm the Company's commitment to reporting excellence, they also serve as a strong motivation to continuously elevate standards and further strengthen transparency and accountability in the years ahead.

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.



01 Most Popular Life Insurance Brand in Sri Lanka SLIM Kantar Peoples Awards

02 Insurance Sector - Silver Award (Gross Written premium above LKR 10 Bn) - TAGS Awards

03 ACCA Awards Winner - Other financial services Category

04 Digitally Transformative Reporting

05 Sustainability Reporting

06 Corporate Governance Disclosures - Financial Services

07 Integrated reporting

Certificate of Recognition - TAGS Awards

08 Distinguished Recognition in the profession of management accounting - Chairman's Special Recognition by CMA Sri Lanka

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). The organisation commenced operations in 1988 as the life insurance division of CIPLC. In line with Section 53 of the Regulation of the Insurance Industry (Amendment) Act No. 03 of 2011, which required the separation of life and general insurance businesses, Ceylinco Life Insurance Ltd. was incorporated on April 22, 2014, and formally commenced operations as a standalone life insurance company on June 1, 2015.

Since then, the Company has continued to grow and evolve, strengthening its organisational structure and expanding its portfolio of solutions designed to provide comprehensive financial protection and long-term security. Today, in addition to being a leading provider of life insurance, Ceylinco Life's subsidiaries and associate companies extend their offerings across retirement living, healthcare solutions, and financial services.

Through this integrated ecosystem of services, the Group remains committed to safeguarding the interests of its stakeholders, enhancing quality of life, and enabling individuals and families to build a more secure and prosperous future.

CEYLINCO HOLDINGS PLC

Ceylinco Holdings PLC

Ceylinco Holdings PLC is the parent company of Ceylinco Life Insurance Limited, and owns 100% of the Company's share capital.

Parent

Ceylinco Life Insurance Limited



Subsidiary

Ceylinco Healthcare Services Limited

99.60%

With the most advanced cutting-edge services and equipment, Ceylinco Healthcare Services Limited (CHSL) is one of the nation's most specialised private cancer care facilities. A primary service provided by CHSL is the Ceylinco Cancer Centre.

Subsidiary

Serene Resorts Limited

98.88%

The country's first retirement resort, situated in Uswetakiyyawa, is owned and run by Serene Resorts Limited. Serving active and assisted living retirees, this medium-sized resort has 16 two-bedroom chalets and 28 single-bedroom cabins. It has amenities that offer senior adults a holistic living experience that enables them to enjoy their golden years, including a swimming pool, mini gym, library, restaurant, reading room, emergency alarm systems, and more.

Associate

Kings Hospital Colombo (Pvt) Ltd

43.69%

Kings Hospital Colombo, located in Narahenpita is a modern corporate hospital run by clinical specialists. It offers value-based healthcare, compassionate, high-quality medical care, and is one of the largest surgical centers in the country. The hospital offers primary services in dental sciences, renal medicine, orthopedics, paediatrics, surgery, cardiology, respiratory medicine, urology, internal medicine, gynaecology, and obstetrics.

Associate

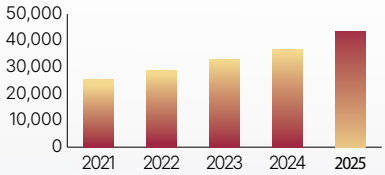
Citizens Development Business Finance PLC

29.98%

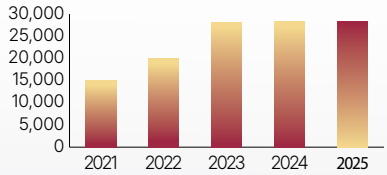
Citizens Development Business Finance PLC (CDB) is a financial institution registered under the Finance Leasing Act No. 56 of 2000 and regulated by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

VALUE ADDED STATEMENT

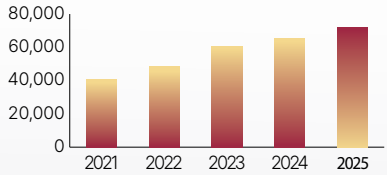
Net Earned Premium
Rs.Mn



Investment & Other Income
Rs.Mn



Total Value Added
Rs.Mn

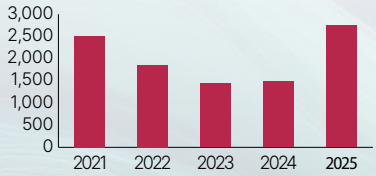


Rs. 43.51 Bn
Net Earned Premium

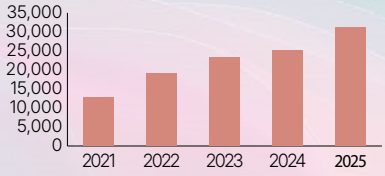
Rs. 28.25 Bn
Investment & Other income

Rs. 71.76 Bn
Value Added

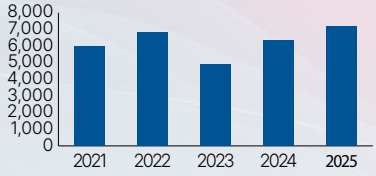
Other Expenditures — 4%
Rs.Mn



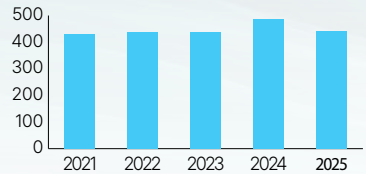
Net Claims and Benefits to Policyholders — 43%
Rs.Mn



Retained as Reserves for Growth — 10%
Rs.Mn



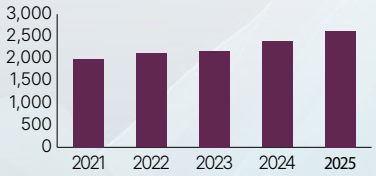
Retained as Depreciation & Amortization — 1%
Rs.Mn



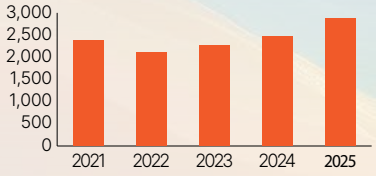


- Remuneration to Employees
- Commission to Intermediaries
- Taxes to the Government
- Dividend to the Shareholder
- Increase in Life Insurance Fund
- Retained as Depreciation & Amortization
- Retained as Reserves for Growth
- Net Claims and Benefits to Policyholders
- Other Expenditures

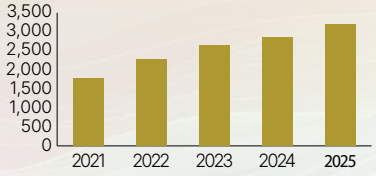
Remuneration to Employees — 4%
Rs.Mn



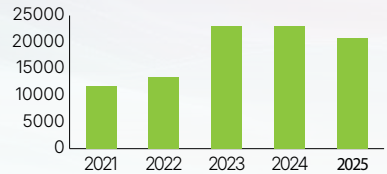
Commission to Intermediaries — 4%
Rs.Mn



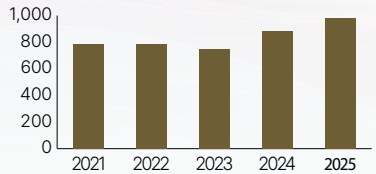
Taxes to the Government — 4%
Rs.Mn



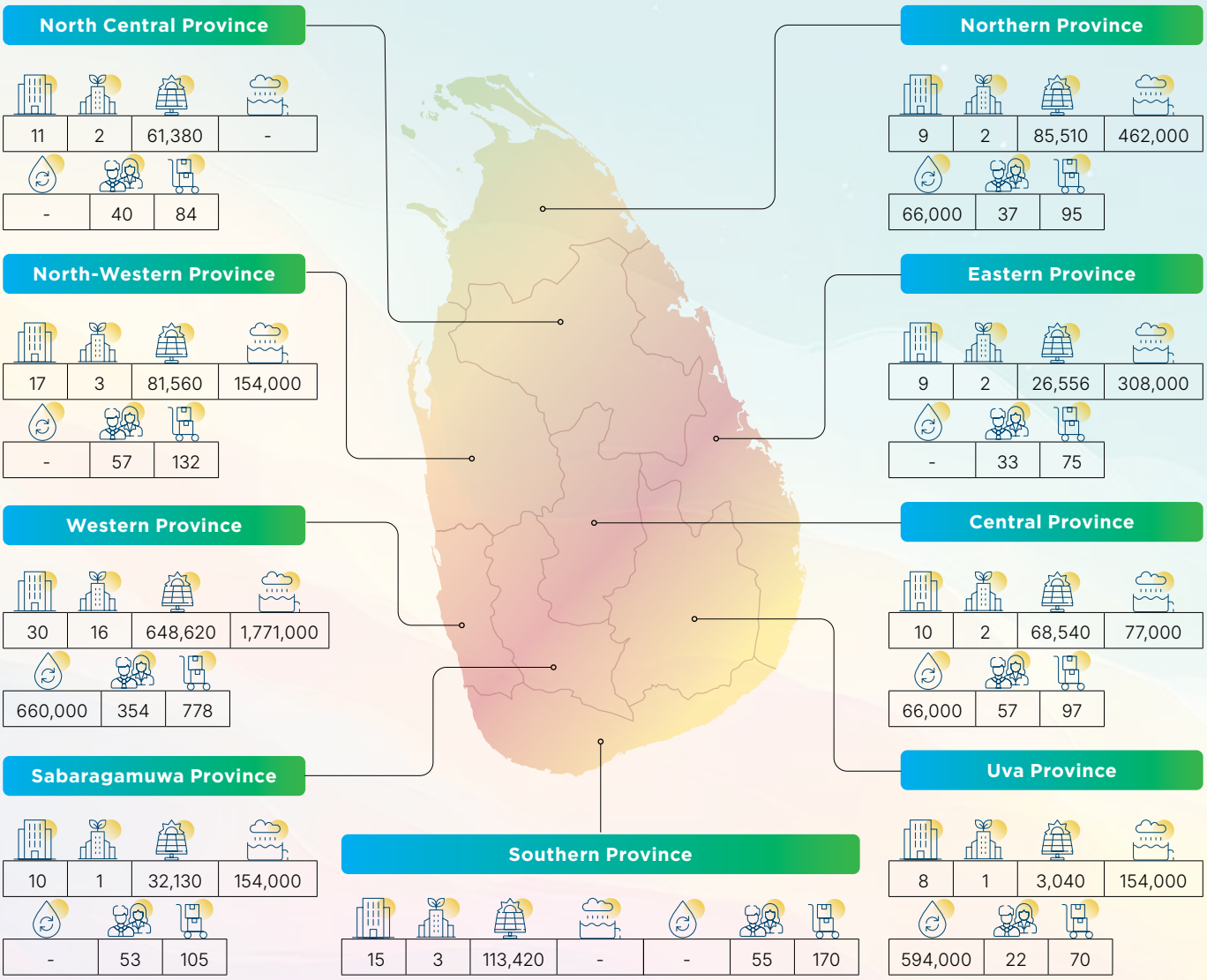
Increase in Life Fund Insurance Fund — 29%
Rs.Mn



Dividend to the Shareholder — 1%
Rs.Mn



OUR IMPACT STORY



Province	Branches	Green Building	Solar Generation (kWh)	Rainwater Harvesting (Ltrs)	Water Recycling (Ltrs)	Employees	Suppliers
Central Province	10	2	68,540	77,000	66,000	57	97
Eastern Province	9	2	26,556	308,000	-	33	75
North Central Province	11	2	61,380	-	-	40	84
North Western Province	17	3	81,560	154,000	-	57	132
Northern Province	9	2	85,510	462,000	66,000	37	95
Sabaragamuwa Province	10	1	32,130	154,000	-	53	105
Southern Province	15	3	113,420	-	-	55	170
Uva Province	8	1	3,040	154,000	594,000	22	70
Western Province	30	16	648,620	1,771,000	660,000	354	778
Total	**119**	**32**	**1,120,756**	**3,080,000**	**1,386,000**	**708**	**1,606**

LEADERSHIP



Leadership that stands true.
The North Star of the life insurance industry.

Like the North Star that guides travelers through the darkest nights, Ceylinco Life has led Sri Lanka's life insurance industry with unwavering purpose. Decades of steadfast leadership have cultivated trust, nurtured accountability, and placed the well-being of all stakeholders at the heart of every decision. As the industry moves forward, our Company remains a beacon of vision and resilience by illuminating a path of responsible growth and enduring care.

CHAIRMAN'S MESSAGE



Governance practices were further strengthened during the year through a refresh of the Board evaluation process and deeper committee-level oversight of strategy, risk and sustainability.

GUIDED

Sinhala and Tamil Translation

Dear Stakeholders,

I am pleased to present this message at the conclusion of a year in which we upheld disciplined execution and strengthened the foundations necessary to sustain performance in the year ahead. It is my privilege to present the 11th Integrated Annual Report and the Audited Financial Statements of Ceylinco Life Insurance Limited for the financial year ending 31 December 2025, outlining our performance, governance practices and value creation during the period.

The year under review was characterised by strong financial and operational performance, with the Company's Gross Written Premium and Profit Before Tax increasing by a respective 18.96% and 11.55%. The Life Fund increased to Rs. 201.81 bn, while Total Assets surpassed Rs. 287.02 bn, reinforcing the stability of our balance sheet. For the 22nd consecutive year, Ceylinco Life maintained its position as the undisputed market leader in Sri Lanka's life insurance industry, a distinction built on scale, financial strength and sustained policyholder confidence. During the year, the Company was also recognised as the People's Life Insurance Service Provider of the Year at the SLIM Kantar People's Awards, marking its 19th consecutive win. Ceylinco Life was also ranked Sri Lanka's most valuable insurance brand in the 2025 Brand Finance Sri Lanka reinforcing the strength of our brand and service excellence.

During the year under review, the Company's steadfast commitment to transparency, accountability, and sustainability in reporting was recognised at leading industry platforms. We were honoured to receive the Silver Award in the Insurance Sector (Gross Written Premium above Rs. 10 Bn) at the TAGS Awards 2025, reflecting the robustness and clarity of our integrated reporting practices. In addition, the Company was recognised as the Winner in the 'Other Financial Services' category at the ACCA Sustainability Reporting Awards 2025. These recognitions reaffirm our commitment to maintaining the highest standards of governance, transparency, and sustainability while continuously strengthening stakeholder confidence.

STABILISATION, REFORM AND RENEWED MOMENTUM

Sri Lanka's economic recovery strengthened in 2025, with GDP expanding by 5% year-on-year in the first nine months of the year. The rebound was led by a continued recovery in the industry sector and steady expansion in the services sector, supported by improving private consumption and investment. Having created deflationary effects since September 2024, inflation returned to positive levels in August 2025 and stabilised within low single digits. The extended period of subdued prices enabled the Central Bank of Sri Lanka to maintain an accommodative monetary policy stance, with cumulative rate reductions contributing to a sustained decline in lending and deposit rates.

For the life insurance sector, these developments carried multi-dimensional implications. Lower interest rates and improved credit flows supported household affordability and long-term savings capacity, while stabilising inflation improved income visibility for policyholders. At the same time, the evolving interest rate environment required disciplined asset-liability management to preserve investment margins and protect policyholder returns.

Life insurance penetration in Sri Lanka remains relatively low compared to regional benchmarks, reflecting significant untapped potential. The industry is, however, undergoing a period of transition which is reshaping competitive dynamics, demanding greater agility, innovation and customer-centricity across the sector.

Increased financial literacy, coupled with greater awareness of well-being, has led to a shift towards financial protection solutions while digital platforms are transforming customer interactions. The sector demonstrated resilience and steady expansion during the year with GWP growing by 23% reflecting the rising relevance of life insurance as a long-term financial safeguard. Claims increased by 25% during the period, reaffirming the sector's core responsibility of delivering financial security to policyholders and their families. While higher claims reflect increased utilisation of benefits, they also demonstrate the industry's capacity to meet obligations and uphold trust.

DELIVERING PERFORMANCE THROUGH DISCIPLINED STRATEGY

The Company delivered a year of commendable performance, recording 18.96% and 11.55% y-o-y increase in Gross Written Premiums and Profit Before Tax respectively during the year, while maintaining its market leadership position. The Company also sustained its strong capitalisation levels supporting balance sheet strength and policyholder security. A detailed review of the Company's performance is presented in the Chief Executive Officer's Review on pages 36-41 of this Report.

Our strategic focus remained clear and execution-driven. Operating excellence continued through disciplined cost management and improved channel productivity, supported by technology-enabled efficiencies. Digital investments translated into stronger analytics, enhanced lead visibility and more effective execution across channels. Customer relevance remained central to our approach as we continued to broaden our protection and savings propositions aligned with evolving customer preferences. Distribution depth was strengthened across our core agency network, complemented by focused expansion of the Virtual Financial Advisor channel. These initiatives are discussed in further detail in the Chief Executive Officer's Review on pages 36-41 of this Report.

INTEGRITY AND OVERSIGHT

Robust governance is fundamental to the Company's stability and resilience, and the Board continues to uphold uncompromising standards of ethics, accountability and integrity. We have obtained the approval of the Insurance Regulatory Commission of Sri Lanka to increase the maximum number of Directors on the Board from 15 to 17. This enhancement reflects our continued commitment to strengthening governance by bringing together broader expertise, diverse perspectives, and deeper industry insight to guide the Company's long-term strategic direction.

Consequent to this development, the composition of the Board Sub-Committees has also been revisited to ensure wider representation and more effective oversight. Operating at the highest standards of governance, these Committees continue to play a vital role in supporting the Board in providing strong stewardship and strategic guidance across the Company's key priorities.

The Board was further strengthened during the year with the appointment of Mr. E.R.S.G.S. Hemachandra as Executive Director/Chief Operating Officer, and Ms. N.M. Boralessa, Dr. R.C.J. Ferdinands and Mr. R. A. I. Elapata as Independent Non-Executive Directors. These appointments enhanced the Board's overall skills profile and diversity across gender, tenure and professional experience, enhancing the depth and effectiveness of decision-making and oversight.

Governance practices were further strengthened during the year through a refresh of the Board evaluation process and deeper committee-level oversight of strategy, risk and sustainability. This ensured greater clarity of accountability and sharper alignment between strategic priorities and risk management. The Board convened 05 times during the year, with deliberations centred on capital and liquidity discipline, risk management, regulatory developments, and oversight of culture, talent and sustainability. The Board maintained a disciplined focus on capital and liquidity management, ensuring continued compliance with Risk-Based Capital requirements while closely monitoring sensitivity to interest rate movements and maintaining prudent asset allocation.

As digital channels continued to scale, customer data protection and cyber resilience remained priorities, with strengthened internal controls and oversight mechanisms to safeguard operational integrity and policyholder confidence. The Board maintained active oversight of organisational culture and talent, with particular emphasis on leadership development, diversity and strengthening accountability across the Company.

CAPITAL RESILIENCE AND REGULATORY ALIGNMENT

During the year, the Insurance Regulatory Commission of Sri Lanka initiated a process to amend the existing Solvency Margin (Risk-based Capital) Rules issued in 2015. After a process of public consultation and feedback from the industry, an Exposure Draft was issued, taking into consideration the evolving asset markets, dynamic economic conditions of Sri Lanka and developments by global regulatory forums (Risk-based Global Insurance Capital Standard, issued by International

CHAIRMAN'S MESSAGE

Association of Insurance Supervisors). These proposed changes focus on ensuring adequate liability and capital assessments by insurers in Sri Lanka, reflective of risks undertaken by insurers.

In addition to the proposed enhancements to the Risk-Based Capital framework, the industry also engaged in public consultations on amendments to the Regulation of Insurance Industry Act. These revisions cover several important areas, including provisions relating to unclaimed benefits, administrative penalties, confidentiality and disclosure requirements, and strengthened fit and proper criteria for regulated individuals and entities. The proposed changes are expected to further strengthen the regulatory architecture of the industry, aligning it with evolving global standards such as the Insurance Core Principles and contemporary market practices.

While we welcome these developments as important steps toward enhancing governance, transparency, and financial discipline within the industry, the pace and breadth of regulatory reforms present practical implementation challenges. These include the need for significant investments in systems, processes, and specialised resources to ensure timely compliance. Continued engagement between regulators and industry participants will therefore remain essential to support a smooth transition while sustaining operational resilience and long-term sector growth.

Throughout the year, the Company maintained strong capital adequacy under the prevailing RBC regime and has proactively commenced preparations for potential revisions arising from the consultation. The Company's capital position remains commensurate with the risks undertaken and aligned with prudent balance sheet management. Reflecting this strength, the Company's Risk-Based Capital Adequacy Ratio (CAR) stood at 432% as at year-end, significantly above the regulatory minimum requirement of 120%. This level of capitalisation underscores the resilience of our financial position and our capacity to navigate evolving regulatory and market conditions with confidence.

DELIVERING STAKEHOLDER VALUE

The Company continued to generate solid returns for its shareholders, supported by disciplined capital management and sustained profitability. Return on Equity maintained at 11.56%, compared to 11.64% in 2024, reflecting enhanced earnings performance and efficient deployment of capital. Earnings Per Share increased to Rs. 156.94 from Rs. 141.43 in the previous year, underscoring the strength of the Company's earnings trajectory. In line with our commitment to delivering consistent shareholder returns while preserving financial stability and long-term sustainability, the Board has proposed a final dividend of Rs. 19.60 per share for the financial year 2025, subject to shareholder approval at the forthcoming Annual General Meeting.

Customer satisfaction levels improved in 2025, reflecting the consistency of our service standards and the end-to-end customer experience framework. Supported by targeted service excellence, training and enhanced digital capability, we remain focused on delivering seamless and responsive engagement across all channels. During the year, we improved collaboration across key customer touchpoints, streamlining onboarding and collections processes while accelerating the transition towards e-documentation and digital self-service platforms. These initiatives contributed to shorter turnaround times, improved accuracy and enhanced accessibility.

Our employees are the drivers of our strategic execution and the ambassadors of our brand, shaping customer experience. During the year, we continued to strengthen a performance-driven culture anchored in accountability and collaboration. Operational efficiencies were enhanced through expanded HRIS capabilities and automation reducing administrative burden and enabling employees to dedicate more time to higher-value activities. Investment in leadership capability also remained a priority, with a structured development programme for middle-level managers designed to build depth, succession readiness and execution discipline.

INTEGRATING SUSTAINABILITY FOR LONG-TERM RESILIENCE

Sustainability remains integral to the Company's long-term resilience particularly as social and environmental risks increasingly influence business performance and regulatory expectations. During the year, we continued to advance ESG integration across core areas of the business, embedding environmental, social and governance considerations within our processes and decision-making. Responsible investment remained a priority, including participation in green financing initiatives aligned with national and global sustainability objectives. Meanwhile, environmental interventions were also strengthened to reduce the operational footprint of the Company, with focused initiatives in waste management, renewable energy adoption and resource efficiency.

We also commenced reporting under SLFRS S1 and S2 Sustainability Disclosure Standards on a voluntary basis in 2024 and will continue to progressively enhance our disclosures to achieve full compliance in the years ahead. Accordingly, in 2025 we broadened our risk management lens by fully integrating sustainability-related risks and opportunities into our Enterprise Risk Management framework, aligning with the principles articulated in SLFRS S1 and S2. This enhancement extends beyond climate considerations to encompass broader environmental, social and governance dimensions, ensuring that these factors are assessed with the same discipline as traditional financial and operational risks. Our updated ERM Policy clearly defines governance structures, roles and accountabilities for managing sustainability risks across the organisation, enabling the Board to exercise more holistic oversight of long-term resilience.

WAY FORWARD

Against a backdrop of improving macroeconomic fundamentals, including stabilising inflation, lower interest rates and renewed economic growth, the outlook for the life insurance industry remains conducive. As household incomes recover and

business confidence strengthens, the demand for structured protection and long-term savings solutions is expected to improve. While life insurance penetration in Sri Lanka remains relatively low, it presents significant long-term upside potential. The evolving landscape also offers numerous structural opportunities; for instance, advances in artificial intelligence will enable more informed underwriting and improved servicing, while maintaining strict safeguards around data privacy. At the same time, demographic shifts, including a growing segment of younger digital natives and an ageing population will continue to influence our product propositions, distribution models and engagement strategies.

As we look to the future with optimism, we will continue to consolidate our leadership in protection and retirement solutions, while strengthening high-quality distribution partnerships and expanding alternative channels. Sustained focus will be placed on enhancing productivity and deepening customer relationships and reinforcing persistency to ensure durable earnings. At the same time, we will continue to strengthen organisational resilience through investing in technology modernisation, digital enablement and robust risk management frameworks to safeguard operational continuity.

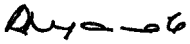
In parallel, we continue our structured preparation for the industry's transition to SLFRS 17 and SLFRS 9, which becomes mandatory for reporting periods after 1 January 2026. We remain aligned to our established roadmap and will be fully compliant by the third quarter of 2026, ensuring readiness for the issuance of the first audited financial statements under the new standard. This transition will further enhance transparency and strengthen the quality of financial disclosures for investors and stakeholders. We also expect to adopt the new RBC regime in the near future, ensuring compliance with regulatory timelines for the transition.

ACKNOWLEDGEMENTS

I extend my sincere appreciation to our Managing Director/Chief Executive Officer, Mr. Thushara Ranasinghe, the leadership team and all employees of Ceylinco Life for their continued dedication and professionalism throughout the year. I also acknowledge our sales force across the country, whose commitment and disciplined execution remain central to sustaining our market leadership and strengthening customer relationships.

My heartfelt appreciation goes to our valued policyholders, whose trust and confidence inspire us to continuously uphold the highest standards of service and reliability. We are equally grateful to our parent company, Ceylinco Holdings PLC, our subsidiaries and associates, whose collective strength enhances the reach, resilience and acceptance of the Ceylinco Life brand across Sri Lanka.

I also extend my thanks to the Insurance Regulatory Commission of Sri Lanka, other regulators, our reinsurers, advisors, consulting partners and all other stakeholders for their continued support and guidance. During the year, we bid farewell to Mr W W L R A Fernando, who retired from the Board after a distinguished period of service. On behalf of the Board, I wish to express our heartfelt appreciation for his invaluable contributions, thoughtful counsel, and unwavering commitment to the Company's progress. Finally, I acknowledge my colleagues on the Board of Directors for their counsel, oversight and steadfast commitment to strong governance and long-term value creation.



R. Renganathan
Executive Chairman

25 February 2026
Colombo

CHIEF EXECUTIVE OFFICER'S REVIEW

Technology modernization, cybersecurity resilience and readiness for SLFRS 17 will remain key priorities, alongside continued investment in people and culture.



GUIDED

Sinhala and Tamil Translation

Dear Stakeholders,

I am pleased to present my review for the year ended 31 December 2025, following a period in which we sustained disciplined execution, reinforced our market leadership and strengthened the foundations required for long-term resilience. In an operating environment marked by both recovery and transition, Ceylinco Life remained firmly focused on protecting policyholder interests, preserving financial strength and investing in capabilities that will define our future competitiveness. Our performance during the year reflects the consistency of this approach and, above all, the commitment of our people who continue to uphold the trust placed in us with professionalism, empathy and purpose. We are pleased to have retained our market leadership for 22 consecutive years.

OPERATING CONTEXT AND STRATEGIC RESPONSE

The broader macroeconomic and industry landscape is addressed comprehensively in the Chairman's Message. From a management perspective, our priority throughout the year was to translate these external developments into clear, execution-driven responses across the organisation. As economic conditions stabilised and interest rates moderated, customer expectations evolved towards greater protection, flexibility and service transparency. In parallel, demographic shifts and rising digital adoption continued to reshape how customers engage with insurers and how talent engages with organisations.

Against this backdrop, we sharpened our focus on three interrelated priorities: maintaining balance-sheet strength, deepening customer relevance and improving execution efficiency. Continued trust in our brand, a well-capitalised balance sheet and the scale of our distribution network enabled us to continue our dominance in all key performance metrics, while remaining agile in responding to changing market dynamics.

FINANCIAL PERFORMANCE AND CAPITAL STRENGTH

The Company delivered resilient financial performance during the year, reflecting disciplined strategy and operational focus, achieving a total income of Rs. 72.44 billion. Gross Written Premium grew by 18.96% to Rs. 44.18 billion while investment income of Rs. 28.25 billion, underpinned by the strength of our core agency channel, improving productivity across adjacent channels and the continued relevance of our product portfolio. Profit Before Tax increased by 11.55% to Rs. 11.21 billion, while total assets expanded by 14% to Rs. 287.02 billion. The Life Fund grew to Rs. 201.81 billion, reinforcing policyholder security and long-term stability.

Claims and customer benefit payments increased in line with portfolio growth, reaffirming our core purpose of honouring commitments to policyholders. Investment income moderated marginally in line with the easing interest rate environment, underscoring the importance of disciplined asset-liability management. Our capital position remained robust throughout the year, providing a strong buffer against volatility and supporting sustainable growth.

EXECUTION DISCIPLINE AND OPERATIONAL EFFICIENCY

Operational excellence remained a key management priority. Building on initiatives introduced over the past three years, we continued to simplify processes, strengthen cost discipline and improve execution consistency across the organisation. Greater use of automation, paperless workflows and centralised validation processes reduced manual intervention, improved accuracy and shortened turnaround times across key customer touchpoints.

During the year, we introduced an interactive Learning Management System aimed at widening access to training, which encourages "self-learning" among our employees and agency force.

We have adapted rapidly to the changing regulatory landscape by complying with the PDPA (Personal Data Protection Act). Recognising the increasing importance of information security, the Company appointed a CISO (Chief Information Security Officer) and set up a separate department to implement and monitor information security policies in line with ISO 27001 standards.

We continued to expand our footprint of purpose-built green branch buildings islandwide. With the addition of Nittambuwa and Ambalanthota, the total of our own green branch buildings amounted to thirty-two while our investment portfolio in freehold real estate grew to 59. This underscores the unparalleled financial strength of Ceylinco Life and provides a valuable cue in demonstrating stability to our policyholders.

CUSTOMER RELEVANCE AND SERVICE EXPERIENCE

Customer expectations continued to evolve towards solutions that balance protection, savings and flexibility, supported by seamless service experiences. In response, we refined our product mix with emphasis on accessible endowment propositions, strengthened retirement solutions and accident, disability and health related benefits. Continued refinement of our retirement propositions, together with targeted renewal engagement initiatives, fueled our growth momentum in 2025.

Service delivery was strengthened through initiatives aimed at reducing friction across onboarding, collections and servicing touchpoints. Expanded digital documentation, improved validation processes and enhanced self-service capabilities contributed to improved consistency, faster processing and greater transparency for customers.

TECHNOLOGY ENABLEMENT AND DIGITAL READINESS

Technology remains a critical enabler of scale, resilience and responsiveness. During the year, we continued to modernise our technology architecture, strengthen cybersecurity posture and improve data visibility across the organisation. Investments in secure access frameworks, infrastructure resilience and analytics enhanced system availability, data protection and decision-making capability.

Operationally, new digital platforms strengthened lead management, performance tracking and management oversight, enabling faster response to emerging trends across sales, claims and service. In parallel, we initiated key system integrations required to support readiness for SLFRS 17, ensuring alignment with the industry's transition roadmap and reinforcing the transparency of our financial reporting framework.

DISTRIBUTION STRENGTH AND PORTFOLIO QUALITY

In the life insurance industry, the strength and effectiveness of distribution often serves as a defining competitive advantage. During the year, we continued to deepen this advantage by expanding distribution reach while enhancing productivity across our channels. Our core agency force remains the engine of growth, supported by initiatives aimed at strengthening capability, engagement and performance. Meanwhile, we continued to develop adjacent channels to complement this foundation. Notably, our Virtual Financial Advisor (VFA) channel recorded encouraging growth compared to the previous year and is being progressively scaled with clearly defined KPI frameworks. Targeted corporate partnerships also contributed to broadening our distribution footprint.

Alongside new business growth, we remained firmly focused on strengthening the quality and sustainability of our portfolio. Renewal premium persistency continues to be a key performance indicator across the organisation, supported by a strong and stable customer base. A newly introduced Customer Relationship Officer initiative has further reinforced engagement with policyholders, while cross-selling health and other protection benefits remains a key priority in enhancing value per customer.

PEOPLE, CULTURE AND CAPABILITY BUILDING

Our people remain the cornerstone of our success. During the year, we continued to foster a performance-oriented culture anchored in accountability, customer centricity and disciplined risk management. Investments in modern HR platforms and automation reduced administrative burden, allowing teams to focus on higher-value activities.

CHIEF EXECUTIVE OFFICER'S REVIEW

Capability building remained a priority, with expanded access to learning through digital platforms, leadership development programmes for middle management and structured initiatives to strengthen digital literacy, cybersecurity awareness and data fluency. We have provided an opportunity for 20 of our employees with exposure to overseas training programmes which enable them to keep up with global industry trends. Our continued focus on training and development initiatives ensured that we improve on the last year score and achieve an average of 20.2 learning hours per employee. We continued to recognize service excellence, collaboration and innovation across the organization in keeping with our theme for year 2025 "Innovation in Action".

We remained committed to providing meaningful value and support to our employees. The Company continued to offer comprehensive group health schemes, with enhanced coverage limits introduced during the year. Our retirement benefits remain among the most robust in the industry, reflecting our long-term commitment to employee wellbeing. In addition, nearly a quarter of our branch locations now operate from purpose-built facilities that provide safe and conducive work environments. Ongoing branch network calibrations and staff redeployments ensure that customers are better served, while reinforcing a culture where our people feel supported and valued.

SUSTAINABILITY AND SOCIAL IMPACT

ESG considerations are increasingly becoming embedded across all aspects of our business, shaping how we manage risk, allocate capital and create long-term value for our stakeholders. As a responsible long-term investor, the Company continued to strengthen its sustainability-focused investment strategy during the year. Today, our portfolio of Green, Blue and Sustainability Bonds exceeds Rs. 6.7 billion in nominal value, reflecting our commitment to supporting renewable energy, climate-resilient infrastructure, social development and environmentally responsible economic activity in Sri Lanka. Initiatives such as the Sustainability Champion competition, which recognises branches for reducing electricity, water and stationery consumption, help incentivise responsible behaviors across our branch network. Meanwhile, our employee-led Green Club continues to drive environmental and social initiatives across the organisation, demonstrating how collective action by our teams can meaningfully contribute to our broader sustainability aspirations.

Alongside integrating ESG considerations into our business model, we also continued to take practical steps to reduce our environmental footprint across our operations. Renewable energy remains a key focus area, with solar installations across our facilities generating over 1,120 MWh of clean energy during 2025. Complementing these efforts, initiatives such as rainwater harvesting, water recycling systems, and adherence to green building standards across selected locations continue to support more responsible resource utilisation. Responsible waste management also remains a priority. During the year, we conducted our annual e-waste collection drive, gathering 1,613 kg of electronic waste for safe recycling and disposal.

Our commitment to creating meaningful social impact continues to guide many of our initiatives across health, education and financial empowerment. During the year, Ceylinco Life Insurance continued its flagship 'Waidya Hamuwa' free health camp programme, expanding access to preventive healthcare in underserved communities. To date, the initiative has reached over 2,900 beneficiaries through 12 health camps, which also served as platforms for environmental awareness through the distribution of seed packs. Education remains another important focus area. Through the Pranama Scholarship Programme, we supported 128 students with scholarships totalling Rs. 18 million. We also continued to advance women's empowerment, with women accounting for 48% of new recruitment during the year and the women-centric 'Saubhagya' product strengthening financial protection and long-term security for women across Sri Lanka. The Company also supported communities affected by Cyclone Ditwah through relief initiatives in Chilaw and Welimada, two of the most severely impacted areas, with contributions from employees, alongside a donation of Rs. 15 million to the President's "Rebuild Sri Lanka" Fund.

COMMITMENT TO TRANSPARENCY

Climate change presents both physical and transition risks that increasingly shape the operating landscape for organisations such as ours. Recognising this, we have continued to strengthen our understanding and management of climate-related exposures while building greater resilience across operations. Climate considerations are progressively being reflected in areas such as facility design, disaster preparedness and energy optimisation, ensuring that operational continuity and risk mitigation remain central to our approach. In parallel, the Company voluntarily adopted the SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards last year and continues to progressively strengthen its internal processes and disclosures in alignment with these frameworks. We regard these standards as important tools that support more robust risk assessment, improved transparency and stronger long-term resilience. Over time, this evolving framework also presents opportunities to expand climate-aligned insurance solutions and progressively strengthen sustainability expectations across our supply chain, positioning the organization to navigate the opportunities and challenges of a rapidly evolving climate landscape.

LOOKING AHEAD

As we look to the year ahead, we do so with confidence grounded in financial strength, execution capability and organizational resilience. While the external environment continues to evolve, improving macroeconomic fundamentals and low insurance penetration present meaningful long-term opportunities. Our strategic

focus will remain on quality growth, strengthened protection and retirement solutions, improved persistency and disciplined capital management.

Technology modernization, cybersecurity resilience and readiness for SLFRS 9 and SLFRS 17 will remain key priorities, alongside continued investment in people and culture. With the continued trust of our policyholders, the dedication of our employees and the guidance of our Board, we are well-positioned to create sustainable value in the years ahead.

ACKNOWLEDGEMENT

I extend my sincere appreciation to our policyholders for their continued trust, to our employees and sales force for their dedication and professionalism. I also wish to place on record my appreciation for the unwavering guidance provided by our Chairman, Mr R Renganathan, who was recently awarded distinguished recognition in the profession of Management Accounting by CMA Sri Lanka. I am also thankful for the strategic insight provided by the Board of Directors. I extend my appreciation to our regulators, reinsurers and consulting actuaries for their continued support. Together, we remain committed to building a resilient organisation that delivers on its promises and contributes meaningfully to Sri Lanka's long-term financial security.



Thushara Ranasinghe

Managing Director /
Chief Executive Officer

25 February 2026
Colombo

BOARD OF DIRECTORS



E R C MORAES
Independent
Non-Executive
Director

E T L RANASINGHE
Managing Director /
Chief Executive Officer

R. RENGANATHAN
Executive Chairman

MS. R J MORAES
Independent
Non-Executive Director

PROF. S K CHANDRASEKERA
Non-Independent
Non-Executive Director

W W L R A FERNANDO
Independent Non-
Executive Director

E R S G S HEMACHANDRA
Executive Director /
Chief Operating Officer

MS. A A LUDOWYKE
Independent
Non-Executive Director

P D M COORAY
Senior Executive Director



DR. HARSHA CABRAL PC
Senior Independent Director

S R ABEYNAYAKE
Executive Director / Deputy Chief Executive Officer

M ISMAIL
Independent Non-Executive Director

P A JAYAWARDENA
Senior Executive Director / Chief Financial Officer

J DURAIRATNAM
Independent Non-Executive Director

N M BORALESSA
Independent Non-Executive Director

O G V J SENANAYAKE
Independent Non-Executive Director

DR. R C J FERDINANDS
Independent Non-Executive Director

R A I ELAPATA
Independent Non-Executive Director

BOARD OF DIRECTORS



R. RENGANATHAN

Executive Chairman

Date of Appointment to the Board:

22nd April 2014

Area of Expertise:

Accounting and Finance, Management & Strategic planning

Skills and Experience:

Mr. Renganathan serves as the Executive Chairman of Ceylinco Life Insurance Limited, which has maintained its position as the market leader in Sri Lanka's life insurance industry for over two decades. A Fellow of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka, he brings extensive expertise in financial management, corporate governance and strategic leadership.

He was honoured with the "Distinguished Recognition in the Profession of Management Accounting" award by CMA Sri Lanka in January 2026. Mr. Renganathan was instrumental in establishing Ceylinco Healthcare Services Ltd., the first private-sector cancer treatment centre in Sri Lanka offering radiotherapy, chemotherapy and hormone therapy. The centre has treated more than 16,000 patients and introduced the country's first linear accelerator.

He also serves as Deputy Chairman of Ceylinco Holdings PLC and as a Non-Executive Director of Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Subcommittees:

BIC Chairman BESGC 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 and has accumulated four decades of experience in the life insurance sector. During his distinguished career he has held several senior leadership positions in marketing, sales and strategic planning, contributing significantly to the growth and market leadership of the organisation.

As a pioneer member of Ceylinco Holdings PLC, he has played a key role in shaping the strategic direction and long-term development of the Group. His leadership has been instrumental in strengthening the company's customer focus and market positioning.

Mr. Ranasinghe holds a Master of Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and currently serves as a Director of several group companies including Ceylinco Healthcare Services Ltd., Serene Resorts Ltd., and a Non-Executive Director at Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Subcommittees:

BIC BESGC



P D M COORAY

Senior Executive Director

Date of Appointment to the Board:

22nd April 2014

Area of Expertise:

Training, Marketing of Life Insurance and Agency Management,

Skills and Experience:

Mr. Cooray possesses more than 37 years of experience in the life insurance industry and has played a pioneering role in developing Ceylinco Life's sales and training infrastructure. He joined the company in 1987 as Assistant Manager – Training and has contributed extensively to the professional development of the organisation's sales force and human capital.

Serving on the Board since 2001, Mr. Cooray is a Fellow Member of the Life Underwriters Training Council (USA) and holds professional designations including Chartered Insurance Agency Manager and Certified Manager of Financial Advisors from LIMRA (USA).

He also holds an Executive Diploma in Business Administration from the University of Colombo and is an internationally recognised speaker on life insurance and retirement planning.

Membership in Board Subcommittees:

BESGC



P A JAYAWARDENA

Senior Executive Director / Chief Financial Officer

Date of Appointment to the Board:

22nd April 2014

Area of Expertise:

Accounting and Finance

Skills and Experience:

Mr. Jayawardena joined the Life Division of Ceylinco Insurance PLC in 1990 as Chief Accountant (Branches) and has over three decades of experience in the insurance sector. Over the years he has held several senior financial management positions and has played a key role in strengthening the Company's financial governance and reporting frameworks.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka as well as the Institute of Certified Management Accountants of Sri Lanka. His expertise includes financial management, regulatory compliance, corporate governance and strategic financial planning.

Mr. Jayawardena currently serves as a Director of Ceylinco Holdings PLC, Ceylinco Healthcare Services Ltd., Serene Resorts Ltd., and Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Subcommittees:

BIC BESGC



S R ABEYNAYAKE

Executive Director / Deputy Chief Executive Officer (change of designation w.e.f.01st April 2025)

Date of Appointment to the Board:

22nd April 2014

Area of Expertise:

Finance, Risk Management, Strategic Planning

Skills and Experience:

Mr. Abeynayake has over 25 years of professional experience in finance, risk management, strategic planning and treasury management. He joined the Life Division of Ceylinco Insurance PLC in 1998 as a Financial Accountant and subsequently held several senior management roles before being appointed to the Board.

He holds a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka.

Currently serving as the Deputy Chief Executive Officer, he provides leadership in operational management and corporate strategy. He also serves as a Director of Ceylinco Holdings PLC and Serene Resorts Ltd.

Membership in Board Subcommittees:

BIC BESGC



E R S G S HEMACHANDRA

Executive Director / Chief Operating Officer

Date of Appointment to the Board:

1st April 2025

Area of Expertise:

Strategic Planning, Marketing, Branding, Sales Management

Skills and Experience:

Mr. Hemachandra has more than 25 years of experience in life insurance marketing, brand development and strategic management. Since joining Ceylinco Life in 2000 as Brand Manager, he has played a central role in strengthening the company's brand leadership and maintaining its dominant position in the Sri Lankan insurance industry.

He has contributed significantly to the organisation receiving multiple recognitions including Brand of the Year and Service Brand of the Year awards presented by the Sri Lanka Institute of Marketing.

Mr. Hemachandra is a Fellow and Chartered Marketer of the Chartered Institute of Marketing (UK). He holds an MBA from the University of Western Sydney, Australia and is also a Chartered Management Accountant (Australia). He currently serves as a Director of Ceylinco Healthcare Services and as a Non-Executive Director of Citizens Development Business Finance PLC .

Membership in Board Subcommittees:

BIC BESGC

BOARD OF DIRECTORS



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 eighteen (18) years and commands an extensive practice in the Commercial High Courts and the Supreme Courts of Sri Lanka. He holds a doctorate in Corporate Law from the University of Canberra, Australia. Apart from his directorship at Ceylinco Life Insurance Ltd, he is currently the Chairman of the National Savings Bank and the Tokyo Cement Group. He is also a senior director of a large number of listed and unlisted companies in Sri Lanka. Dr. Cabral is a lecturer and author of several books in the areas of Company Law, Arbitration and Intellectual Property Law. He is also a member of the Law Commission of Sri Lanka, a member of the Intellectual Property Advisory Commission in Sri Lanka and the Chairman of the Intellectual Property Law Reform Project of the Ministry of Justice. As a member of the Advisory Commission on Company Law in Sri Lanka, Dr. Cabral was one of the architects of the Companies Act No. 7 of 2007, the current Act.

Membership in Board Subcommittees:

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 36 years. He served as a Director of Commercial Bank of Ceylon PLC from April 2012 to July 2014 and as the Managing Director/ CEO from July 2014 until his retirement in July 2018. He has served in several other Senior Management positions at Commercial Bank of Ceylon PLC including as Chief Operating Officer, Deputy General Manager – International, Assistant General Manager – International and Head of Imports. He has held the position of Managing Director of Commercial Development Company PLC and has served as a Director on the Board of Lanka Financial Services Bureau Limited.

He holds a BSc. from the University of Peradeniya and an Executive Diploma in Business Administration from the University of Colombo.

He presently functions as the Chairman of DFCC Bank PLC and Non-Executive Director of Asian Hotels and Properties PLC, Assetline Finance Limited, Enviro Solutions (Pvt) Ltd and Tokyo Cement Company (Lanka) PLC.

Membership in Board Subcommittees:

BAC BNGC



W W L R A FERNANDO

Independent Non-Executive Director

Date of Appointment to the Board:

30th June 2021

Date of Resignation:

31st December 2025

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 deliverable with innovation and best practices that resulted in an unblemished record of accident free flight operation.

He holds an Aircraft Maintenance Engineers' License issued by the Sri Lanka Civil Aviation Authority from year 1985 onwards.

Membership in Board Subcommittees:

RPTRC Chairman (up to 31st Dec 2025)



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. Oshada Senanayake who is at present the Group Chief Operating Officer – Digital Transformation, Brandix, was the former Chairman ICTA and Director General of the Telecommunications Regulatory Commission of Sri Lanka as well as a past board member of SL CERT. He holds a MBA from AIB Australia and a Bachelors from the University of Northumbria in Newcastle and recently conferred the most Outstanding Alumnus award by the Oxford College of Business.

Key highlights during his public service is the spearheading of the Gamata Sannivedanaya "Connect Sri Lanka Project" in alignment with the ITU's Connect 2030 agenda for ensuring 100% mobile and fiber broadband coverage across the country. Leading the telecommunications industry as a regulator, he further succeeded in driving pragmatic tariff and policy changes ensuring affordability of telco and data services with a goal of creating digital inclusivity and achieving high affordability rankings on ITU's global benchmarking reports during his tenure.

Having led Pyxle, a premier IT Solution & Digital Services provider, he has been at the forefront of executing successful digital transformation strategies for both local and international organizations.

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 most recent initiative is "Tech4Ed" launched for school empowerment focused on enhancing digital literacy and ICT capacity building with connectivity and device enablement. Mr. Senanayake is a Non-independent Non-Executive Director of Circle Ceylon Holidays (Pvt) Ltd & All Net Technologies (Pvt) Ltd.

Membership in Board Subcommittees:

BRMC ▸ Chairman



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. 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 Subcommittees:

BRC ▸ Chairman

RPTRC ▸ Member (w.e.f.31.12.2025)

BOARD OF DIRECTORS



M ISMAIL

Independent Non-Executive Director

Date of Appointment to the Board:

22nd April 2023

Area of Expertise:

Chartered Architect

Skills and Experience:

Mr. Murad Ismail is a celebrated architect in Sri Lanka with over 30 years of experience. He started his career working under Geoffrey Bawa, one of the most influential Asian architects of his generation and was later invited to join the practice as a Director. In 1997 Murad formed MICD Associates and subsequently formed ATS Consultants (Pvt) Ltd which are considered one of the foremost Architectural practices in Sri Lanka as well as having worked on projects in India, Maldives, Middle East, Malaysia and Australia.

Mr. Ismail played a key role to change Sri Lanka's architectural landscape through innovative and minimalist design. He has played a major role involving city planning, and beautification and was an advisor to the Ministry of Megapolis and Western Development in Sri Lanka. He served as the Architectual Consultant to the Ministry of Justice and in addition is a visiting lecturer at the University of Moratuwa and Colombo School of Architecture and Sri Lanka Institute of Information TERchnology.

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

He was appointed to the Board of the Urban Development Authority in October 2024.

He is 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 Subcommittees:

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. Roshanie 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. She is currently a Non-Executive Director of Jaysons Retail (Pvt) Ltd.

She has extensive experience in travel, tourism, airline representation, loyalty/ rewards programmes, quick service restaurants, retail, malls and property development. She was the CEO of Link Natural Products (Pvt) Ltd, a subsidiary of the CIC Group. (from 2022 to 2024)

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

Membership in Board Subcommittees:

BRMC BRC BAC



PROF. S K CHANDRASEKERA

Non-Independent Non-Executive Director

Date of Appointment to the Board:

22nd April 2023

Area of Expertise:

Professor in Surgery and Consultant Urologist

Skills and Experience:

Professor Srinath K. 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 Subcommittees:

RPTRC



A A LUDOWYKE

Independent Non-Executive Director

Date of Appointment to the Board:

1st July 2023

Area of Expertise:

Accounting and Finance and Auditing

Skills and Experience:

Ms. Averil Ludowyke counts over 26 years of experience at M/s Ernst & Young and has served as a Partner from 2011 to 2022. Ms Ludowyke was lead Audit Partner at M/s Ernst & Young, of several groups of companies and she launched and led forensics and integrity services of the firm. Her clients included banks and finance companies and companies engaged in retail, manufacturing, telecommunications, construction, real estate, shipping and logistics, insurance, leisure, plantations and development.

She also counts 12 years of senior level experience in finance and accounting in the manufacturing sector and in a relief and development organisation. Ms Ludowyke has been a resource person for public seminars and workshops of CA Sri Lanka, Sri Lanka Institute of Directors, CIMA, the Ministry of Public Enterprise Development, ACAMS regional conference of the Indian subcontinent, National Chamber of Commerce, University of Kelaniya, ACCA, AAT, CMA and the Institute of Internal Auditors.

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

Membership in Board Subcommittees:

BAC Chairperson

RPTRC Chairperson w.e.f. 31.12.2025

BNGC



N M BORALESSA

Independent Non-Executive Director

Date of Appointment to the Board:

20th February 2025

Area of Expertise:

ESG, Governance, Legal and Risk Management

Skills and Experience:

Ms. Natasha Boralessa currently serves as an Independent Non-Executive Director at BPPL Holdings PLC and Diesel & Motor Engineering PLC (DIMO). She brings over 25 years of senior leadership experience within the apparel manufacturing sector.

Most recently, she served as a Director at Brandix Apparel Ltd., where she led ESG, governance, legal, and risk management functions across operations in Sri Lanka, India, and Bangladesh.

As a member of the Brandix Leadership Team, she played a pivotal role in embedding sustainability and enterprise risk management into the company's core business practices. She also spearheaded the development and publication of several award-winning ESG reports aligned with international standards.

From 2009 to 2011, Boralessa was the CEO of Ocean India. Prior to this, she served as CEO and Country Head of Stirling Group Ltd. from 2008 to 2009. Between 1997 and 2008, she held a series of progressively senior positions at Stretchline Ltd., including Marketing Executive, Marketing Manager, Marketing Director, General Manager, and ultimately CEO.

Ms. Boralessa is a Fellow member of the Chartered Institute of Management Accountants (UK) and holds the designation CGMA.

Membership in Board Subcommittees:

BRMC BESGC

BOARD OF DIRECTORS





DR. R C J FERDINANDS

Independent Non-Executive Director

Date of Appointment to the Board:

01st April 2025

Area of Expertise:

Marketing and Advertising

Skills and Experience:

Dr. Romaine Ferdinands brings over four decades of distinguished experience in Marketing and Advertising. She has contributed to the growth and market leadership of numerous prominent international and local brands. Her professional expertise spans strategic planning, communication, project management, research, and quality management.

Throughout her career, Dr. Ferdinands has held senior leadership positions at leading organizations including Hayleys, JWT, Nestlé, and Orange Electric. She currently serves as the Head of U2kno Research (Pvt) Ltd, the company she founded, and is a visiting lecturer at the Institute of Management & Science, Sri Lanka. In her academic role, she teaches Global Marketing, Sales Management, and Research Methodology.

Dr. Ferdinands earned her PhD from the Management & Science University of Malaysia, focusing her thesis on Patent Commercialization. Her research contributed valuable insights into the innovation landscape of developing nations through the Triple Helix model. She also holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka, and is a graduate of the Chartered Institute of Marketing (CIM), UK.

Membership in Board Subcommittees:

BRMC

R A I ELAPATA

Independent Non-Executive Director

Date of Appointment to the Board:

31st December 2025

Area of Expertise:

Banking and Finance

Skills and Experience:

Mr. Romesh Elapata brings over 30 years of international banking experience across the Middle East and South Asia. He holds a Bachelor of Arts degree in Economics from the University of California, Berkeley and an MBA from Sydney Graduate School of Management.

He previously served as the Director/ CEO of Banque Patronus Limitèe a licensed and regulated commercial bank in Mauritius and as the Director/CFO at Patronus Wealth Dubai and Mauritius. As the CEO of Banque Patronus Limiteé, Romesh was at the helm of driving the bank's strategic direction and operational excellence. His expertise spans business strategy, corporate banking, operational planning, and implementation.

Before joining the Patronus Group, Mr. Elapata was instrumental in establishing Lankan Alliance Finance Limited in Dhaka, Bangladesh. His prior roles include serving as Head of Corporate Banking at Bank Muscat in Saudi Arabia, where he was a key member of the management committee, ALCO, and Country Credit Committee. Romesh has also held several leadership positions at ICICI Bank Sri Lanka as Deputy Country Head, Chief Operating Officer at Citi National Investment Bank, and Head of Corporate at Citibank Sri Lanka. His career has been marked by significant achievements in corporate banking strategy, structured trade finance, etc managing asset growth, revenue and risk targets.

Membership in Board Subcommittees:

None

BAC	Board Audit Committee
BIC	Board Investment Committee
BNGC	Board Nominations and Governance Committee
RPTRC	Related Party Transactions Review Committee
BRMC	Board Risk Management Committee
BRC	Board Remuneration Committee
BESGC	Board Environmental, Social and Governance Committee

STRATEGIC MANAGEMENT



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)



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



P A C D WIJAYASEKARA
Deputy General Manager - Internal Audit



D A T S DISSANAYAKE
Deputy General Manager - Operations



D M G L ALWIS
Deputy General Manager - Portfolio / Head of Investments - Front Office



T D DE SILVA
Senior Assistant General Manager - Projects



H A SURAWEERA
Senior Assistant General Manager - Agency Administration



L G H A S KUMARA
Senior Assistant General Manager - Technical



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



W K S KARUNARATHNE
Senior Assistant General Manager/ Deputy Chief Information Officer



W S DABARERA
Senior Assistant General Manager - Finance / Deputy Chief Finance Officer



D H CANAGASABEY
Senior Assistant General Manager - Marketing / Head of Marketing



R M S WIJEYESEKERA
Assistant General Manager - Systems



V M G KARIYAWASAM
Assistant General Manager - Database Administration



K SUMANTHIRAN
Assistant General Manager - Business Development



P VINCENT
Chief Engineer (Assistant General Manager)



P H SAMARASINGHE
Assistant General Manager - Head of Product 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)



N T SENAVIRATHNE
Assistant General Manager - Business Development



V THANUSATH
Assistant General Manager - Internal Audit / IS Audit



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

CORPORATE MANAGEMENT



A K D D C PERERA
Senior Manager - Business Development



W A C R ALWIS
Senior Manager
- Brand Development



S P K SENADEERA
Deputy Chief Engineer (Senior Manager)



S P MAMADUWA
Senior Manager - Training



A WIJEWARDANA
Senior Manager - Quality Assurance and Application Support



L P K RUPASIRI
Senior Manager - Technical



B A K S M DHARMASENA
Chief Information Security Officer (Senior Manager)



S E S M FERNANDO
Senior Manager
- Administration



T D M P C CHRISTOPHER PULLE
Senior Manager - Training



S D ARULANANDAM
Senior Manager - Customer Relations



N LUXSHUMYRAJ
Senior Manager - Customer Experience



M A C P WIJERATNE
Senior Program Manager



D S HETTIARACHCHI
Senior Manager - Business Development



S P KARUNARATNE
Senior Manager - Operations



K D T KULASEKARA
Senior Manager - Finance



Y R S M KARUNANAYAKE
Senior Manager - Data Analytics and Modelling
- Actuarial Services

MANAGERS



S DHARSHAN
Manager - Business Development



H H U S C FERNANDO
Manager - Business Development



L V S R R DE MEL
Manager - Administration



R P L DAMMIKA
Manager - Business Development



A 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



D M S N SIRISENA
Brand Manager



W S DULSHAN
Manager - Operations



P RAJAKUMAR
Manager - Operations



S SUJEEVAN
Manager - Training



S NARANGODA
Application Consultant - Information Systems (Manager)



W K S PERERA
Manager - Actuarial Services



M L D P DIAS
Compliance Officer (Manager)



M A S N PETER
Zonal Manager

MANAGERS



S VENUKARAN
Zonal Manager



H L D FERNANDO
Head of Virtual Channels (Manager)



P D J PERERA
Manager - Technology Services



W N C FERNANDO
Brand Manager



H P R D CALDERA
Manager - Software Engeneering



A S DE ALWIS
Manager - Data Base Administration / IT Operations



B R D D B A S BASNAYAKA
Manager - Business Intelligence



D M T G SOORIYABANDARA
Manager - Finance



B H S A SILVA
Company Secretary (Manager)



T V M LAKMAL
Zonal Manager



S S WETTASINGHE
Trial Zonal Manager



GUIDING VALUE CREATION

Strategic clarity that sets the course. A North Star for the industry.

Ceylinco Life's Sustainability Strategy Framework brings together the essential elements that guide our long-term value creation journey. Grounded in our commitment to generating enduring and responsible impact, it integrates our operating context, stakeholder expectations, material priorities, risk insights and ESG aspirations into a coherent, future-focused direction. As the environment around us shifts, this guided approach to value creation ensures we remain purposeful, forward-looking and aligned with our role as the trusted leader in Sri Lanka's life insurance industry.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

This section presents the Company's disclosures in line with SLFRS S1 and SLFRS S2, covering material climate related and sustainability related risks and opportunities. It outlines how these factors influence our strategy, operations, and long term value creation. The disclosures are fully aligned with our governance structure and integrated into our enterprise wide risk management framework, reflecting our commitment to transparency and responsible stewardship.

1 BASIS OF PREPARATION

1.1 Application of SLFRS Sustainability Disclosure Standards

This report has been prepared in accordance with the SLFRS Sustainability Disclosure Standards issued by CA Sri Lanka, specifically:

SLFRS S1

General Requirements for Disclosure of Sustainability-related Financial Information.

SLFRS S2

Climate-related Disclosures

Ceylinco Life Insurance Limited has fully adopted the requirements of SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures for the financial year ending 31 December 2025, following the Company's voluntary early adoption of these standards in 2024.

During the previous reporting period, the Company applied the transitional Climate-First relief permitted under the standards. As this transitional relief was already utilised in 2024, it is not applicable or available for use in the current reporting period.

The CRROs disclosed in the previous year were reassessed in accordance with SLFRS S1 and SLFRS S2 and determined to be no longer material to the Company's current business model. These matters will, however, continue to be monitored through the risk register for any potential future materialisation.

These disclosures are intended to assist primary users of general-purpose financial reports in understanding sustainability-related risks and opportunities that could be reasonably be expected to affect Ceylinco Life's:

- **Cash flows**
- **Access to finance**
- **Cost of capital**

over the short, medium, or long term.

1.2 Reporting Period and Boundary and Value Chain

This report covers the financial year from 1 January 2025 to 31 December 2025, aligning with the company's annual financial reporting period. The disclosures presented herein pertain to Ceylinco Life Insurance Limited and encompass all operations and assets within the financial reporting boundary, consistent with the scope of the company's general-purpose financial statements.

Unless otherwise specified, all disclosures apply solely to Ceylinco Life. Where upstream or downstream activities such as those involving suppliers or distribution channels are deemed material to the assessment of specific sustainability related risks and opportunities, they will be identified and included within the relevant sections of this report. All other non material aspects will be excluded.

The primary users of these disclosures are identified as existing and potential:

- investors,
- lenders, and
- creditors.

1.3 Overview of the Value Chain

Ceylinco Life Insurance Limited stands as the market leader in Sri Lanka's life insurance sector. Operating as a dedicated subsidiary of Ceylinco Holdings PLC since its formal incorporation in 2014, the company sustains its leadership through consistent growth, maintaining one of the largest and fastest-growing Life Funds, well above regulatory capital requirements.

Ceylinco Life's market-leading position is underpinned by a systematically executed value chain. The Company leverages its strong corporate heritage and unwavering commitment to the Sri Lankan populace, focusing on its Primary Activities supported by Key Support Activities, as outlined below.

Primary Activities

- Life Insurance Intermediation
- Risk Pooling & Protection
- Long-term Savings & Wealth Creation
- Reinsurance Management
- Underwriting
- Policy Servicing
- Claims Management
- Customer Service

Key Support Activities

Operational Enablement

- Human Resource Management
- Agency Training & Development
- Information Systems & Data Security
- Technology Platforms

Key Support Activities Contd.

Growth & Market Enablement

- Product Development
- Distribution & Agency Management
- Digital Channels & Platforms
- Branch Network Optimisation
- Sales & Marketing

Financial & Risk Sustainment

- Investment Management
- Capital Management
- Asset-Liability Management

1.4 Materiality Basis

In line with the definition of materiality under SLFRS S1 where information is material if its omission, misstatement, or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports. We have applied both quantitative materiality thresholds and qualitative considerations when identifying material CRROs and SRROs.

In addition to the Magnitude/Exposure analysis described in the Risk Management section, we assessed materiality using:

Quantitative factors including predefined financial thresholds linked to the potential impact on Gross Written Premium, Expenses, capital expenditure, or Profit.

Financial statement item	Materiality Threshold %	Criteria
Balance Sheet	±0.5%	Total Assets
Income Statement	±0.5%	Gross Written Premium
Cash Flows	±2	Operating Cashflows

Qualitative factors such as strategic relevance, regulatory or legal implications, stakeholder expectations, reputational sensitivities, and the likelihood of systemic or cascading effects such as:

1. **Reputational Risk**
   Loss of key certifications or failure to meet established ESG standards could adversely affect brand credibility. Such outcomes may weaken stakeholder confidence and reduce access to emerging market opportunities.
2. **Regulatory Compliance Risk**
   Non-compliance with evolving insurance-sector and ESG regulatory requirements including those issued by the IRCSL and other international frameworks may result in financial penalties, reputational damage, and limitations on investment activities.
3. **Technology & Market Transition Risk**
   Delays in adopting digital capabilities necessary for sustainable operations may reduce the Company's competitiveness and resilience. Failure to keep pace with market transitions may also increase operational and compliance-related vulnerabilities
4. **Social Licence Risk**
   Inadequate responsiveness to customer or community expectations may erode public trust. Such concerns can undermine long-term operational stability and weaken the Company's social licence to operate.
5. **Strategic Sustainability Risk**
   Insufficient integration of climate-resilient and low-carbon investments may expose the Company to high-carbon asset risks. This could diminish long-term value creation and reduce alignment with emerging sustainability-driven capital market expectations.

These combined criteria help determine whether a climate-related or sustainability-related risk or opportunity is reasonably expected to affect the Company's prospects, thereby meeting the materiality requirements of SLFRS S1.

1.5 Functional Currency

The functional currency of Ceylinco Life Insurance Limited is the Sri Lankan Rupee (LKR). All monetary amounts presented in this report are denominated in LKR, unless otherwise stated.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

1.6 Sources of Guidance

In identifying climate and sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the Company has referred to following sources:

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information.
- SLFRS S2 – Climate-related Disclosures
- Sustainability Accounting Standards Board (SASB) Standards – Insurance (Version 2023-12)
- Sri Lanka's National Climate Finance Strategy 2025 – 2030.
- Central Bank of Sri Lanka's Sustainable Finance Roadmap 2.0.
- Climate Risk Country Profile: Sri Lanka (2020): The World Bank Group and the Asian Development Bank.
- Sri Lanka Nationally Determined Contributions 3.0, 2026 – 2035.

1.7 Time Horizon

The Company assesses climate and sustainability-related risks and opportunities across defined time horizons that are aligned with the Company's corporate strategy. These time frames are as follows:

Time Horizon	Definition	Year Range
Short Term	1 to 2 years	2025 – 2026
Medium Term	3 to 5 years	2027 – 2029
Long Term	Beyond 5 years	2030 and beyond

These time horizons are consistently applied across strategic planning, risk management, and sustainability reporting processes. The alignment ensures that climate-related and broader sustainability considerations are integrated into both near-term operational decisions and long-term strategic objectives.

1.8 Connected Information

This report makes connections with other reports, including the financial statements to present the cohesive view how relevant climate and sustainability related risks and opportunities could impact the company's financial position, performance and cash flows over short,medium and long term. Cross references are made to other key sections such as governance, strategy, risk management and additional disclosures, to present a cohesive and integrated view of how sustainability related factors are overseen, incorporated into strategic planning and managed within the organisation.

1.9 Transitional Relief

In preparing this report, the company has applied the following transitional reliefs.

Scope 3 Emissions Exemption

Entities shall initially disclose only Scope 1 and 2 emissions. Full compliance Scope 3 disclosure requirements is required two years after the standard's mandatory application date.

Anticipated Financial Impact of Identified Climate-Related Risks and Opportunities

Entities are permitted to defer (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.

Resilience Assessment and Climate-Related Scenario Analysis

The Company is granted a two-year relief period to fully comply with the requirements for resilience assessment and climate-related scenario analysis (SLFRS S2 paragraph 22).

1.10 Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for Ceylinco Life Insurance Limited for the year ended 31 December 2025. The Company's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

1.11 Judgements and Uncertainties

Judgements

The preparation and presentation of the sustainability report involve applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility.

Topic	Description
Risk Assessment (Current year)	To identify relevant risks and opportunities and material information, the company exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence the Company's strategy, business model, or financial performance and position.
GHG Emissions (Current year)	**Conversion of Monetary Fuel Data** In the absence of recorded physical fuel quantities, monetary fuel expenses were converted into consumption values using monthly Sri Lankan fuel prices for 2025. This methodological choice was applied to ensure practical and consistent estimation of fuel usage. **Survey-Based Extrapolation of Employee Commuting Emissions** Commuting - business field-travel data were collected through a baseline survey covering 1,409 out of 3,307 employees. Per-capita emissions derived from respondents were extrapolated to the full employee population, based on the assumption requiring professional judgement that surveyed individuals represent the travel patterns of the entire workforce. **Use of Regional Emission Factors** Where Sri Lanka-specific emission factors were unavailable for certain transport modes, regional factors from the Indian GHG Program were used. This decision was based on their geographic relevance and contextual similarity.
Digital Transformation and Data Insights	Management applies judgement when assessing the long-term resilience and efficiency benefits expected from key digital transformation initiatives such as cloud optimisation, container-based modernisation and predictive analytics. Judgement also supports assumptions around the environmental and operational improvements from paperless workflows and expanded digital service channels. Further judgement is involved in evaluating the adequacy of AI governance controls to mitigate model risk, regulatory exposure and ethical considerations, as well as in estimating cost efficiencies anticipated from strengthened vendor governance and infrastructure optimisation.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

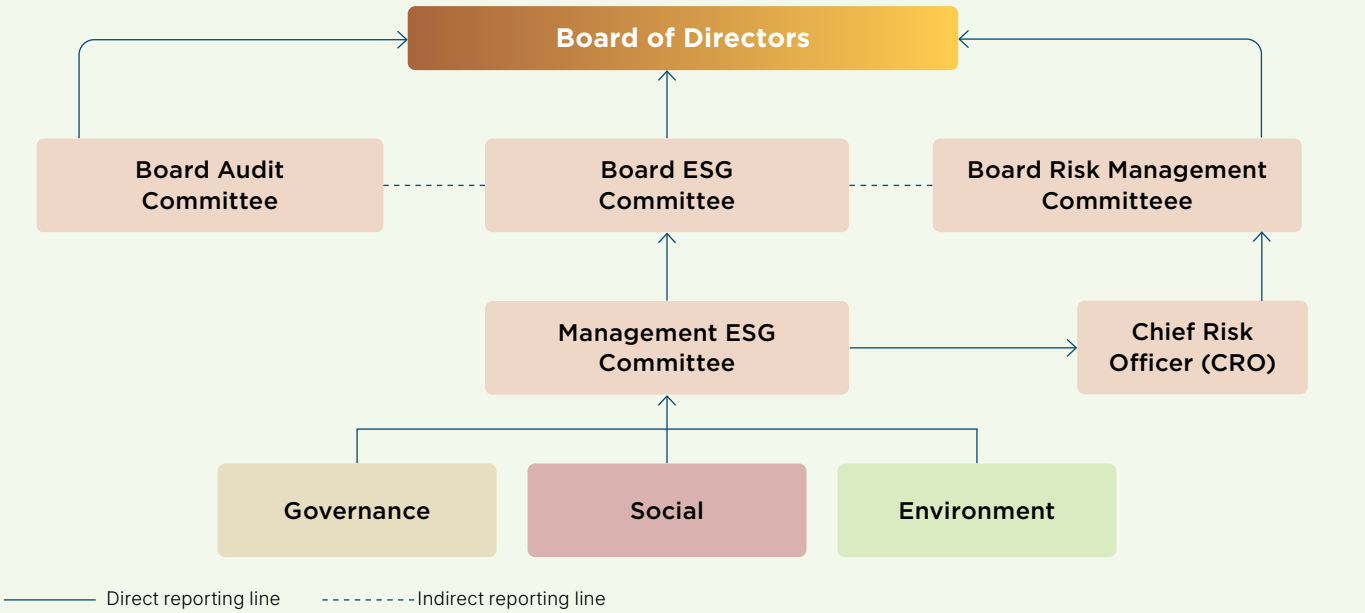
Measurement uncertainty

Measurement uncertainty in the sustainability report arises from data gaps, reliance on proxy information, external factors, and forward-looking assumptions.

The table below summarises the key sources of management uncertainty that may affect the amounts disclosed in the sustainability report.

Topic	Description
GHG Emissions (Current year)	Fuel use for standby generators and company-owned vehicles was sometimes recorded in monetary terms and converted to consumption using 2025 monthly fuel prices, creating estimation uncertainty. Employee commuting emissions were extrapolated from a survey covering part of the workforce, and regional emission factors were used where Sri Lanka-specific values were unavailable, introducing sampling and methodological uncertainty. For outsourced freight transport, emissions were allocated based on the weight of goods attributable to the Company, resulting in allocation-related uncertainty.
GHG Emissions (Anticipated uncertainty relevant to CRR1)	Financed-emissions estimates involve significant data uncertainty, as many clients do not yet report complete or verified emissions data. There is uncertainty around future regulatory changes, which may affect methodologies, scope boundaries, or disclosure expectations. Transition risk impacts on clients and sectors remain uncertain and may influence asset quality, portfolio composition, and future target-setting.
Digital Transformation and Data Insights	The realisation of expected digital transformation benefits is subject to uncertainties arising from the pace of digital adoption by customers, employees and partners. Future regulatory developments related to AI governance, data protection and sustainability reporting may affect timelines and compliance costs. Technology performance, vendor reliability and evolving cyber-threat landscapes also introduce uncertainty into projected resilience outcomes, while broader economic and market conditions may influence the scale and timing of digital investment initiatives.

2 GOVERNANCE



2.1 Board Oversight of Climate and Sustainability Matters

Sustainability is fully embedded within Ceylinco Life's governance framework, reflecting our commitment to integrating environmental, social, and governance (ESG) principles across the organization. This governance approach ensures long term value creation and strengthens our ability to manage sustainability and climate related risks and opportunities.

At the highest level, the Board of Directors provides oversight of the Company's sustainability strategy, climate related priorities, and related policies. The Board has delegated specialized oversight to the Board ESG Committee, ensuring focused and structured governance of ESG matters.

The Board ESG Committee comprises all six Executive Directors and one Independent Non Executive Director. This structure ensures a blend of leadership experience, strategic insight, and independent perspective. To support implementation, the Committee is further assisted by three management level ESG subcommittees, representing all business units and covering the full spectrum of ESG topics across the Company.

2.2 Governance Bodies and Their Responsibilities

Board of Directors

- Approves and periodically reviews the Company's sustainability and climate strategy.
- Establishes ESG and climate related risk appetite, policies, and governance frameworks.
- Monitors progress toward GHG emissions reduction and ESG performance targets.
- Ensures transparent stakeholder engagement and high quality disclosure practices.

Board ESG Committee

- Oversees all sustainability and climate governance disclosures required under SLFRS S1 and S2, including Board and management roles, committee structures, competencies, and escalation protocols.
- Ensures that ESG and climate related risks are identified, assessed, managed, and integrated into ERM, capital planning, underwriting, reserving, and investment decisions.
- Approves key sustainability metrics, targets, methodologies, data quality requirements, and assurance scopes.
- Reviews climate scenario analysis and financial resilience results and ensures that insights inform strategy, capital planning, underwriting, and investment decisions.
- Oversees ESG integration across operations, product design, distribution, investments, remuneration frameworks, and inter committee information flows.

Management ESG Committee

- Executes ESG policies at operational level, driving initiatives across environmental, social, and governance dimensions.
- Reports progress against KPIs, incidents, and improvement actions to the Board ESG Committee.

Board Audit Committee

- Oversees internal controls governing ESG data to ensure reliability, accuracy, and integrity.
- Ensures SLFRS S1 and S2 disclosures are accurate, complete, consistent, and aligned with integrated reporting requirements.

Board Risk Management Committee

- Oversees the identification, assessment, and prioritization of sustainability and climate related risks.
- Reviews integration of climate risks into the ERM framework.
- Evaluates the effectiveness of governance processes and risk controls.
- Oversees climate related performance, including targets and scenario analysis.

2.3. Sustainability Governance in Practice

Ceylinco Life's sustainability strategy is anchored on four pillars endorsed by the Board:

1. Financial Performance
2. Social Responsibility
3. Environmental Sustainability
4. Corporate Governance

The Board ESG Committee meets quarterly to review updates from Management on the aforementioned pillars, including progress on environmental initiatives, community projects, marketing activities, employee related programs, and other key focus areas.

Management level ESG subcommittee members meet monthly to ensure timely coordination.

ESG risks are presented as a separate agenda item during Board Risk Management Subcommittee meetings. Based on severity and likelihood, risks are escalated to the Risk Management Committee and Audit Committee for further oversight.

The Audit Committee provides additional assurance by reviewing internal controls over ESG data and ensuring accurate S1/S2 aligned disclosures.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

2.4 Skills and Competencies of the Board

The Board maintains a competency matrix to ensure adequate climate and sustainability related expertise across finance, risk management, governance, legal, sustainability, and ESG fields. This structure ensures the Board has the skills needed to oversee climate related risks and opportunities effectively.

In 2025, the Company conducted a skills and experience gap analysis related to sustainability reporting.

Following the assessment, the Management conducted a targeted training program on Sustainability Standards (SLFRS S1 & SLFRS S2) on 12th December 2025. The session, aimed at further strengthening awareness of sustainability reporting, was delivered as part of the annual Board development calendar and was attended by the full Board.

The Board will continue to receive periodic updates on:

- SLFRS S1 and S2 developments
- Climate scenario analysis techniques
- Evolving sustainability assurance practices
- National implementation milestones

These form a core part of the Board's ongoing capacity building and governance enhancement.

2.5 Address and Monitor

The Company adopts a structured approach to addressing and monitoring climate related risks and opportunities. Climate related risks are overseen through risk based internal audits, controls testing, and regular reporting to the Risk Management Committee and ESG Committee. The Company also monitors economic, regulatory, environmental, and social trends and updates its risk assessments when material changes arise.

Climate related opportunities are identified through management discussions and stakeholder insights at the Sub committee level. Each opportunity is evaluated for impact, feasibility, and strategic alignment. Progress is monitored through Sub committee reviews, with significant opportunities escalated to the Board Risk Committee, Board ESG Committee, and the Board of Directors to ensure effective oversight and integration into strategic planning.

2.6 Management's Role in Governance

The Management ESG Committee leads the execution of sustainability initiatives and works closely with the Chief Financial Officer (CFO) and Chief Risk Officer (CRO) and business unit heads to integrate ESG considerations into planning, risk management, and reporting structures. Management reports directly to the MD/CEO and the Board ESG Committee.

Sustainability is embedded across operations, product design, procurement, and investment functions, ensuring that all risk and information related to GHG emissions disclosed under the standard is accurate, owned by responsible teams, and grounded in operational reality.

2.7 Policies, Procedures, and Ethical Safeguards

The Board has adopted a comprehensive ESG Policy that explains how material sustainability matters impact the Company's business model, strategy, and financial planning across multiple time horizons.

The Board applies the materiality requirements of SLFRS S1 by determining which climate and sustainability related risks and opportunities could reasonably be expected to influence assessments of the Company's enterprise value. In line with the Standard, the Board focuses on matters that have, or may have, a direct or indirect financial effect on the Company's performance, position, or future cash flows, thereby ensuring that disclosures remain relevant and decision useful for primary users of financial reports.

In assessing materiality, the Board considers both current impacts and reasonably anticipated future effects, based on information that is reliable and supportable at the reporting date. Climate and sustainability related risks and opportunities that do not meet the materiality threshold (as outlined in Note 1.4) are not disclosed publicly in order to avoid obscuring material information. However, such items remain recorded within the Company's internal climate and sustainability risk register to support ongoing monitoring and future reassessment as circumstances evolve.

Climate and sustainability related risks and opportunities are identified and monitored through the ERM framework, ensuring sustainability considerations are integrated into core decision making.

To embed the ESG Policy across the organization, the Company:

- Makes the policy publicly available via the intranet and corporate website.
- Delivers regular ESG training for employees, with focused sessions for senior management and the Board.
- Conducts periodic internal and/or external audits to evaluate compliance with ESG commitments.
- Reports transparently on ESG performance through the Integrated Annual Report and other communication channels.

A Confidential Channel is available for employees and stakeholders to report suspected breaches of the ESG Policy. Reports made in good faith are protected from retaliation, ensuring a culture of integrity and accountability.



3 STRATEGY

Ceylinco Life's sustainability strategy is founded on the understanding that climate-related and broader sustainability considerations increasingly shape the Company's operating environment, stakeholder expectations, and long-term value creation. As part of its adoption of SLFRS S1 and SLFRS S2, the Company has strengthened its approach to identifying, assessing, and managing climate-related and sustainability-related risks and opportunities that may influence strategic resilience and future performance.

In line with the requirements of the SLFRS Sustainability Disclosure Standards, Ceylinco Life evaluates climate-related matters across transition risks, physical risks, and strategic opportunities arising from the transition to a low-carbon economy.

These assessments are integrated into the Company's enterprise-wide risk-management framework and strategic and operational decision-making processes.

For the reporting period, Ceylinco Life has prioritised one climate-related transition risk (CRR) and one sustainability-related opportunity (SRO) as material to the Company's prospects.

3.1 Climate-Related Risk Strategy Disclosures

CRR1	Low-carbon Transition Risk	
CRRs impact on Prospects	Description	The Company is exposed to increasing GHG reduction transition risk as emerging regulations move toward mandatory reporting of Scope 3 financed emissions. To comply with these requirements, the Company will need to align with recognized industry standards for calculating and disclosing financed emissions. This may necessitate investments in enhanced data systems, reporting technologies, and strengthened governance processes, while also addressing existing data gaps and limited internal expertise in emissions accounting.
	Risk Type	Transition Risks
	Time Horizon	Short to long term
	Define time horizon	Refer to Note 1.7 (page 58) presented under the 'Basis of Preparation' section
Business Model and Value Chain	Current Effects on Business Model and Value Chain	No material impact to current business model and value chain.
	Anticipated Effects on Business Model and Value Chain	⊕ Regulatory & Reporting Risk (Mandatory Scope 3 / Financed Emissions Requirements) Evolving climate regulations are moving toward mandatory Scope 3 and financed-emissions disclosure from 31.12.2026, which may require the company to upgrade governance, data systems, and reporting processes. Failure to comply could result in misreporting risk, and increased scrutiny from stakeholders. ⊕ Data & Technology Upgrades Significant improvements in data-management systems, emissions-tracking tools, and reporting platforms will be required to meet audit-ready disclosure standards. ⊕ Capability Building Internal expertise in climate reporting, emissions accounting, and sustainability analysis must be expanded to address current gaps and ensure compliance readiness. ⊕ Data Availability & Quality Risk (Difficulty Obtaining Scope 3 Data) The Company may face significant challenges obtaining accurate Scope 3 emissions data from counterparties

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRR1	Low-carbon Transition Risk	
Business Model and Value Chain (Contd.)	Anticipated Effects on Business Model and Value Chain (Contd.)	⊕ Portfolio Transition & Strategic Investment Risk (Impact on Asset Allocation) The Company may need to reallocate capital, avoid certain sectors, or increase exposure to low-carbon assets to meet future reporting expectations and maintain market competitiveness. This could influence long-term investment strategy and portfolio returns.
	Where is it Concentrated?	⊕ Regulatory & Reporting Functions SLFRS S2 climate-specific reporting standards reporting requirements for financial emissions under scope 03. ⊕ Investment & Portfolio Management Financed-emissions requirements will create pressure on investment decisions and reliance on emissions data from counterparties and government securities issuers. ⊕ Technology & Organizational Capability Need for upgraded systems to track and report emissions and internal skills gaps in climate reporting, emissions accounting, and sustainable finance analysis.
Strategy and Decision Making	Planned actions within our Strategy, Risk Management framework, and Transition Plans	The Company will implement a recognized industry framework for measuring financed emissions, with formal enrollment and emissions calculations beginning next year, supported by preparatory work already underway. The Company will expand investments in sustainability and green bonds, indirectly supporting the transition to a low-carbon economy.
	How the Company is Resourcing and Plan to Resource Activities	The company is building internal capability through targeted training for investment, risk and finance teams. External support from climate-risk advisors will further strengthen methodologies and governance. Expand investments in sustainability-linked and green bonds, supporting both portfolio resilience and the broader transition to a low-carbon economy.
	Progress (qualitative)	Internal awareness programs are underway, and preparatory work has started ahead of signing up to begin financed-emissions calculations next year. Increased investments in Green and sustainability bonds in 2025 Rs. 4.7 billion
Financial Effects	Financial Effects for the Current Year on the Profit and Loss Statement, Balance Sheet, and Cash Flows	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated Financial Effects Over the Short, Medium, and Long Term on the Profit and Loss Statement, Balance Sheet, and Cash Flows	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section

CRR1	Low-carbon Transition Risk	
Policy and legal risk resilience	Resilience Assessment	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section
	How and When Climate Scenario Analysis was performed. Disclosure of (I) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section
Judgements and Uncertainties	Uncertainties	Financed-emissions estimates involve significant data uncertainty, as many clients do not yet report complete or verified emissions data. There is uncertainty around future regulatory changes, which may affect methodologies, scope boundaries, or disclosure expectations. Transition risk impacts on clients and sectors remain uncertain and may influence asset quality, portfolio composition, and future target-setting.

3.2 Strategy Disclosures on Sustainability-Related Opportunities

SRO1	Digital Transformation & Data Insights	
SROs impact on Prospects	Description	Accelerating digital transformation strengthens the Company's resilience by reducing dependency on physical infrastructure through expanded digital channels, paperless workflows, and mobile-enabled service platforms. These initiatives lower operational resource consumption, enhance business continuity during climate-related disruptions, and improve customer accessibility. Enhanced predictive analytics capabilities support identification of emerging insurance risk patterns, including climate-related exposures and portfolio sensitivities. Structured AI governance and model oversight mechanisms ensure responsible, explainable, and accountable use of automated decision-support systems. Strengthened data stewardship frameworks improve the reliability and integrity of ESG metrics and sustainability disclosures.
	Time Horizon	Medium term to long term
	Define time horizon	Refer to Note 1.7 (page 58) presented under the 'Basis of Preparation' section
Business Model and Value Chain	Financial Effects for the Current Year on the Profit and Loss Statement, Balance Sheet, and Cash Flows	No material impact to current business model and value chain.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

SRO1	Digital Transformation & Data Insights	
Business Model and Value Chain (Contd.)	Anticipated Financial Effects Over the Short, Medium, and Long Term on the Profit and Loss Statement, Balance Sheet, and Cash Flows	⇢ Reduction in operating costs through energy-efficient IT infrastructure, cloud optimization, and improved asset utilisation. ⇢ Lower emissions and resource usage driven by accelerated digitalisation, paperless processes, workflow automation, and expanded digital service channels. ⇢ Improved long-term resilience through secure cloud-enabled architecture and distributed digital platforms, reducing physical site concentration risk. ⇢ Improved system availability (from 98% to 99.5%) and faster incident resolution enhance service continuity and stakeholder confidence. ⇢ Strengthened vendor governance and structured third-party oversight reduce operational, cyber, and compliance exposures within the extended value chain. ⇢ Reduced reliance on capital-intensive physical expansion through digital service enablement and infrastructure optimization
	Where is it Concentrated?	⇢ IT Operations and Infrastructure: Energy-efficient systems, cloud optimisation, uptime improvements, lifecycle management. ⇢ Governance, Risk & Compliance Functions: AI governance, data stewardship, cybersecurity controls, ESG reporting integrity. ⇢ Enterprise Risk Management & Three Lines of Defence: Oversight of digital risk indicators, vendor governance, and operational resilience. ⇢ Customer Channels & Service Delivery: Online portals, mobile applications, WhatsApp-enabled service requests, digital workflows, and paperless processing. ⇢ ESG Reporting and Sustainability Functions: Data integrity, emissions tracking, and alignment with ESG frameworks.
Strategy and Decision Making	Planned actions within our Strategy, Risk Management framework, and Transition Plans	⇢ Advancing enterprise data capabilities through phased development of a centralised data lakehouse architecture to enhance data integrity, predictive analytics, and sustainability reporting reliability. ⇢ Integrating AI-enabled decision-support mechanisms within core operational systems to improve underwriting insights, portfolio risk assessment, and management responsiveness, supported by structured AI governance and oversight. ⇢ Modernising legacy sub-systems through container-based architecture to improve infrastructure efficiency, scalability, and optimised resource utilisation, reducing long-term hardware intensity and enhancing energy efficiency. ⇢ Embedding DevOps and SecOps practices to strengthen secure development lifecycle governance, improve change management discipline, and reduce operational disruption risk.

SRO1	Digital Transformation & Data Insights	
Strategy and Decision Making (Contd.)	How the Company is Resourcing and Plan to Resource Activities	⇢ Investment in secure cloud-enabled infrastructure, container-based modernization, and scalable data architecture to enhance operational resilience and resource efficiency. These investments form part of the Company's ongoing technology modernization program. Implementation is being carried out in phases over the medium term through the ICT capital expenditure framework, focusing on secure cloud infrastructure, containerization, and scalable data architecture to strengthen operational resilience and efficiency. ⇢ Allocation of resources toward development of enterprise data capabilities, including phased implementation of a data lake-house architecture to strengthen analytics, ESG reporting, and decision-making reliability. ⇢ Deployment of structured AI governance controls and model oversight mechanisms to support responsible AI adoption, including internal capability development for controlled language model applications. ⇢ Strengthening DevOps and SecOps capabilities to improve change governance, secure system development lifecycle management, and operational risk mitigation. ⇢ Enhancement of digital workflows and omni-channel platforms to reduce paper-based processes, improve customer accessibility, and lower environmental intensity. ⇢ Ongoing reinforcement of vendor governance frameworks and SLA monitoring to ensure resilient service delivery and risk transparency across third-party relationships.
	Progress (qualitative and quantitative)	**Qualitative** ⇢ Progressed enterprise data architecture through proof-of-concept initiatives toward a scalable data lakehouse model. ⇢ Expanded AI-enabled insights within internal systems to enhance operational responsiveness and decision support. ⇢ Strengthened AI governance oversight to ensure accountable and explainable deployment of automated decision-support tools. ⇢ Advanced container-based modernisation of legacy subsystems to improve scalability and infrastructure efficiency. ⇢ Expanded digital workflows and paperless processing to improve audit traceability and reduce operational resource consumption. ⇢ Enhanced vendor governance, SLA discipline, and service monitoring mechanisms to strengthen operational resilience. **Quantitative** ⇢ System uptime improved from 98% to 99.5%, strengthening service continuity. ⇢ Average incident resolution time reduced by approximately 25%. ⇢ Over 60% of the workforce participated in digital capability development initiatives. ⇢ Increased adoption of digital service channels and workflow automation across customer and internal operations

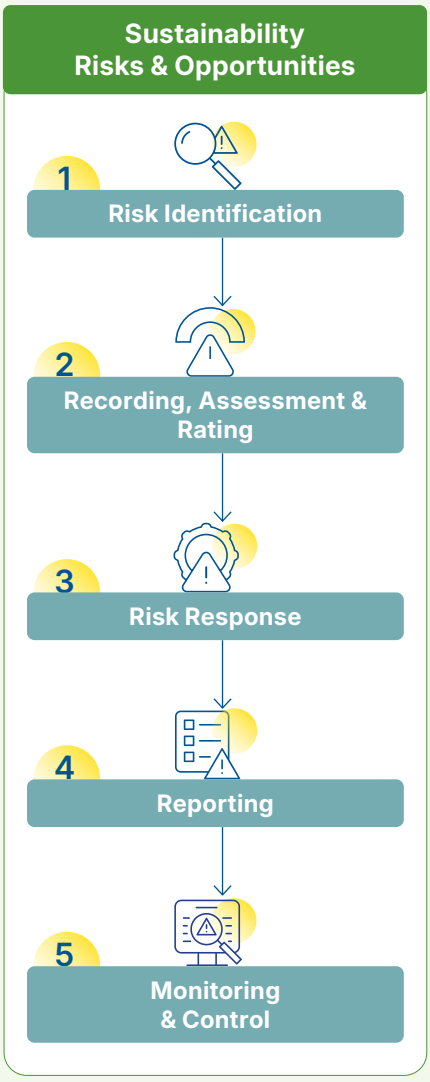
SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

SRO1	Digital Transformation & Data Insights	
Financial Effects	Financial Effects for the Current Year on the Profit and Loss Statement, Balance Sheet, and Cash Flows	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated Financial Effects Over the Short, Medium, and Long Term on the Profit and Loss Statement, Balance Sheet, and Cash Flows	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section
Market risk resilience	Resilience Assessment	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer to Note 1.9 (page 58) presented under the 'Basis of Preparation' section
Judgements and Uncertainties	Judgements	⊕ Management judgement is applied in assessing the long-term resilience benefits of digital transformation initiatives, including cloud optimisation, container-based modernisation, and predictive analytics capabilities. ⊕ Judgement underpins assumptions regarding the environmental and operational benefits of paperless workflows and expanded digital service channels. ⊕ Judgement is applied in evaluating the effectiveness of AI governance controls in mitigating model risk, regulatory exposure, and ethical concerns. ⊕ Management also applies judgement in assessing expected cost efficiencies arising from vendor governance strengthening and infrastructure optimization.
	Uncertainties	⊕ Realization of projected efficiency and sustainability benefits is dependent on continued digital adoption across customers, employees, and partners. ⊕ Future regulatory developments concerning AI governance, data protection, and sustainability reporting may influence implementation timelines and compliance costs. ⊕ Technology performance, vendor reliability, and evolving cyber threat landscapes may impact anticipated resilience outcomes. ⊕ Economic and market volatility may influence the pace of digital investment and transformation initiatives.

4 RISK MANAGEMENT

4.1 Processes and Policies Relating to Sustainability-Related Risks

The risk management process includes five key steps.



Identification

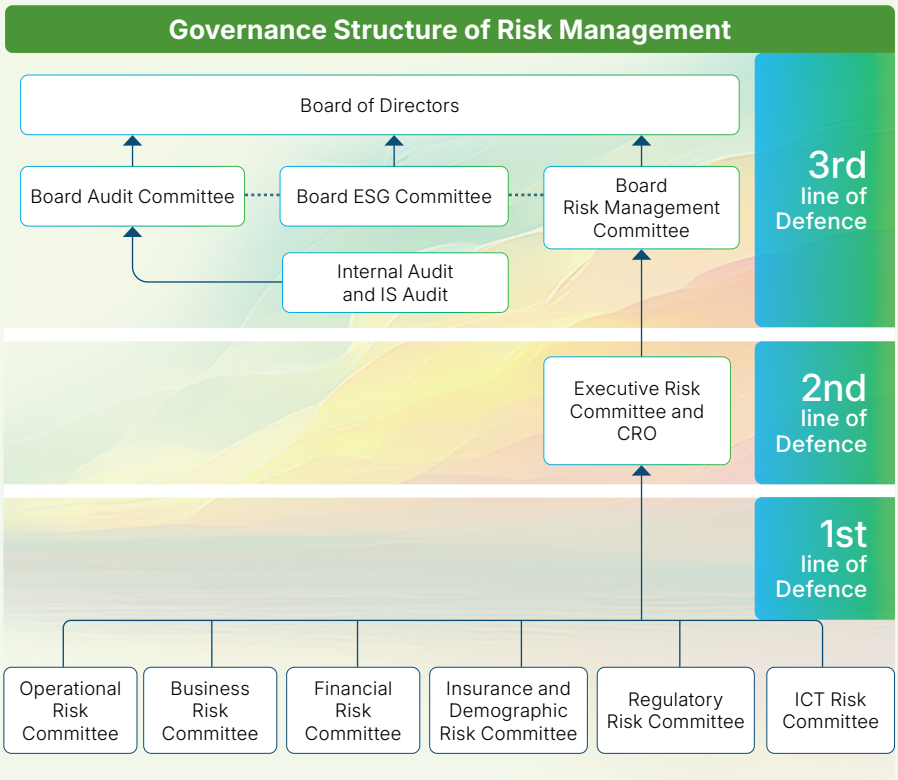
i. Inputs and Parameters

Sustainability-related risks (SRR) management is embedded in the companies' operations. The inputs and parameters used in managing sustainability risks are derived with reference to the sources of guidance outlined in note 1.6 in page 58. These guidelines provide the basis for identifying, assessing, and monitoring SRRs, which directly impacts the company's capacity to operate effectively.

Sustainability-related risks are integrated into the company's risk register and are assessed using the same risk assessment criteria across the broader Enterprise Risk Management Framework .

The Company undertakes regular identification and evaluation of these risks through its Board-approved Enterprise Risk Management (ERM) process and framework, supported by management discussions and stakeholder engagement processes.

Risk management is inextricably linked to company strategy and control is exercised by a governance framework. The Risk Management Governance Structure of the Company incorporates the 'Three Lines of Defense Model, which identifies, defines, and segregates duties and responsibilities in relation to risk management.



The identification of climate and sustainability related risks are conducted at the Sub-committee level (1st line of defense), which serves as the primary forum for risk discussion and assessment. Each Sub-committee evaluates these risks within its respective scope during proceedings. Climate related risks are further categorized into physical risks, arising from acute and chronic natural hazards, and transition risks, resulting from regulatory, market, and policy changes that may impact asset valuations and underwriting exposures.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

ii. Whether the Company Uses Scenario Analysis

The company does not apply scenario analysis for the identification of sustainability-related risks and opportunities.

Assessment

iii. How the Company Assesses Sustainability-Related Risks

Nature

Understanding the nature of each risk involves analyzing how and where it may impact the business for example through disrupted operations, damage to assets, non-compliance with regulations, or transition risks arising from policy, market, or technological changes. It also includes identifying which regions, business units, or assets may be affected, determining whether the risk is acute or chronic, and assessing whether it originates from internal operations or external dependencies.

Likelihood

Sustainability related risks are evaluated by determining the likelihood of each risk using a defined likelihood scale of - rare, unlikely, possible, likely or almost certain supported by historical data, forward-looking regulatory developments, sustainability-related risk outlook reports, expert judgment, and specialist input.

Magnitude/Exposure

Evaluating the potential exposure using a defined impact scale based on both quantitative and qualitative factors across varying time horizons.

The company assessed the relevant risks using a defined impact scale – insignificant, minor, moderate, major or catastrophic based on both quantitative and qualitative factors across short-, medium- and long-term time horizons.

The Company applies the materiality principle under SLFRS S1 by focusing on sustainability-related risks that have a direct or indirect financial impact on the business. In doing so, it avoids disclosing non-material matters that may dilute decision-useful information and considers both current and reasonably anticipated effects, where reliable data is available, in assessing materiality.

Refer to Note 1.4 (page 57) presented under the 'Basis of Preparation' section are classified as non-material for the reporting period but remain in the internal sustainability risk register for monitoring.

Prioritization

Using information collected in the identify and assessed steps, the company prioritize the sustainability related risks through the process of structured evaluation of time horizons, impact and likelihood.

Monitoring

iv. How the entity monitors sustainability-related risks

The Company actively monitors the effectiveness of the controls through risk-based internal audits and controls testing, regulatory reporting to the Risk Management Committee and ESG Committee.

In addition, the Company continuously monitors changes in economic, social, financial, regulatory and environmental factors that could affect the risk assessment. When necessary, the Company revisits the and updates the assessment to reflect material changes.

Changes to risk management process compared to last year

In 2025, the company fully embedded the management of Sustainability-related risks into the ERM. The company has amended the Enterprise Risk management policy to define the structure, roles and responsibilities for managing sustainability risks across the business.

Processes and Policies Relating to Climate and sustainability-related Opportunities

The company follows the same structured approach for sustainability-related opportunities as it does for sustainability-related risks.

Opportunities are identified at the Sub-committee level, where management discussions and stakeholder inputs are used to highlight initiatives that can strengthen financial resilience, enhance customer trust, support digital enablement, empower employees, and advance environmental and social stewardship. Each identified opportunity is assessed for its potential impact, likelihood of success, and alignment with the Company's strategic objectives, and is prioritized accordingly. Monitoring of these opportunities is conducted through Sub-committee meetings, with high-impact opportunities escalated to the Board Risk Committee, Board ESG Committee, and the Board of Directors to ensure oversight and integration into strategic planning.

Integration to Overall ERM

Key Components for Effective ERM Integration

- **Strategic Alignment:** Embed ERM into the strategic planning process, ensuring that risks are considered when setting objectives and developing strategies.
- **Governance Structure:** Define clear roles, responsibilities, and accountability for managing risks across the organization, with strong oversight and direction from the Board.
- **Risk-Aware Culture:** Promote proactive risk management through regular training and communication.
- **Technology & Monitoring:** Utilise appropriate systems and tools for data management, risk monitoring, and reporting such as dashboards and heat maps to provide a consolidated view of the organization's risk profile.
- **Continuous Improvement:** Periodically review and enhance the ERM framework to address emerging risks, regulatory developments, and evolving strategic objectives.

5 METRICS AND TARGETS

5.1 Cross Industry Metrics

5.1.1 Greenhouse Gas Emissions (GHG)

In line with SLFRS S2 requirements, the Company measures GHG emissions using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004), applying the operational control approach. This approach was selected because it enables the Company to distinguish between emissions from activities it controls (through the authority to introduce and implement operating policies) and emissions from activities in the value chain, which it does not directly control, but may be able to influence.This is the second year of reporting under SLFRS Sustainability Disclosure Standards. The Company has disclosed comparative information because the first year transition relief was applied.

Emissions are disclosed on a gross basis, without offsets, in metric tonnes of CO2 equivalent (tCO2e). This is the first time the organization has been using Greenhouse Gas Protocol, since it has used ISO14064-1: 2018 standard for the last 5 years.

5.1.1.1 Basis of Determination of Organizational Boundary and Operational Boundary

The organizational boundary includes only the operations of Ceylinco Life.

All GHG emissions disclosed under Scope 1 and Scope 2 categories represent emissions arising solely from Ceylinco Life's operationally controlled activities.

The Company also assessed the operations of its other subsidiaries and based on their size and nature of activities it was determined to be not material for the purposes of SLFRS S1 and SLFRS S2 reporting. Therefore, emissions from these subsidiaries have not been included.

5.1.1.2 Operational Boundary includes

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

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

Summary of the total gross GHG emissions

(tCO2e)	2025	2024	%
Scope 01	325.37	247.7	+31.4
Scope 02	604.51	616.22	-1.9%
Total	**929.88**	**863.92**	**+7.6%**

GHG emissions breakdown

The table below presents GHG emissions across Scope 1 and Scope 2 disclosed on a gross basis, without offsets, in tCO2e.

Carbon footprint Carbon footprint by Scope and category (tCO2e)			
Scope of GHG emissions	**2025**	**2024**	**Change**
Scope 01			
Onsite Diesel Generators	23.55	3.25	624.6% +
Refrigerant Leakage	42.41	31.49	34.7% +
Fire Extinguishers	0.37	0.36	2.8% +
Mobile Combustion	258.71	212.12	21.9% +
LPG usage	0.34	0.52	34.6% -
Total scope 1 GHG emissions	**325.37**	**247.7**	**31.4% +**
Scope 02			
Grid Connected Electricity	604.51	616.22	1.9% -
Total scope 2 GHG emissions	**604.51**	**616.22**	**1.9% -**
Total Emissions (tCO2e)	**929.88**	**863.92**	**+7.6%**

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

5.1.1.3 Key Assumptions and Sources of GHG Measurement

Scope	Emission SubCategory	Activity	Data Source	Emission Factors	Source of GWP Values
Scope 1	Stationary Combustion	Diesel Generator	Invoices / Actual Consumption / Running Hours	IPCC emission factor	IPCC Sixth Assessment Report, 2020 (AR6).
Scope 1	Stationary Combustion	LPG Usage	Invoices	IPCC emission factor	IPCC Sixth Assessment Report, 2020 (AR6).
Scope 1	Mobile Combustion	CompanyOwned Vehicles	Central Accounts of the company	IPCC emission factor	IPCC Sixth Assessment Report, 2020 (AR6).
		Employee Commuting	Employee Travel Survey		
Scope 1	Fugitive Emissions	Fire Extinguishers (CO_2)	Service Records / Invoices	IPCC emission factor	IPCC Sixth Assessment Report, 2020 (AR6).
Scope 1	Fugitive Emissions	Refrigerant Leakages (R410A, R32, R407C)	Service Records / Invoices	IPCC emission factor	IPCC Sixth Assessment Report, 2020 (AR6).
Scope 2	Purchased Electricity	Grid Electricity Consumption	Central Accounts of the company CEB Bills	Sri Lanka Energy Balance 2024 by Sri Lanka Sustainable Energy Authority	IPCC Sixth Assessment Report, 2020 (AR6).

5.1.2 Climate-related Physical Risks

The Company's exposure to climate-related physical risks is assessed as moderate, with no significant impacts observed from extreme weather events such as floods, droughts, or prolonged heatwaves. During the reporting period, only 2.5% of the Company's assets and business activities were affected, resulting in a total damage cost of Rs. 1.4 Mn falling below the specified materiality threshold (Refer to Note 1.4 (page 57) presented under the 'Basis of Preparation'. Overall, operations have continued without climate induced disruption.

5.1.3 Climate-related Transition Risks

The Company has not yet quantified the amount or percentage of the investment portfolio exposed to transition risks, and this assessment will be incorporated into upcoming portfolio reviews and enhancements to climate risk evaluation frameworks.

5.1.4 Climate-related Opportunities

At present, the Company has not yet assessed the amount or percentage of assets that are aligned with climate and sustainability related opportunities, and this evaluation will be incorporated into future climate and sustainability planning and reporting enhancements.

5.1.5 Capital Expenditure

The Company currently does not have material amounts allocated for climate-related capital deployment. Future allocations will be guided by the targets to be established, which is currently under review.

5.1.6 Internal Carbon Pricing

The Company does not currently apply internal carbon pricing as part of its investment evaluation or business decision making processes.

5.1.7 Remuneration

The Company does not currently link executive remuneration to climate and sustainability-related considerations, and therefore no part of executive management's pay is tied to climate related performance measures.

5.2 Climate-related targets

The Company is currently in the process of formulating its climate related targets in alignment with applicable regulatory and reporting requirements. The finalized targets, together with the corresponding methodologies, assumptions and disclosures, will be presented in the in the next financial year 31.12.2026.

5.3 Insurance Industry-Specific Metrics

Sustainability Accounting Standards Board (SASB) Index
Insurance Sustainability Accounting Standard Version (2025-12)

Sustainability Disclosure Topics & Metrics Table 1

Topic Code	Metric	Category	Unit Of Measure	Code	Description /Page No
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 product-related insurance information to new and returning customers. Additionally, there are no contingent liabilities related to this matter.
	Complaints-to-claims ratio	Quantitative	Rate	FN-IN-270a.2	0.72 complaints per 1,000 claims (2025) 0.73 complaints per 1,000 claims (2024)
	Customer retention rate	Quantitative	Rate	FN-IN-270a.3	85.49% (2025) 83.71% (2024)
	Description of approach to informing customers about products	Discussion and Analysis	n/a	FN-IN-410a.2	The Company follows a structured, customer-centric process to ensure clear communication of insurance products. Sales officers receive thorough training and are supported with educational materials and digital tools to help customers understand product features. All policy proposals are verified through a Head Office call to reconfirm key details, followed by a 21day cooling off period during which the Contact Centre conducts onboarding calls to guide customers through policy benefits and procedures. To further enhance transparency and reduce the risk of misselling, the Company Insurance Product Information Document (IPID) also issues regulator-mandated user-friendly summary outlining key product information in simple and non-technical language.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Topic Code	Metric	Category	Unit Of Measure	Code	Description /Page No
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	The Company continues to strengthen responsible investment practices by integrating Environmental, Social and Governance (ESG) considerations into its investment approach. We maintain a longstanding policy of avoiding investments in sin industries such as alcohol, tobacco, and gambling. During the year Rs. 4.7 Bn, the Company invested in sustainability bonds, demonstrating a commitment to supporting environmentally and socially beneficial initiatives. (Refer pages 181)
Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	Quantitative	Presentation currency	FN-IN-410b.1	The company does not have an exposure to this category.
	Discussion of products or product features that incentivize health, safety or environmentally responsible actions or behaviors	Discussion and Analysis	n/a	FN-IN-410b.2	We do not have such behavior incentivize features. However, we plan to develop behavior-based incentive features in the future to encourage positive engagement and sustainable practices.
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	Transition Reliefs applied as per SLFRS S2 (C4)
	Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-IN-410c.2	
	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	

Topic Code	Metric	Category	Unit Of Measure	Code	Description /Page No
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 re-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
	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	The company does not have an exposure to this category.
	Total fair value of securities lending collateral assets	Quantitative	Presentation currency	FN-IN-550a.2	The company does not have an exposure to this category.
	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 (Refer pages 97-98)

Table 2. Activity Metrics

	Category	Unit Of Measure	Code	Description/Page
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance4	Quantitative	Number	FN-IN-000.A	762,657(2025) 824,753 (2024)

OUR IMPACT
DRIVING SUSTAINABLE DEVELOPMENT

Ceylinco Life integrates the UN SDGs into its core business by providing financial protection, enhancing resilience, creating employment, maintaining strong governance, and managing environmental responsibilities. Through both its main operations and community initiatives, the Company ensures sustainability is embedded in strategy, delivering long-term value, accountability, and inclusive growth.

We proudly support 15 of the 17 UN SDGs, strengthening our commitment to a resilient and sustainable future.



- Also supported through community initiatives
- Also supported through operational systems
- Also supported through direct enterprise activities

Certain goals are advanced through multiple channels. Where indicated, icons reflect both primary strategic influence and secondary operational or community support.

Classification

Direct Enterprise Impact
Goals embedded within core business activities and strategic oversight.

Operational Contribution
Goals supported through internal systems and resource management practices.

Community and Ecosystem Impact
Goals advanced through outreach initiatives beyond core operations.

** If multiple impacts apply, use the combined ring colours according to the classification.*

Strategic Pillar

Financial Performance | Environmental Sustainability | Social Responsibility | Governance

Strategic Importance

High | Moderate | Low

SDG	Classification	Strategic Alignment	Contribution	Relevant Targets	Progress	Future Focus	Strategic Piller/ Importance
1 NO POVERTY		Inclusive Protection and Financial Security Generating opportunitie within communities Jobs generated Partnering with suppliers (Pages 293-306)	Provision of life insurance, long-term savings and retirement solutions enhancing household financial resilience	1.4, 1.5 1.1 1.2	One million lives protected Expansion of inclusive protection solutions Providing employment to 75 employees Partnered with 1,621 suppliers, including 626 new.	Strengthen retirement adequacy and protection penetration in underserved regions Strengthened community resilience by providing sustainable job pathways.	
2 ZERO HUNGER		Community Outreach (Pages 307-318)	Distribution of vegetable seed packets supporting household cultivation and food resilience within communities.	2.4	Seed packets distributed to communities	Continue structured livelihood support initiatives	
3 GOOD HEALTH AND WELL-BEING		Health Protection and Wellbeing (Pages 307-318)	Health and critical illness insurance solutions supported by community health camps. Employee health and safety.	3.4, 3.8	12 health camps 2,907 participants 5 health related products Community health supported through partnered hospitals.	Expand preventive outreach and enhance medical product offerings	
4 QUALITY EDUCATION		Education and Capability Development (Pages 307-318)	Scholarships and educational infrastructure support for students and professional development for employees and advisors.	4.1, 4.4	128 pranama scholarships awarded 14,319 training hours delivered Supporting education through classroom initiatives	Maintain scholarship support and strengthen capability development	

DRIVING SUSTAINABLE DEVELOPMENT

SDG	Classification	Strategic Alignment	Contribution	Relevant Targets	Progress	Future Focus	Strategic Piller/ Importance
5 GENDER EQUALITY		Workforce Diversity and Inclusion (Pages 243-278)	Inclusive recruitment practices and women-focused insurance solutions.	5.1, 5.5	31% young female recruits (18–25) Two women-focused insurance solutions.	Advancing women's empowerment and gender balance through inclusive protection solutions and equal opportunities.	
6 CLEAN WATER AND SANITATION		Resource Efficiency and Sustainable Investments (Pages 199-223)	Water recycling, rainwater harvesting and reduction in operational water use. Investment in blue and sustainability bonds supporting freshwater management initiatives.	6.3, 6.4	1.39 Mn litres recycled 3.08 Mn litres rainwater harvested More than Rs. 4.5 Bn placed in SDG 6 sustainability bonds	Expanding sewerage recycling plants Encouraging staff to follow eco-practices to preserve water	
7 AFFORDABLE AND CLEAN ENERGY		Renewable Energy and Green Investments (Pages 199-223)	Solar installations across branches. Investment in green bonds financing renewable energy generation and energy-efficient infrastructure.	7.1, 7.2	6,215 MW solar added 1,121 MW renewable energy generated Rs. 6.7 Bn invested in sustainability bonds supporting renewable energy projects	Expand green branch network and renewable investments	
8 DECENT WORK AND ECONOMIC GROWTH		Employment and Financial Strength (Pages 243-278)	Supporting national economic development through youth recruitment and value-chain contributions	8.2, 8.5, 8.8, 8.10	118 of employees promoted 100% employees received bonuses 1,606 Local suppliers Zero HR violations	Enhancing national employment opportunities while safeguarding capital stability.	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		Investing in the largest and most geographically widespread branch network in the life insurance sector, and developing sustainable infrastructure (Pages 199-223)	Expansion of green branches, digitally enabled insurance services and strengthened cybersecurity frameworks.	9.1, 9.4, 9.c	119 branches 32 green buildings IT disaster recovery testing completed Embedding digitalisation into SLFRS disclosures	Strengthening digital insurance capabilities and automation to drive long-term growth	
10 REDUCED INEQUALITIES		Inclusive Access and Equal Opportunity (Pages 243-278)	Expanding protection access across regions and maintaining equitable employment practices.	10.2, 10.3, 10.4	Inclusive HR policies maintained Regional employment initiatives	Strengthen diversity and inclusion through enhanced HR policies.	

SDG	Classification	Strategic Alignment	Contribution	Relevant Targets	Progress	Future Focus	Strategic Piller/ Importance
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Sustainable Operations and Procurement (Pages 293-306)	Paper reduction, waste management, digitisation and supplier sustainability integration.	12.2, 12.5, 12.6, 12.7 12.a	4,950 Kg paper recycled 5,142 trees saved 1,613 Kg total e-waste recycled.	Promoting eco-friendly, digital-first business operations to support responsible resource use.	
13 CLIMATE ACTION		Climate and Energy Transition (Pages 199-223)	Integration of climate considerations into governance and risk management, operational emissions reduction through renewable energy initiatives. Investment in green and sustainability bonds supporting climate mitigation and resilience projects.	13.1, 13.2 13.3	3.43% reduction in CO_2 emissions Solar capacity expansion Strengthening sustainability disclosure compliance Rs. 6.7 Bn invested in climate-aligned bond instruments	Strengthen climate integration and transition to greener operations	
14 LIFE BELOW WATER		Environmental Stewardship (Pages 199-223)	Coastal clean-up initiatives and operational plastic reduction efforts. Investment in blue bonds financing marine ecosystem protection and coastal resilience initiatives.	14.1	Beach clean-ups conducted with 80+ volunteers. Rs. 500 Mn invested in blue bond instrument	Continue marine protection initiatives	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS		Governance and Ethical Conduct (Pages 319-376)	Strong Board oversight, risk governance, regulatory compliance and transparent reporting.	16.3, 16.5, 16.6, 16.7, 16.b	Stronger governance and full regulatory compliance with zero breaches	Continuous improvement of governance systems	
17 PARTNERSHIPS FOR THE GOALS		Institutional Collaboration (Pages 307-318)	Collaborating with health, education, and community institutions to deliver HDU facilities, improve school infrastructure, and promote financial literacy	17.3, 17.16, 17.17	5 HDUs supported 4 schools partnered 3 industry memberships	Sustaining and strengthening structured partnerships to ensure long-term impact.	

OPERATING ENVIRONMENT



NAVIGATING AN EVER-EVOLVING LANDSCAPE

The operating environment in 2025 reflects gradual economic stabilisation alongside continued global uncertainty and structural transformation. While domestic indicators including GDP recovery and moderated inflation signal improving macroeconomic conditions, global capital market volatility, geopolitical fragmentation and heightened cyber risk continue to influence financial institutions worldwide.

Longer-term shifts are equally significant. Demographic ageing and rising non-communicable diseases are reshaping protection and retirement needs. Rapid digitalisation is transforming distribution and customer engagement models. At the same time, evolving regulatory frameworks including the transition to SLFRS 17 and sustainability reporting standards are raising expectations surrounding transparency, governance and capital discipline.

These developments collectively reinforce the importance of resilient capital management, responsible product governance, digital security, and sustainable investment integration. The Company's Enterprise Risk Management framework ensures that emerging external developments are systematically assessed and aligned with strategic priorities.

Refer page 91-103 for information on the risk landscape.



"The year 2025 required disciplined capital stewardship, sharper risk sensitivity and continued strategic agility. While macroeconomic stability has improved, structural shifts in demographics, regulation, digitalisation and sustainability continue to redefine our operating landscape. Our focus remains clear strengthening resilience while unlocking long-term protection and retirement opportunities."

MR. E R S G S HEMACHANDRA
Executive Director /
Chief Operating Officer

OPERATING ENVIRONMENT

CEYLINCO LIFE'S OPERATING FRAMEWORK

CLI's operating environment is analysed through both macro and micro perspectives, enabling a structured assessment of external forces and industry-specific dynamics that influence strategy, risk exposure and long-term value creation. At the macro level, developments are evaluated across Political, Economic, Social, Technological, Environmental and Legal (PESTEL) dimensions. These factors shape capital markets, customer behaviour, regulatory expectations, digital transformation and sustainability considerations.



Each macro driver is assessed in terms of its business implications and linked to the Company's Enterprise Risk Management framework, including insurance, financial, operational, regulatory, strategic and climate-related risks.

At the micro level, industry structure, competitive dynamics, customer behaviour, distribution channels, supplier relationships and internal capabilities are analysed to understand their impact on pricing discipline, market positioning, operational efficiency and governance standards.

An integrated approach ensures that emerging trends are not viewed in isolation, but are systematically connected to risk oversight and ESG integration. This ensures CLI strengthens its ability to navigate uncertainty while advancing sustainable growth and long-term resilience.

Integrated Analysis Framework

Developments in the operating environment are systematically linked to:

- The Company's Risk Landscape
- ESG Pillars and Sustainability Commitments
- Stakeholder Expectations
- Strategic and Capital Allocation Decisions

Integrated Framework Reference Guide

Link to strategic pillars

Economic | Environmental | Social | Governance

Key Stakeholders

Shareholders | Policyholders and Beneficiaries | Employees | Reinsurers | Actuaries | Suppliers | Sales Agents | Regulators | Industry Associations | Banks and Financial Institutions | Community and Environment

Risk Landscape

IR Insurance Risk | RR Regulatory Risk | FR Financial Risk | OR Operational Risk | SR Strategic Risk

LC Low Carbon Transition Risk | DR Data Security Risk | TR Tax Legislation Risk | REP Reputational Risk

Material Topics

M1 Financial Resilience, Capital & ALM
M2 Competitive Positioning
M3 Responsible Investment & Long-Term Value
M4 SLFRS 17 & SLFRS 9 Implementation
M5 Climate Change & Energy Transition
M6 Customer Experience & Trust
M7 Community Protection & Financial Inclusion
M8 Talent Capability & Employee Well-being
M9 Ethical Business Conduct & Compliance
M10 Cybersecurity & Data Privacy
M11 Digitalisation & Automation

OPERATING ENVIRONMENT

P POLITICAL AND GEOPOLITICAL FACTORS

Factors encompassing domestic fiscal reforms, sovereign stability, and global developments affecting capital markets and financial system confidence.

2025 Context

Sri Lanka continues IMF-supported fiscal consolidation amid global geopolitical fragmentation, capital market volatility and heightened cyber threats. Regional instability and global trade realignment continue to influence investment markets, capital flows and financial system confidence.

Positive Implications

- Heightened risk awareness supports demand for long-term protection solutions.
- Fiscal reforms improve medium-term macroeconomic confidence.
- Greater appreciation for capital stability strengthens the role of life insurance.

Negative Implications and Associated Risks

Investment market volatility impacting portfolio returns	Capital adequacy sensitivity and counterparty exposure under stressed geopolitical scenarios		Heightened cyber exposure due to geopolitical tensions		Strategic uncertainty arising from shifts in fiscal policy, regulatory direction or macroeconomic priorities.
FR	RR	IR	OR	DR	SR
Investment Concentration Risk, Interest Rate Risk	Compliance Risk (Capital Inadequacy)	Reinsurance Risk	ICT Risk	Data Security Risk	Strategic Risk

Impact on Business Model

- Increased focus on solvency preservation and capital resilience.
- Shift toward protection-led growth over aggressive savings expansion.
- Greater alignment between investment governance and risk appetite.

Operational Implications

- Strengthened Board-level oversight of capital and liquidity.
- Refinement of crisis communication protocols.
- Continuous monitoring of reinsurance counterparty ratings.
- Monitoring demand sensitivity during periods of political instability or regime change.
- Increased scrutiny for high-risk jurisdictions when establishing business relationships.
- Review of morbidity assumptions in response to government health policy changes and healthcare availability.

Link to Stakeholders

Link to Material Topics

M1 M2 M7 M9

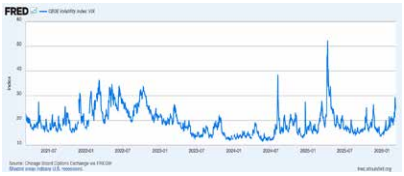
Strategic Pillars

Financial Performance (Pages 155-198)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

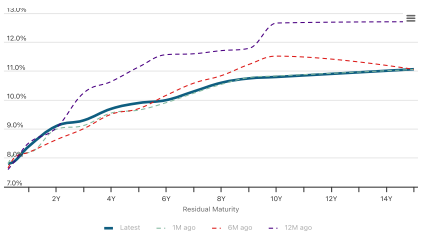
Global market volatility index



CBOE Volatility Index:
VIX (VIXCLS) | FRED | St. Louis Fed

Global capital markets remained sensitive to geopolitical developments, reflecting elevated volatility across equity and bond markets during the period.

Sri lanka sovereign bond yield trend



Sri Lanka Government Bonds - Yields Curve

Sovereign yield movements reflect evolving investor confidence and the impact of ongoing fiscal consolidation efforts.

IMF Reform Milestone Timeline

2023	2024	2025
IMF programme approval	Fiscal consolidation milestones	Continued stabilisation

Key fiscal and structural reform milestones underpin macroeconomic stabilisation and medium-term financial system confidence.

E ECONOMIC LANDSCAPE

Factors encompassing macroeconomic growth trends, inflation dynamics, interest rate movements, currency stability and overall economic sentiment influencing financial system performance and consumer affordability.

2025 Context

Sri Lanka's macroeconomic environment in 2025 reflects gradual recovery, supported by GDP growth, moderated inflation and stabilising interest rates. Deposit rates have normalised, while life insurance penetration remains relatively low compared to regional peers, indicating structural growth potential. However, external vulnerabilities and global economic shifts continue to influence currency movements, liquidity conditions and investment returns.

Positive Implications

- Stable inflation supports affordability of long-term protection and savings products.
- Improving economic confidence enhances customer willingness to commit to long-term financial planning.
- Low insurance penetration presents structural expansion opportunities.
- Normalising interest rates support more predictable asset–liability management.

Negative Implications and Associated Risks

Interest rate volatility affecting asset–liability alignment and portfolio valuations	Liquidity pressures arising from market disruptions or economic shocks	Credit deterioration within investment portfolios during economic downturns	Taxation changes impacting profitability and surplus distribution
FR Interest Rate Risk	FR Liquidity Risk	FR Credit Risk	TX Tax Legislation Risk

Impact on Business Model

- Greater emphasis on disciplined asset–liability management and duration matching.
- Increased focus on persistency management and customer retention.
- Strengthened pricing governance to ensure sustainable margins.
- Balanced portfolio allocation between yield optimisation and capital preservation.

Operational Implications

- Continuous monitoring of duration gaps and interest rate sensitivity.
- Liquidity buffer management and cash flow forecasting.
- Periodic review of investment concentration limits and credit exposure.
- Close monitoring of fiscal and monetary policy developments.
- CAR monitoring under the Risk Based Capital (RBC) framework.

Link to Stakeholders

Link to Material Topics

M1 M2 M3 M4 M7

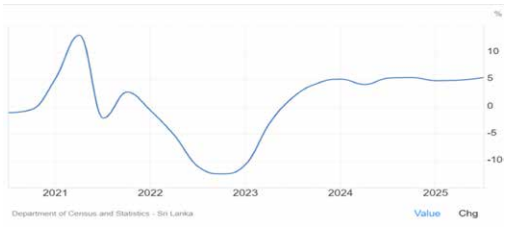
Strategic Pillars

Financial Performance (Pages 155-198)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

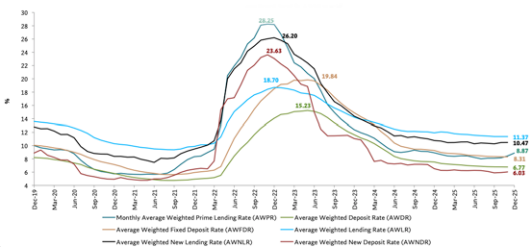
Sri lanka GDP growth trend (3–5 years)



Source: Asian Development Bank. 2025.
Asian Development Outlook September 2025.

Economic recovery trends reflect improving macroeconomic stability and growth momentum.

Market Interest Rates



Source: Central Bank of Sri Lanka (CBSL)

Moderating inflation and stabilising interest rates support improved affordability and financial system stability.

OPERATING ENVIRONMENT

S SOCIAL & DEMOGRAPHIC LANDSCAPE

Factors encompassing population ageing, life expectancy trends, disease prevalence, financial literacy levels and evolving customer expectations influencing long-term protection and retirement needs.

2025 Context

Sri Lanka's demographic profile continues to shift toward an ageing population, with increasing life expectancy and a growing prevalence of non-communicable diseases (NCDs). Rising financial awareness and changing family structures are reshaping retirement planning and long-term protection requirements. At the same time, affordability sensitivity and trust expectations remain key determinants of insurance uptake and persistency.

Positive Implications

- Growing demand for retirement income and annuity products.
- Increased awareness of health risks supporting critical illness and protection solutions.
- Greater emphasis on structured long-term financial planning.
- Expanding opportunities to enhance financial inclusion across underserved segments.

Negative Implications and Associated Risks

Rising longevity impacting long-term liability assumptions	Higher claims frequency and severity due to NCD prevalence	Affordability pressures affecting persistency and policy lapse behaviour	Increased customer expectation around fairness and service standards	Talent retention and skills gaps amid digital and regulatory change
IR Underwriting Risk	IR Claims Risk	FR Liquidity Risk IR Underwriting Risk	REP RR Compliance Risk	OR SR

Impact on Business Model

- Greater focus on retirement and health-oriented product portfolios.
- Increased emphasis on actuarial discipline and sustainable pricing assumptions.
- Enhanced value proposition centred on trust, transparency and long-term security.
- Balanced growth between protection and savings segments.
- Greater investment in workforce capability, training and digital upskilling.
- Strengthened oversight of agency conduct, performance and persistency management.

Operational Implications

- Continuous refinement of underwriting guidelines and mortality/morbidity assumptions.
- Claims pattern analysis and statistical monitoring.
- Strengthened medical partnerships and provider networks.
- Financial literacy and customer engagement initiatives.
- Ongoing review of persistency and lapse indicators.
- Continuous professional development programme
- Enhanced monitoring of sales quality, lapse ratios and advisory standards.
- Alignment of incentive structures with long-term customer outcomes.

Link to Stakeholders

Link to Material Topics M2 M6 M7 M8

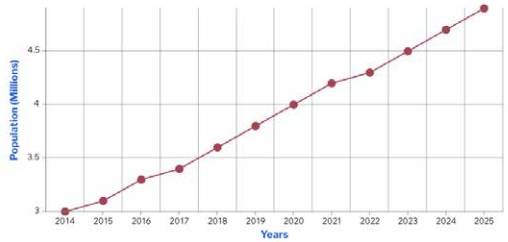
Strategic Pillars

Financial Performance (Pages 155-198)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

Ageing population over 60 years



Greying Nation: Ageing Trends in Sri Lanka

Demographic ageing is reshaping long-term retirement and protection needs, with over 18% of the nation's population currently over the age of 60.

Non-communicable diseases account for approximately 83% of annual deaths in Sri Lanka, significantly influencing morbidity trends and long-term protection needs.

T TECHNOLOGICAL LANDSCAPE

Factors encompassing digital transformation, cybersecurity, data governance, automation, artificial intelligence and evolving customer engagement platforms influencing operational resilience and competitive positioning.

2025 Context

Rapid digitalisation continues to reshape the life insurance industry. Increased adoption of digital onboarding, automated underwriting, cloud-based systems and data analytics is transforming customer engagement and operational efficiency. At the same time, escalating cyber threats, data protection expectations and regulatory scrutiny are heightening technology-related risk exposure.

Positive Implications

- Improved operational efficiency through automation and process digitisation.
- Enhanced customer experience via secure digital engagement channels.
- Greater data-driven decision-making across underwriting and servicing.
- Reduced paper usage through digitised documentation and workflows.
- Lower travel-related emissions through digital servicing and remote engagement.

Negative Implications and Associated Risks

Cyber threats and system vulnerabilities		Data privacy breaches and regulatory non-compliance		Technology implementation failures or project overruns		Over-reliance on digital channels affecting advisory relationships
OR ICT Risk	DR	RR Compliance Risk	DR	OR ICT Risk	SR	SR

Impact on Business Model

- Transition toward digitally enabled distribution and service models.
- Greater reliance on data-driven decision-making.
- Integration of technology risk considerations into product and investment governance.
- Increased importance of secure digital ecosystems in sustaining trust.

Operational Implications

- Continuous strengthening of cybersecurity controls and monitoring.
- Enhanced data governance and personal data protection frameworks.
- Regular disaster recovery and business continuity testing.
- Expansion of paperless processes and digitised customer journeys.
- Responsible lifecycle management of IT equipment and vendors.

Link to Stakeholders

Link to Material Topics

M6 M10 M11

Strategic Pillars

Financial Performance (Pages 155-198)

Environmental Responsibility (Pages 199-223)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

Cyber risk continues to rank among the most significant operational exposures for financial institutions globally.

OPERATING ENVIRONMENT

E ENVIRONMENTAL LANDSCAPE

Factors encompassing climate transition requirements, environmental regulatory expectations and resource efficiency considerations influencing investment governance, operational sustainability and long-term resilience.

2025 Context

Climate-related regulatory expectations continue to evolve globally, with increasing emphasis on emissions transparency and sustainability-related financial disclosures. The introduction of SLFRS S1 and S2 has strengthened focus on climate-related governance, risk identification and disclosure practices, particularly in relation to investment portfolios and transition-related exposures.

Positive Implications

- Strengthened investment transparency through enhanced emissions disclosure.
- Improved visibility of transition-related risks across investment portfolios.
- Opportunities to align capital allocation with emerging sustainability standards.
- Enhanced stakeholder confidence through structured climate risk governance.
- Opportunities to enhance operational efficiency through responsible resource use and environmental stewardship.

Negative Implications and Associated Risks

Transition risks arising from evolving emissions disclosure requirements and regulatory expectations	Exposure to carbon-intensive sectors within the investment portfolio		Increased compliance and reporting complexity under sustainability disclosure frameworks	Rising energy and utility costs may increase operating expenditure in the absence of improved resource efficiency.
LC	FR Investment Concentration Risk	LC	RR Compliance Risk	FR

Impact on Business Model

- Progressive integration of transition-related considerations into investment governance.
- Greater emphasis on portfolio transparency and emissions visibility.
- Alignment of capital allocation decisions with long-term sustainability expectations.

Operational Implications

- Implementation of financed-emissions measurement methodologies in the future.
- Strengthened data collection and verification processes across investment counterparties.
- Cross-functional coordination to support climate-related disclosures.
- Ongoing monitoring of exposure to higher-emission sectors within the portfolio.
- Continued focus on energy efficiency and responsible resource utilisation across operations.

Link to Stakeholders

Link to Material Topics M1 M3 M5

Strategic Pillars

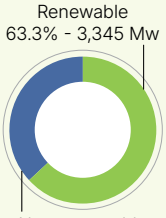
Financial Performance (Pages 155-198)

Environmental Responsibility (Pages 199-223)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

Sri Lanka Electricity Capacity Mix - Renewable vs Non-renewable



(Data as at 31st April 2024)

National Climate & Energy Targets*

70%
Renewable electricity generation by 2030

14.5%
GHG reduction target by 2030

Net-zero
Emissions target by 2050

Renewable Momentum

607 MW
Rooftop solar capacity in 2024

4x increase%
In rooftop solar installations in 2024

> 40 GW
Renewable energy potential

No new coal power policy

Transition & Reporting Landscape

- Increasing integration of climate risk governance across sectors
- National Climate Finance Strategy (2025–2030) underway
- SLFRS S1 and SLFRS S2 adoption roadmap in Sri Lanka, requiring listed and regulated entities to enhance sustainability and climate-related disclosures

L LEGAL LANDSCAPE

Factors encompassing insurance regulation, corporate governance requirements, tax legislation, data protection laws and evolving disclosure standards influencing operational integrity, financial stability and stakeholder trust.

2025 Context

Sri Lanka's regulatory landscape continues to strengthen across prudential oversight, financial reporting, data governance, and sustainability domains. The Risk-Based Capital framework remains central to supervisory oversight, with upcoming amendments to the Solvency Margin (Risk-Based Capital) Rules, 2015 and the Regulation of Insurance Industry Act, No. 43 of 2000 expected to further reinforce capital discipline and regulatory oversight within the insurance sector. The Companies Act (Amendment) Act, No. 12 of 2025 also enhances the broader corporate governance and compliance framework.

Meanwhile, the Personal Data Protection Act, No. 9 of 2022, reinforced by the Personal Data Protection (Amendment) Act, No. 22 of 2025, heightens structured data governance requirements. In parallel, the upcoming mandatory implementation of SLFRS 17 and the insurance-related provisions of SLFRS 9 from 1 January 2026 represents a significant shift in insurance liability measurement and financial reporting transparency, while SLFRS S1 and SLFRS S2 introduce evolving sustainability and climate-related disclosure expectations.

Positive Implications

- Strengthened policyholder protection through prudential capital regulation.
- Improved governance transparency under enhanced disclosure standards.
- Clear regulatory frameworks supporting market stability.
- Increased stakeholder confidence through structured compliance oversight.

Negative Implications and Associated Risks

Non-compliance with insurance regulations, capital adequacy requirements or governance standards	Adverse tax assessments or changes in tax legislation affecting profitability	Breaches of personal data protection requirements under the PDPA	Increased reporting complexity under sustainability and financial disclosure standards
RR Compliance Risk	TR	RR Compliance Risk; DR	TX Compliance Risk

Impact on Business Model

- Continued emphasis on maintaining robust capital adequacy under the RBC framework.
- Strengthened governance oversight and Board accountability.
- Structured data governance and personal data protection controls.
- Enhanced disclosure governance aligned with SLFRS requirements.

Operational Implications

- Ongoing monitoring of regulatory developments and enforcement trends.
- Strengthened compliance monitoring and internal audit processes.
- Continued training of staff on regulatory and data protection requirements.
- Engagement with tax and legal advisors to manage legislative changes.

Link to Stakeholders

Link to Material Topics

M1 M4 M5 M9 M10 M11

Strategic Pillars

Financial Performance (Pages 155-198)

Social Responsibility (Pages 224-318)

Corporate Governance (Pages 319-376)

OPERATING ENVIRONMENT

FINANCIAL REPORTING TRANSFORMATION

SLFRS 17 & SLFRS 9 (EFFECTIVE 1 JANUARY 2026)

Focus: Measurement transparency and profit recognition reform

- SLFRS 17 replaces SLFRS 4
- Current-value measurement of insurance liabilities
- Contractual Service Margin (CSM)-based profit emergence
- Discounted cash flow and risk adjustment approach
- Mandatory application of SLFRS 9 for insurers from 1 January 2026
- Expected Credit Loss (ECL) model and revised asset classification

Impact on Industry:

Reshapes liability valuation, asset measurement, earnings volatility and comparability.

PRUDENTIAL CAPITAL FRAMEWORK

RISK-BASED CAPITAL (RBC)

Focus: Solvency strength and capital discipline

- Phased implementation: 2016–2019
- Fully embedded supervisory monitoring from 2020
- CAR threshold oversight under IRCSL
- Risk-sensitive capital allocation and stress testing
- Proposed regulatory changes to Solvency Margin (Risk-based Capital) Rules, 2015 is expected to roll out in 2027

Impact on Industry:

Strengthens solvency resilience and prudential governance across insurers.

SUSTAINABILITY & CLIMATE CONSIDERATIONS

SLFRS S1 & SLFRS S2 SUSTAINABILITYRELATED FINANCIAL DISCLOSURES

Focus: Sustainability-related and climate-related financial disclosures

- Governance and risk integration requirements
- Climate-related risk transparency
- Enhanced disclosure expectations for regulated entities
- Progressive alignment with international sustainability standards

Impact on Industry:

Elevates climate risk governance and sustainability reporting maturity.

DATA GOVERNANCE & PRIVACY REGULATION

PERSONAL DATA PROTECTION ACT NO. 9

Focus: Structured personal data governance

- Data controller obligations
- Data subject rights framework
- Cross-border data transfer controls
- Expanded enforcement and regulatory powers under 2025 Amendment

Impact on Industry:

Heightened compliance monitoring and strengthened data governance frameworks.

INDUSTRY ANALYSIS

The life insurance industry in Sri Lanka operates within a competitive and highly regulated environment shaped by evolving customer expectations, regulatory requirements, and technological developments. Market dynamics are influenced by the presence of established insurers, increasing digitalisation, and the growing demand for financial protection and long-term savings solutions. The following analysis applies Porter's Five Forces framework to assess the competitive pressures affecting the industry and their implications for strategic positioning.

Threat of New Entrants

Represents the likelihood of new competitors entering the industry, shaped by regulatory requirements, capital thresholds, licensing procedures, and the need to establish specialised expertise and brand credibility.

Bargaining Power of Customers

Represents the ability of policyholders to influence pricing, service expectations, and product offerings through purchasing decisions, switching behaviour, and access to information.

Bargaining Power of Suppliers

Represents the influence of key external partners such as reinsurers, specialist professionals, and technology providers on operational capabilities, cost structures, and service delivery.

Threat of Substitutes

Represents the extent to which alternative financial products or informal arrangements may compete with life insurance for customer funds or reduce the perceived need for protection.

COMPETITIVE RIVALRY

Represents the intensity of competition among existing insurers within the market, influenced by pricing, product offerings, service quality, distribution reach, and brand positioning.

Force	Intensity	Impact on Business
Threat of New Entrants		⇢ Heavily regulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL), which imposes capital requirements (Minimum CAR 120%) and solvency regulations, making entry difficult. ⇢ Licensing and regulatory approvals required from IRCSL ⇢ New entrants must build brand trust and specialised expertise ⇢ Potential niche disruption from InsurTech-driven models
Bargaining Power of Customers		⇢ Customers increasingly informed through digital channels and policy comparisons ⇢ Higher expectations regarding pricing transparency and service quality ⇢ Switching costs remain relatively high due to factors such as surrender penalties, lower initial fund values, and single-premium policy structures.
Bargaining Power of Suppliers		⇢ Significant reliance on global reinsurers (e.g., Swiss Re, Munich Re) for risk transfer and capital management. ⇢ Specialised expertise particularly in terms of actuaries, underwriters, and investment professionals is essential, and shortages of skilled talent can increase supplier influence. ⇢ Insurers are increasingly dependent on third-party technology providers supporting digital transformation initiatives, including AI, advanced analytics, and cloud-based platforms.

OPERATING ENVIRONMENT

Force	Intensity	Impact on Business
Threat of Substitutes		⊕ No direct substitute for the protection function of life insurance ⊕ Both private and state-owned insurers offer health insurance products with broadly comparable coverage, increasing the availability of alternative options for customers.
Competitive Rivalry		⊕ The presence of many competitors amid a large untapped market ⊕ Price wars and aggressive marketing strategies ⊕ Differentiation driven by digital transformation initiatives, superior customer service, and ongoing product innovation. ⊕ Industry consolidation through mergers and acquisitions may reshape competitive dynamics within the sector. ⊕ Contractual commitments to policyholders create structural barriers to exit, reinforcing competitive intensity within the industry.

Intensity:

High Moderate Low

PORTER'S FIVE FORCES ANALYSIS



ENTERPRISE RISK MANAGEMENT

Ceylinco Life recognises risk management as an integral building block used to pro-actively identify and manage risks to create value for its stakeholders. The Company considers it a core competency which is a critical element of the strategic planning process. The Enterprise Risk Management (ERM) framework operates as a feed system to internal and external stakeholders, management and the Board of Directors.

GOVERNANCE OF RISK MANAGEMENT

At Ceylinco Life, the Board of Directors retains overall accountability for the governance of risk and is committed to effective risk management in pursuit of the organisation's 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 399-401 for the Report of the Board Risk Management Committee.) Risk management is inextricably linked to Ceylinco Life's 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, including climate and sustainability related risks, implementation of controls and reports to the Chief Risk Officer and higher-level management.

Risk Governance at a Glance

Board of Directors
Ultimate accountability for risk oversight and risk appetite alignment.

Board Risk Management Committee
Reviews risk exposures and monitors adherence to approved appetite.

Executive Risk Committee (Led by the CRO)
Implements and monitors the enterprise risk framework.

Sub-Committees
Manage operational, financial, insurance, ICT, business and regulatory risks including climate and sustainability risks.

Line Management
Own day-to-day risk identification and control.

Reporting Structure of Risk Management

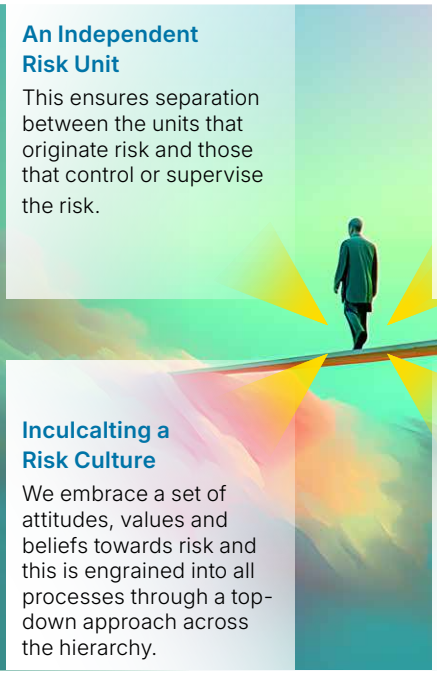


ENTERPRISE RISK MANAGEMENT

Ceylinco Life's Approach to Risk Management

Ceylinco Life's Enterprise Risk Management (ERM) is based on the ISO 31000:2018 framework. Additionally, the organisation has assessed climate related and other sustainability related risks based on the Sustainability Materiality requirements under SLFRS S1 and S2, ensuring that only risks meeting the defined materiality thresholds (refer page 57) are considered material for sustainability reporting.

This approach enables the organisation to proactively identify events and circumstances relevant to its corporate objectives (risks and opportunities) and assess them in terms of consequence and likelihood. The Company then determines an appropriate risk response strategy, implements it and monitors progress, in a manner that contributes to Ceylinco Life's value creation process. The ultimate result of this approach is an integrated, organisation-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.

Inculcalting 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.

Third Line of Defence — Internal Audit and IS Audit

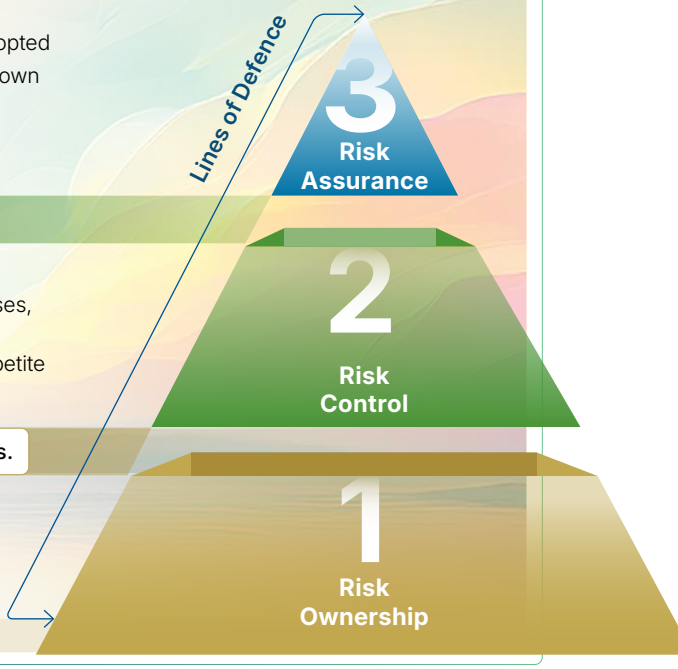
- Monitoring compliance with the Risk Management Governance Structure
- Assessment of the effectiveness of risk management tools and techniques adopted
- Obtaining reasonable assurance from the Executive Risk Committee that all known and emerging risks have been identified and appropriately managed
-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

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

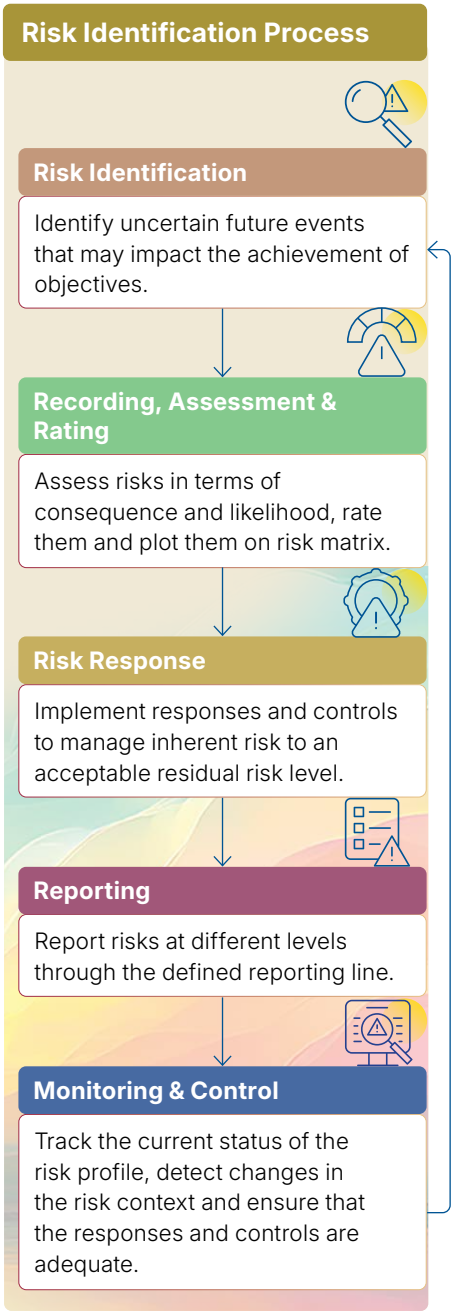
First Line of Defence — Sub-Committees including departments and branches.

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



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 recognise the importance of improving the risk management process, while ensuring the smooth flow of the activities within the process.



Risk Appetite

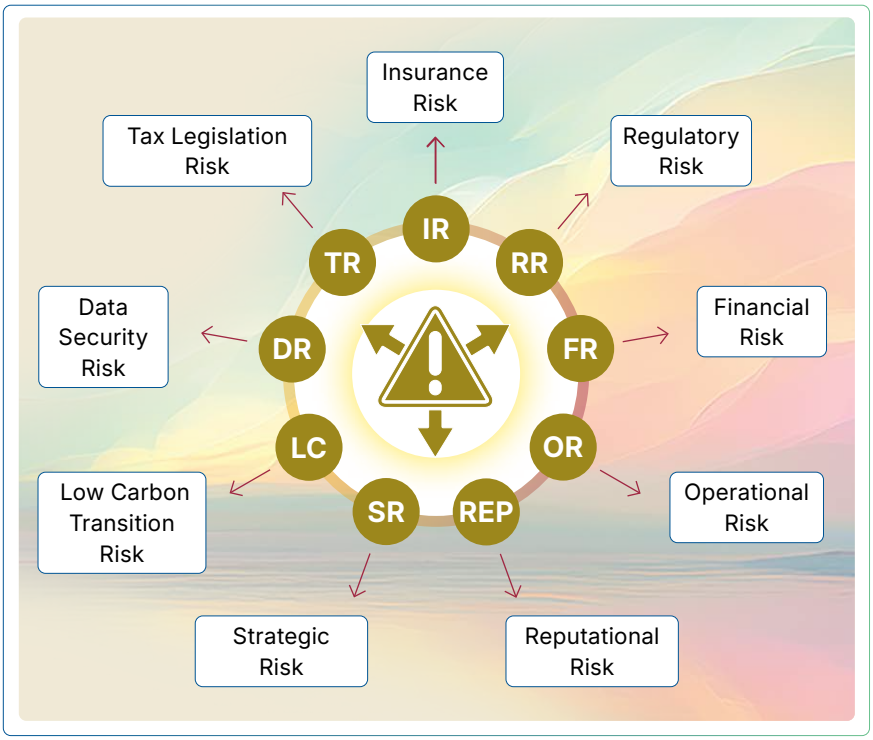
Risk Appetite refers to the aggregate amount and type of risk Ceylinco Life is willing to accept in the pursuit of its objectives, before action is deemed necessary to reduce it. A defined "Risk Appetite Statement" serves as a source of guidance in our risk management process, and appetite levels have been established 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.



PESTEL scanning helps the company to identify risks political, economic, social, technological, environmental and legal domains.

These external risks are identified through:

- six specialised risk sub committees,
- continuous external environment scanning,
- risk register updates, and
- oversight within the three lines of defence.

ENTERPRISE RISK MANAGEMENT

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 2025

Likelihood and Impact (residual): High Moderate Low

Ranking: Increased Reduced Unchanged

New Risk Identified

Likelihood | Impact | Ranking

IR INSURANCE RISK

1.1. Underwriting Risk

Capitals Impacted: FC

Strategic Integration: Financial Performance

Material Topics: Financial Resilience, Capital & ALM — M1

Definition

Failure to assess mortality and morbidity profiles accurately, resulting in premiums that do not adequately reflect underlying risk

Relevance and Impact

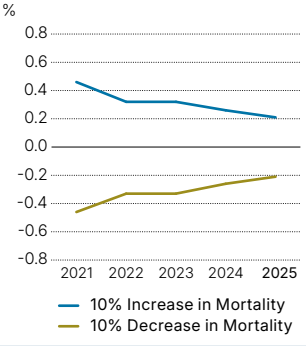
Leads to adverse underwriting outcomes, increasing financial exposure and weakening overall profitability.

Risk Mitigation

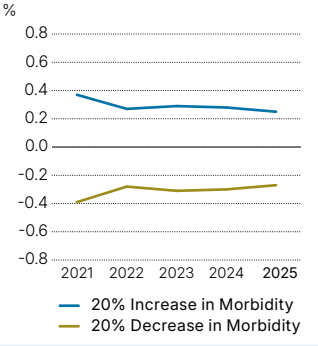
- Verify prospective policyholders' details through tele-underwriting team at Head Office
- Centralized underwriting at Head Office with the assistance of medical specialists for medically substandard cases
- Conduct special review of insurance policies with significant life covers by senior underwriters and reinsurers
- Periodic update underwriting guidelines
- Provide continuous training to underwriting staff
- Implement regular internal underwriting audits as well as audit by reinsures

Key Risk Indicator(s)

Sensitivity of Insurance Contract Liabilities to Changes in Mortality

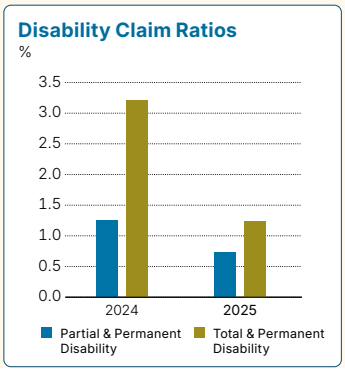


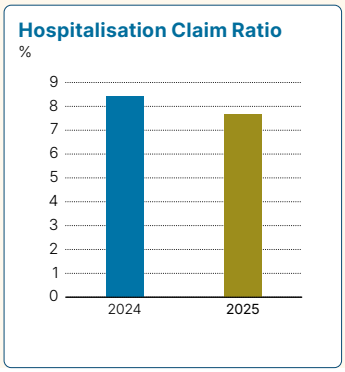
Sensitivity of Insurance Contract Liabilities to Changes in Morbidity



1.2. Claims Risk

Definition	Deficiencies in settlement of claims as per policy terms and conditions and internal benchmarks
Relevance and Impact	Affects underwriting results and financial performance
Risk Mitigation	⊖ Claims are recorded once intimated and monitored regularly by the senior management ⊖ Check authenticity of claim supporting documents ⊖ Automated claim computations ⊖ Claims approvals are centralized and medical and legal consultation is obtained prior to claim approval for complex cases ⊖ Claim audits and identification of claim patterns through statistical data, analytics and claim ratios
Key Risk Indicator(s)	⊖ Claim ratios ⊖ Number of claims disputes arise from policy term ambiguities

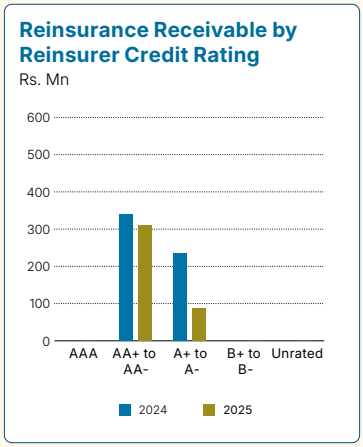




1.3. Reinsurance Risk

Definition	Retention of risks beyond our net retention capacity without obtaining adequate reinsurance and the inability of reinsurers to meet their commitments
Relevance and Impact	Affects net claim outgo
Risk Mitigation	⊖ Risk transfer with top ranked reinsurers; Swiss RE and Munich RE for life, health and group businesses ⊖ Comply with the guidelines set out by the IRCSL in selecting reinsurers ⊖ Periodic monitoring of the credit ratings of re-insurers ⊖ Having a catastrophic re-insurance treaty in place
Key Risk Indicator(s)	

Reinsurer	Rating Agency	Credit Rating
Swiss RE	Fitch Rating	A+
Munich RE	Fitch Rating	AA-



ENTERPRISE RISK MANAGEMENT

Likelihood | Impact | Ranking

RR REGULATORY RISK

2.1. Compliance Risk

Capitals Impacted:

FC SC HC IC NC

Strategic Integration:

Financial Performance	Social Responsibility
Environmental Sustainability	Corporate Governance

Material Topics:

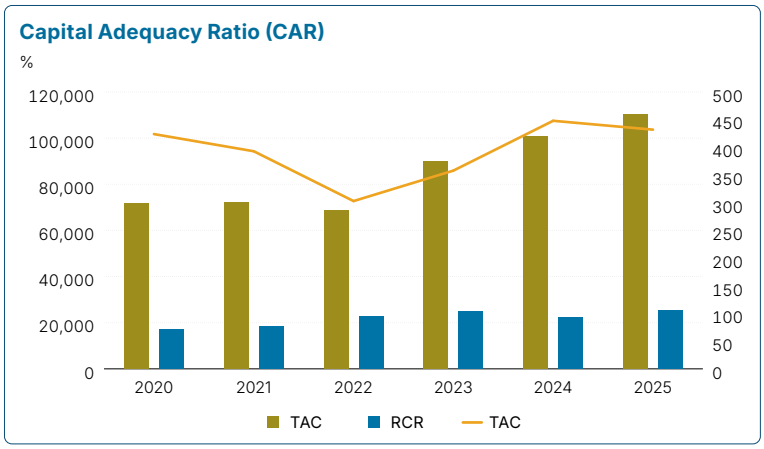
Financial Resilience, Capital & ALM	M1
Ethical Business Conduct & Compliance	M9

Definition	The risk of legal or regulatory sanction, financial loss or damage to reputation as a result of failure to comply with applicable laws, regulations, codes of conduct and standards of good practice.
Relevance and Impact	Affects corporate reputation and incurs financial loss
Risk Mitigation	⊕ Set the tone at the top through appropriate policies and procedures to improve the control environment ⊕ Compliance Officer supervises departments on compliance matters and is responsible to the Board on overall compliance ⊕ Identify relevant key changes in the regulatory landscape through the Regulatory Risk Committee and respond to the changes ⊕ Internal audits on status of compliance with applicable laws and regulations ⊕ Regular consultation with in-house legal officers ⊕ Provide training to relevant staff on compliance requirements and any regulatory changes
Key Risk Indicator(s)	⊕ Enforcement actions by regulators - 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.



Likelihood | Impact | Ranking

FR FINANCIAL RISK

3.1. Investment Concentration Risk

Capitals Impacted:

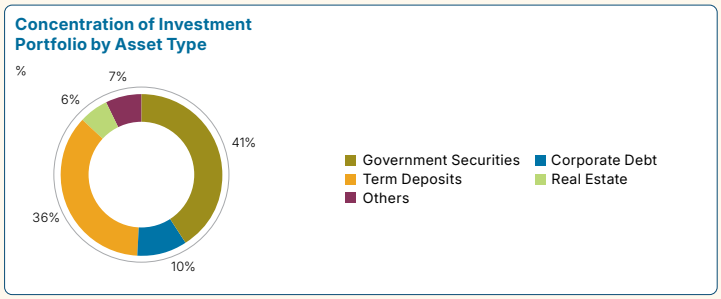
FC

Strategic Integration:

Financial performance

Material Topics:

Financial Resilience, Capital & ALM — M1

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	⊕ 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)	

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 current asset and liability position
Risk Mitigation	⊕ Monitor and evaluate the impact of the interest rate risk charge to the Capital Adequacy Ratio (CAR) ⊕ Monitor maturities and interim cash flows falling due and make arrangements for reinvestment or recalling ⊕ 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 ⊕ Continuous monitoring of the asset and liability position, including the duration, convexity and sensitivity of the same to market interest rate changes ⊕ Align the portfolio duration to 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)	Disclosures on this risk can be found in Note 41(e) to the Financial Statements on page 524

ENTERPRISE RISK MANAGEMENT

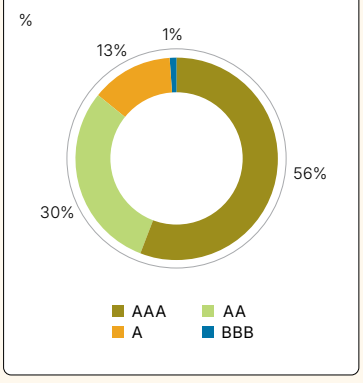
3.3. Liquidity risk

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	⊕ 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 526

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	⊕ 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 518

Credit Profile of Investment Portfolio



Likelihood | Impact | Ranking

OR OPERATIONAL RISK

4.1. ICT Risk

Capitals Impacted: FC, SC, IC

Strategic Integration:

Financial Performance	Corporate Governance

Material Topics:

Financial Resilience, Capital & ALM	M1
Customer Experience and Trust	M6

Definition	Failure of information technology systems can lead to financial loss through operational downtime, recovery costs, regulatory penalties, and reduced revenue resulting from reputational damage and loss of stakeholder confidence.
Relevance and Impact	Disrupts operations, leads to leakage of sensitive data and information and incurs financial losses
Risk Mitigation	⊕ Adherence to the Board-approved Information Security Policy ⊕ Continuous scanning of IT control environment and strengthen security measures ⊕ Internal and perimeter firewalls for protecting internal infrastructure and databases ⊕ Automatic containment of infected hosts by Crowd Strike Antivirus ⊕ Access controls on external devices ⊕ Regular health checks on the servers ⊕ Regular training to all staff 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)	⊕ Number of confirmed ICT security policy violations ⊕ Number of Disaster Recovery (DR) drills performed"

Likelihood | Impact | Ranking

REP REPUTATIONAL RISK

Capitals Impacted: FC, SC, HC

Strategic Integration:

Financial Performance	Social Responsibility
Corporate Governance	

Material Topics:

Customer Experience and Trust	M6
Ethical Business Conduct & Compliance	M9

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	⊕ 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

ENTERPRISE RISK MANAGEMENT

Likelihood | Impact | Ranking

SR STRATEGIC RISK

Capitals Impacted:

FC SC HC IC

Strategic Integration:

Financial Performance	Social Responsibility	Corporate Governance

Material Topics:

Financial Resilience, Capital & ALM	M1
Competitive Positioning	M2
Ethical Business Conduct & Compliance	M9

Definition	The risk of the Company not being able to achieve its strategy or strategic objectives due to failed, inadequate or incomplete setting, execution, evaluation and monitoring of strategies and business planning.
Relevance and Impact	Affect achievement of objectives and incurs financial losses
Risk Mitigation	⊕ Continuous scanning of the external environment to identify viable opportunities ⊕ Review of strategies at the monthly Strategic Planning Meetings
Key Risk Indicator(s)	⊕ Loss of competitiveness in the market ⊕ Loss of market share

Likelihood | Impact | Ranking

LC LOW CARBON TRANSITION RISK

Capitals Impacted:

FC NC

Strategic Integration:

Financial Performance	Environmental Sustainability

Material Topics:

Responsible Investment & Long Term Value	M3
Climate Change & Energy Transition	M5

Definition	The regulatory landscape is rapidly evolving toward mandatory Scope 3 and financed emissions reporting, exposing the Company to heightened transition risk. The Company faces increasing obligations to accurately quantify, report, and manage greenhouse gas emissions across its operations, supply chain, and financed activities.
Relevance and Impact	⊕ Highest exposure due to SLFRS S1 & S2 reporting requirements. ⊕ Significant pressure on compliance, ESG reporting accuracy, and structured governance. ⊕ Increased reliance on robust data management and cross functional coordination.
Risk Mitigation	⊕ Investments in sustainability Bonds. ⊕ Provide ESG and sustainability awareness training to staff. ⊕ Embedding transition related risks and financed emission considerations into investment assessments. As a life insurer with a significant investment portfolio, the company will adopt PCAF methodologies and has committed to begin financed emissions calculations next year, with preparatory work now underway
Key Risk Indicator(s)	⊕ Scope emissions disclosure ⊕ Carbon Footprint Reduction against annual GHG reduction target Further disclosures relating to this risk are presented in the SLFRS S1 and S2 sustainability disclosures pages 63-65

Likelihood | Impact | Ranking

DR DATA SECURITY RISK

Capitals Impacted:

FC SC HC IC

Strategic Integration:

Financial Performance	Social Responsibility
Corporate Governance	

Material Topics:

Financial Resilience, Capital & ALM	M1
Ethical Business Conduct & Compliance	M9
Cybersecurity & Data Privacy	M10

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	⊕ Establishment and maintenance of firewalls ⊕ Periodical vulnerability assessments through IT security consultants ⊕ Masking of confidential and personal data ⊕ Data leakage prevention software ⊕ Role based access control to limit access to personal/sensitive/ confidential data ⊕ Implementation of a Data Protection Policy ⊕ Ensuring necessary contractual obligations are set in terms of processing of personal/sensitive/confidential data in key supplier/ service provider agreements ⊕ Oversight of personal data protection framework by a Data Protection Officer
Key Risk Indicator(s)	⊕ Number of confirmed data breaches or incidents . ⊕ Number of unauthorized access attempts detected

Likelihood | Impact | Ranking

TR TAX LEGISLATION RISK

Capitals Impacted:

FC

Strategic Integration:

Financial Performance	

Material Topics:

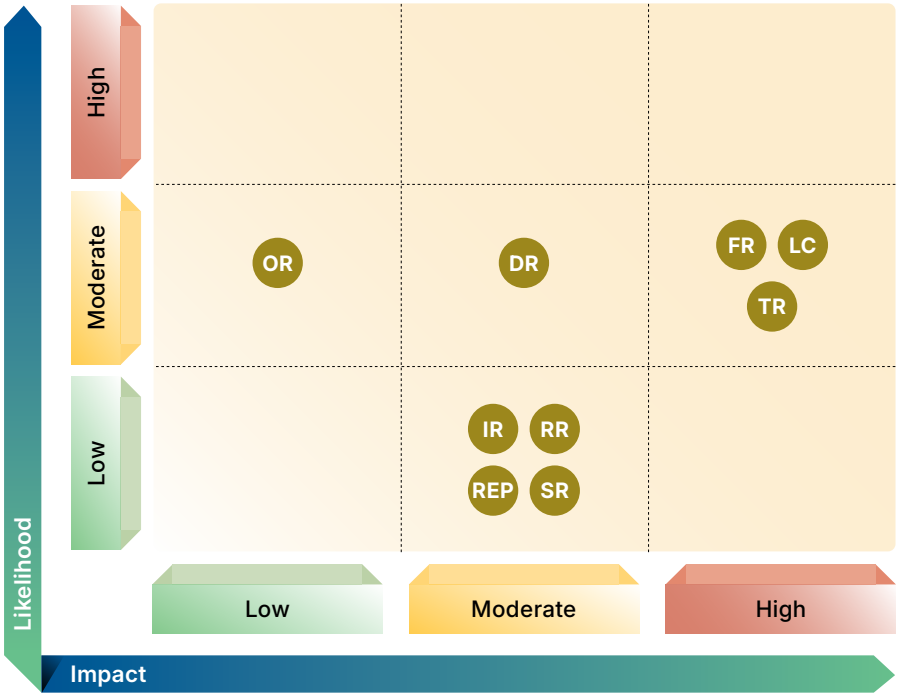
Financial Resilience, Capital & ALM	M1

Definition	This risk refers to the negative financial effects on the company and the policyholders due to changes in tax regulations and new assessments / additional assessments.
Relevance and Impact	Affects profits after tax, cash outflow, total assets, surplus transfer to shareholders and surplus & bonuses declared to policyholders.
Risk Mitigation	⊕ Monitoring of all tax obligations (e.g. payments, returns, appeals etc.) by a central team ⊕ Obtaining the services of a tax consultant ⊕ Pursuing judicial remedies when required
Key Risk Indicator(s)	⊕ Income tax expense recorded in financial statements ⊕ Adverse final court rulings on significant tax disputes ⊕ Number and monetary value of tax assessments issued by the IRD (refer to Note 42 (c) to the Financial Statements on page 531)

ENTERPRISE RISK MANAGEMENT

MAPPING OUR RISKS

In line with the above assessment, the company mapped its key risks as follow:



RISK MANAGEMENT HIGHLIGHTS 2025 UPDATE

1. Regular testing of disaster recovery plans

We conducted tests of our disaster recovery plans in September 2025, with the primary objective of evaluating the effectiveness of operating critical applications from the designated DR site. Insights and learning outcomes from each drill were systematically incorporated to strengthen and refine subsequent exercises. The IS Audit Department served as an independent observer for each drill conducted, providing additional oversight and assurance.

2. Enhancement of the Personal Data Management Program

During 2025, the Company completed its Personal Data Management Program, implemented with the support of an independent consultant. As part of this initiative, several measures were introduced, including the launch of an online portal enabling Data Subjects to submit requests in exercising their rights, the review of key projects and systems to ensure PDPA compliance and appropriate contractual coverage, and the reassessment of data maps across business units to enhance understanding of personal data flows within those units.

3. Strengthening Information Security & Technology Practices

In alignment with our ISMS governance framework, the Information Security Council was established during 2025 to provide systematic oversight of the organization's security posture through regular evaluation of controls and continuous risk monitoring. Furthermore, our Information Security Policies have been aligned with ISO 27001:2022 standards, reinforcing our commitment to international information security best practices.

Recognising that digitalization initiatives increase the risk of sensitive information exposure, we have implemented targeted strategic measures, including:

- Strengthened Data Leakage Prevention (DLP) capabilities through our Microsoft security framework
- Enhanced network security through improved perimeter governance and access controls; streamlined patch management to reduce vulnerability exposure
- Centralised logging for proactive threat detection and faster incident response
- Embedded technology risk assessments within project governance to address emerging risks during transformation initiatives.

These integrated measures strengthen our ability to protect critical information assets while enabling continued digital advancement.

LOOKING AHEAD

Recent developments in the external business environment have prompted the Company to strengthen business continuity planning and disaster preparedness, with special emphasis on IT disaster recovery and regular user training and drills.

Cyber security remains a critical priority. Given increasing cyber-attacks, we will continue investing in IT security capabilities through phased implementation of Secure Access Service Edge (SASE), enhanced identity and access governance, improved network segmentation, and strengthened centralized monitoring.

We view personal data protection not merely as a regulatory obligation, but as a foundation for sustaining customer trust in a rapidly digitalising insurance environment. In the years ahead, we will continue to strenghten our data governance, enhance transparency, and adopt best practices to ensure the ethical, secure, and compliant use of personal information.

As digital transformation accelerates, ICT will prioritise secure cloud adoption, structured risk assessments for new technologies, and enhanced monitoring to ensure operational continuity remains within our defined risk appetite.

These initiatives aim to support sustained market leadership while maintaining a secure, resilient, and compliant technology environment that prudently manages investment risks and adapts to evolving business dynamics and regulatory requirements.

Future Priorities

Business Continuity & Resilience

Strengthened disaster recovery, IT resilience and regular preparedness drills.

Cyber Security Enhancement

Phased SASE implementation, enhanced identity and access governance, improved network segmentation and centralized monitoring.

Data Protection & Governance

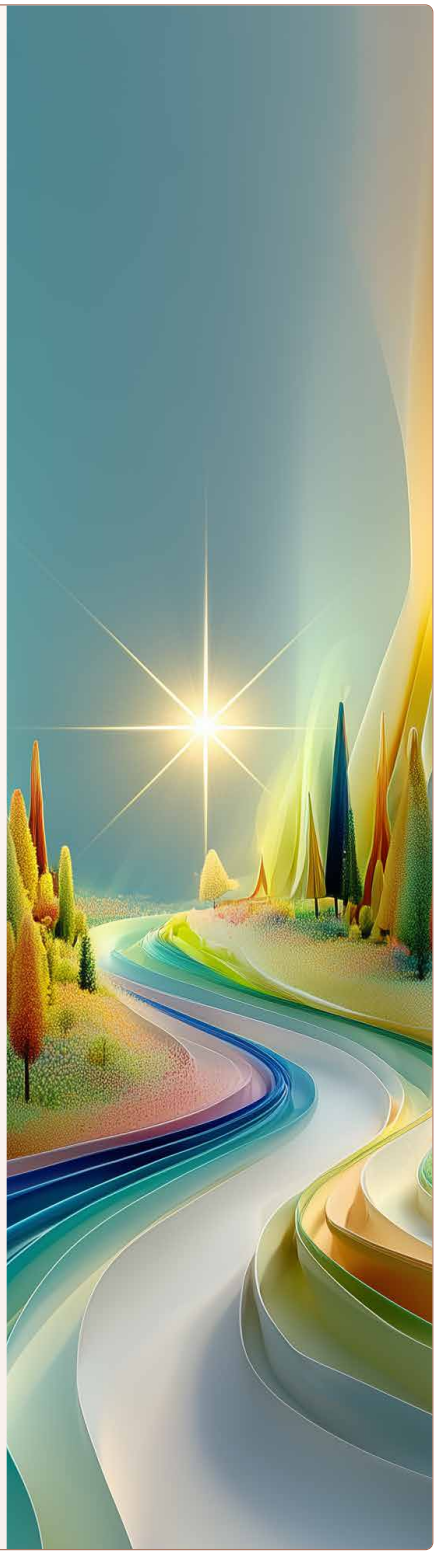
Ongoing strengthening of data governance frameworks to safeguard personal data and reinforce customer trust.

Secure Digital Transformation

Structured risk assessments for emerging technologies and secure cloud adoption within defined risk appetite.

Strategic Objective

Sustain market leadership through a secure, resilient and compliant technology environment.



STAKEHOLDER ENGAGEMENT

The Company and the Board of Directors defines its stakeholders as individuals, groups, or entities that hold an interest in the organisation or influence its activities. The Company recognises that sustainable value creation depends on maintaining transparent, structured and mutually beneficial relationships across its stakeholder spectrum.

During 2025, the operating landscape continued to evolve, shaped by macroeconomic adjustments, regulatory refinements, climate-related risks, digital transformation, and increasing expectations around transparency and sustainability disclosures. Against this backdrop, stakeholder engagement remained central to strategy execution, capital stewardship, and risk management.

STAKEHOLDER ENGAGEMENT PROCESS

The Company continues to follow a structured five-step engagement process:



1 Identify and Classify
Segment stakeholders based on their nature, impact and expectations.

2 Rank and Prioritise
Assess influence and interest to determine engagement intensity.

3 Plan and Define
Establish clear engagement objectives aligned with strategic and risk priorities.

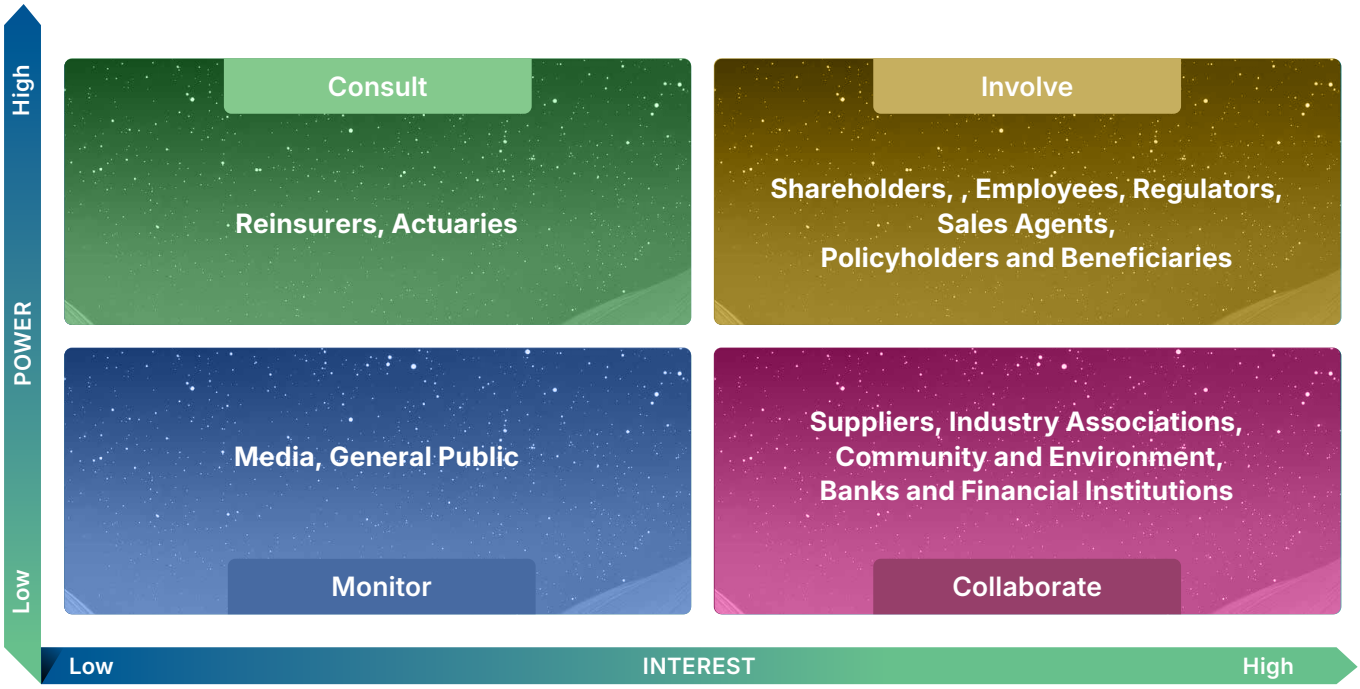
4 Respond and Implement
Execute structured engagement mechanisms suited to each group.

5 Monitor and Document
Evaluate engagement effectiveness and incorporate feedback into decision-making and disclosures.

STAKEHOLDER PRIORITISATION

Stakeholders are prioritised based on power and influence, with high-impact groups actively consulted, involved, or collaborated with, while broader stakeholder groups are engaged through structured monitoring and periodic communication.

	Who They Are	Why They Matter	How We Engage
Consult	Stakeholders with technical influence or independent oversight responsibilities	Their expertise and assurance inform key financial, risk and governance decisions	Structured dialogue, transparency and professional consultation
Involve	Core stakeholders directly influencing or impacted by the Company's performance	Their expectations shape strategic, operational and financial outcomes	Proactive, continuous engagement integrated into decision-making
Collaborate	Strategic partners and ecosystem participants	Their cooperation supports operational effectiveness and sustainable growth	Partnership-driven engagement focused on shared objectives and mutual value creation
Monitor	Stakeholders with indirect or evolving influence	Their perspectives may affect reputation or the broader operating environment	Periodic communication and proportionate monitoring



Quality of Engagement

★	Poor/non-existent relationship
★★	Established relationship with no significant improvements
★★★	Relationship is established and adding value, with room for improvement
★★★★	Good quality, mutually beneficial relationships with some room for improvement
★★★★★	Strong, mutually beneficial relationship

Level of Engagement

Consult → Involve → Collaborate

Level of Engagement

A Annual	BA Biannual	Q Quarterly	O Ongoing	AR As required

Capitals

- Financial (FC)
- Social and Relationship (SC)
- Human (HC)
- Intellectual (IC)
- Manufactured (MC)
- Natural (NC)

Risks

- IR Insurance Risk
- RR Regulatory Risk
- FR Financial Risk
- OR Operational Risk
- SR Strategic Risk
- LC Low Carbon Transition Risk
- DR Data Security Risk
- TR Tax Legislation Risk
- REP Reputational Risk

Link to strategic pillars

- Financial Performance
- Environmental Sustainability
- Social Responsibility
- Governance

STAKEHOLDER ENGAGEMENT

SHAREHOLDERS

Significance

Ceylinco Holdings PLC remains the sole shareholder, providing equity capital, strategic oversight and long-term stewardship of sustainable value creation.

Scope: Internal
Number: 01

Quality of Engagement

Relationship Manager

Board of Directors

Impacted Capitals

FC SC

Engagement Channels and Frequency

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

Impacted SDGs

Strategic Pillars

- Financial Performance (pages 155-198)
- Corporate Governance (pages 319-376)

Key Risks FR SR RR LC TR REP

Areas of Interest

- Sustainable financial returns and growth
- Strong capital adequacy and solvency resilience
- Transparent disclosures
- Attractive and sustainable dividends
- A strong reputation

Key Concerns in 2025	Strategic Response	Outcome
Business resilience Capital resilience amid market volatility	Sustainability Governance and Oversight (pages 137-138) Ethical Conduct and Regulatory Compliance (pages 137-138) Climate Action and Resource Efficiency (page 132) Responsible Investment (pages 139-140) Risk Governance and Assurance (pages 137-138)	GWP – Rs. 44.18 Bn PBT – Rs. 11.21 Bn Total Assets – Rs. 287.02 Bn ROE – 11.56% CAR – 432% Dividend proposed – Rs. 19.60 Per Share 100% regulatory compliance
Good governance and accountability Regulatory compliance and reporting readiness		
Resource stewardship Responsible capital allocation and sustainability integration		

Outlook

Prioritising disciplined capital stewardship, regulatory readiness and sustainable long-term value creation, while maintaining resilience amid market volatility and evolving disclosure expectations.

POLICYHOLDERS AND BENEFICIARIES

Significance

Customers who serve as key revenue providers for Ceylinco Life, with long-term protection, service quality and financial resilience shaping sustainable growth.

Scope: External
Number: 762,657 policies in-force

Quality of Engagement

Relationship Manager

Head of Marketing, Customer Relations, Customer Services, Technical, Customer Experience and Sales Agents

Impacted Capitals

SC FC IC

Engagement Channels and Frequency

Branch network and sales agents	O	Feedback and surveys	O
Social media, events and programmes	O	Inquiries and complaints	AR
Corporate website	O	Newsletters, emails and other communications	AR

Impacted SDGs

Key Risks IR FR OR DR REP

Strategic Pillars

- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Areas of Interest

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

Key Concerns in 2025	Strategic Response	Outcome
Protection relevance and affordability Balancing savings and protection needs amid economic pressure	Safeguarding Policyholders and their Needs (page 133) Financial Performance and Capital Management (pages 139-140) Enterprise Risk Management (pages 91-103) IT Governance / Digital Governance (pages 352-356) Customer Experience and Loyalty Initiatives (pages 227-242)	No. of new policies issued – 65,916 Net claims paid – Rs. 31.07 Bn Customer satisfaction score – 78% No material data breaches
Service reliability and trust Consistent policy servicing and claims confidence		
Digital security and accessibility Strengthening secure and convenient digital engagemen		

Outlook

Enhancing product relevance and service responsiveness while maintaining underwriting discipline and digital security.

STAKEHOLDER ENGAGEMENT

EMPLOYEES

Significance
Employees drive operational excellence, service quality and long-term organisational resilience through expertise, integrity and leadership continuity.

Scope: Internal
Number: 708

Quality of Engagement

Relationship Manager
Head of Human Resources

Impacted Capitals

SC FC IC HC

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
- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Key Risks SR FR RR LC DR REP

Areas of Interest
- Career progression and training
- Workplace safety and well-being
- Digital capability and modern tools
- Fair remuneration and performance incentives
- Inclusive and respectful work environment
- Job stability and leadership continuity

Key Concerns in 2025	Strategic Response	Outcome
Talent retention and capability stability Maintaining skilled workforce amid competitive labour conditions	Talent Stability and Leadership Continuity (page 136) Ethical Conduct and Compliance Framework (pages 137-138) Continuous Learning and Capability Development (pages 135-136) ICT and Digital Governance Enablement (pages 352-356)	Total recruitment – 75 Training hours per employee – 20.2 Employee turnover rate – 13.36% No material labour or conduct breaches
Ethical culture and accountability Strengthening governance awareness and compliance discipline		
Digital readiness and productivity Enhancing technology adoption and process efficiency		

Outlook
Strengthening workforce capability, reinforcing ethical culture and enhancing digital competence to support sustainable growth.

REINSURERS

Significance
Long-term partnerships that provide financial protection and support.

Scope: External
Number: 02

Quality of Engagement

Relationship Manager
Head of Technical

Impacted Capitals FC SC

Engagement Channels and Frequency

Formal treaties	O
Electronic material	AR
Virtual meetings	AR
On-site visits and meetings	Q

Key Risks IR FR SR

Impacted SDGs

Strategic Pillars
- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Corporate Governance (pages 319-376)

Areas of Interest
- Underwriting discipline and portfolio quality
- Capital adequacy and solvency resilience
- Accurate data and treaty transparency
- Timely settlement of premiums and recoveries

Key Concerns in 2025	Strategic Response	Outcome
Risk transfer stability Effective management of retained and ceded risk exposures	Enterprise Risk Management (pages 91-103) Financial Performance – Premium Ceded and Capital Position (pages 155-198) Financing Cash Flows – Reinsurance Recoveries (pages 424-425) Business Partners – Reinsurance Engagement (page 299)	Premium ceded – Rs. 700 Mn Claims recovered – Rs. 300 Mn Reinsurance cover maintained at 17% of risk exposure No treaty disputes or material settlement delays
Capital management discipline Ensuring reinsurance arrangements support solvency and growth		
Settlement and partnership continuity Timely recoveries and sustained long-term collaboration		

Outlook
Continued collaboration to maintain resilient risk transfer capacity amid evolving underwriting and climate-related risk conditions.

STAKEHOLDER ENGAGEMENT

ACTUARIES

Significance

Independent actuarial oversight supports pricing discipline, reserving adequacy and long-term portfolio sustainability through technical rigour and valuation integrity.

Scope: External
Number: 02

Quality of Engagement

★★★★★

Relationship Manager

Head of Actuarial

Impacted Capitals

FC IC SC

Engagement Channels and Frequency

Legal agreements	AR	Teleconferences	AR
Virtual meetings	Q	Other electronic media	AR

Impacted SDGs

16 17

Key Risks IR FR RR

Strategic Pillars

- Financial Performance (pages 155-198)
- Corporate Governance (pages 319-376)

Areas of Interest

- Reserve adequacy and valuation accuracy
- Assumption governance and model robustness
- Data integrity and disclosure transparency
- Capital adequacy under regulatory frameworks

Key Concerns in 2025	Strategic Response	Outcome
Valuation discipline Reserve adequacy amid evolving risk and experience trends	Financial Reporting and Valuation (page 416) Risk Governance (pages 399-401)	SLFRS 17 systems implemented and validation completed Annual actuarial valuation certified SLFRS 17 position papers finalised In-house actuarial modelling capability strengthened New product pricing completed
Capital resilience Optimising reinsurance structure and capital efficiency		
Transparency and reporting integrity Accurate data sharing and treaty governance		

Outlook

Continuing technical collaboration to strengthen valuation integrity, assumption governance and long-term capital resilience under evolving reporting and risk conditions.

SUPPLIERS

Significance

Suppliers and service providers support operational continuity, service delivery and infrastructure reliability.

Scope: External
Number: 1,621

Quality of Engagement

Relationship Manager

Head of Administration and other department heads

Impacted Capitals

SC FC IC MC

Engagement Channels and Frequency

Procurement meetings	O
Contract renewals	AR
Vendor performance reviews	AR
Compliance and ESG screenings	AR

Impacted SDGs

Strategic Pillars

- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Key Risks OR FR REP

Areas of Interest

- Timely payments
- Transparent procurement processes
- Long-term partnership stability
- Ethical and responsible sourcing

Key Concerns in 2025	Strategic Response	Outcome
Supply chain resilience Ensuring continuity and service reliability	Operational Excellence and Vendor Management (pages 293-306) Quality Assurance (pages 293-306) Sustainable and Ethical Procurement Framework (pages 293-306)	Total procurement spend – Rs. 2.2 Bn 15% suppliers screened for ESG criteria No material supplier disputes
Cost discipline Managing procurement efficiency amid economic pressure		
Responsible sourcing Embedding ethical and sustainability standards		

Outlook

Strengthening supplier resilience and integrating sustainability criteria into procurement practices to support operational stability.

STAKEHOLDER ENGAGEMENT

SALES AGENTS

Significance
Sales agents drive protection penetration, customer acquisition and market leadership.

Scope: External
Number: 2,673

Quality of Engagement

Relationship Manager
Head of Agency Administration and Head of Human Resources

Impacted Capitals SC FC IC

Engagement Channels and Frequency

Meetings and discussions	AR
Events and programmes	O
Training and development programmes	O
Newsletters emails and other media	AR
Events and programmes	AR

Impacted SDGs

Strategic Pillars
- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Key Risks IR FR OR REP

Areas of Interest
- Commission stability
- Training and development
- Responsible selling
- Career progression
- Digital enablement

Key Concerns in 2025	Strategic Response	Outcome
Productivity and retention Sustaining performance in a competitive market	Performance Excellence and Market Leadership (pages 18-19) Ethical Advisory and Compliance Discipline (Page 360) Capability Development and Leadership Pipeline (pages 135-136) Digital Enablement and Analytics-Driven Productivity (pages 279-282)	Total Sales Agents – 2,673 GWP contribution – 99.3% MDRT qualifiers – 277 NAFLIA awards – 14 Awards in 2025 Commission paid – Rs. 2.87 Bn Female Representation - 56% High Flyers- 204
Responsible selling practices Maintaining ethical conduct and compliance		
Capability enhancement Strengthening advisory professionalism		

Outlook
Strengthening advisory capability, ethical sales discipline and digital enablement to sustain market leadership and long-term customer trust.

REGULATORS

Significance

Regulatory authorities oversee compliance, solvency and industry stability.

Scope: External
Number: 2

Quality of Engagement

Relationship Manager

Principal Officer, Compliance Officer and Board of Directors

Impacted Capitals

SC FC IC

Engagement Channels and Frequency

Publications of Laws, Rules and Regulations	AR
Emails and other media	AR
Meetings and discussions	AR
Events and programmes	AR

Impacted SDGs

Strategic Pillars

- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Key Risks RR FR TR REP

Areas of Interest

- Regulatory compliance
- Capital adequacy
- Policyholder protection
- Transparent reporting

Key Concerns in 2025	Strategic Response	Outcome
Supply chain resilience Alignment with evolving prudential and sustainability disclosure requirements	→ Regulatory Compliance and Reporting Governance (pages 293-306) → Financial Performance – Capital and Solvency Management (pages 155-198) → Sustainability Governance and Disclosure Readiness (pages 60-62)	→ 100% regulatory compliance → CAR – 432% → No regulatory penalties
Capital and solvency discipline Maintaining resilience under the Risk-Based Capital framework		
Disclosure transparency Strengthening financial and sustainability reporting integrity		

Outlook

Maintaining proactive regulatory engagement, strengthening solvency oversight and advancing disclosure readiness in line with evolving prudential and sustainability reporting expectations.

STAKEHOLDER ENGAGEMENT

INDUSTRY ASSOCIATIONS

Significance

Industry bodies promote sector stability, best practice sharing and collective advocacy.

Scope: External
Number: 3

Quality of Engagement

Relationship Manager

MD/CEO and other department heads

Impacted Capitals

SC FC IC

Engagement Channels and Frequency

Meetings and discussions	AR
Events and programmes	O

Impacted SDGs

Key Risks SR REP

Strategic Pillars

- Financial Performance (pages 155-198)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Areas of Interest

- Industry development
- Knowledge sharing
- Regulatory engagement
- Market standards

Key Concerns in 2025	Strategic Response	Outcome
Supply chain resilience Strengthening industry stability amid economic and regulatory shifts	Memberships and associations (Page 299) Stewardship and Sustainability (pages 155-318, 319-376) Prudent investments (pages 155-198)	Participation in industry forums – 5 Levies, fees and charges paid – Rs. 254 Mn (2024 – Rs. 166Mn)
Standards alignment Promoting responsible pricing, governance and conduct practices		
Disclosure transparency Strengthening financial and sustainability reporting integrity		

Outlook

Continuing active engagement in industry dialogue to support governance standards, responsible pricing discipline and long-term sector resilience.

BANKS AND FINANCIAL INSTITUTIONS

Significance

Banking and financial partners support liquidity management, treasury operations and investment stability.

Scope: External
Number: 17

Quality of Engagement

Relationship Manager
Chief Financial Officer

Impacted Capitals

SC FC

Engagement Channels and Frequency

Meetings and discussions	AR
Events and programmes	O
Emails and other media	AR

Impacted SDGs

Strategic Pillars

- Financial Performance (pages 155-198)
- Corporate Governance (pages 319-376)

Key Risks FR SR REP

Areas of Interest

- Liquidity management
- Investment governance
- Financial transparency
- Sustainable finance instruments

Key Concerns in 2025	Strategic Response	Outcome
Liquidity resilience Maintaining stable funding and banking relationships	Financial Performance – Investment Governance (pages 155-198) Risk Governance and Capital Management (pages 91-103) Sustainable Investments (page 132)	Investment portfolio – Rs. 125 Bn Liquidity maintained within internal thresholds Sustainable bonds/investments – Rs. 6.75 Bn
Investment discipline and sustainable allocation Balancing yield, capital preservation and sustainability-linked investment choices		

Outlook

Strengthening financial partnerships and disciplined treasury management while expanding credible sustainable finance allocations in line with risk appetite and performance objectives.

STAKEHOLDER ENGAGEMENT

COMMUNITY AND ENVIRONMENT

Significance

Community engagement and environmental stewardship reinforce long-term sustainability and social licence to operate.

Scope: External

Quality of Engagement



Relationship Manager

Chief Financial Officer and Head of Marketing

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussions	AR
Events and programmes	O

Impacted SDGs



Key Risks LC SR REP

Strategic Pillars

- Financial Performance (pages 155-198)
- Environmental Sustainability (pages 199-223)
- Social Responsibility (pages 293-306)
- Corporate Governance (pages 319-376)

Areas of Interest

- Environmental protection
- Community well-being
- Climate responsibility
- Responsible corporate conduct

Key Concerns in 2025	Strategic Response	Outcome
Climate transition and efficiency Managing environmental footprint and low-carbon transition risks	Climate Action and Resource Efficiency (page 132) Community Investment and Capability Development (page 134) Sustainability Governance and Oversight (pages 60-62, 137-138) Financial Implications of Sustainable Risks and Opportunities (pages 63-65)	Scope 1,2 & 3 emissions – 2,766 tCO_2e Renewable energy generation – 6,215 MW Community investment – Rs. 28.5 Mn Beneficiaries reached – 2,907 Beach clean-ups conducted – 2 Waste collected / diverted – 6563 kg
Strengthening ecosystem resilience Protecting natural ecosystems		
Community resilience and capability Supporting healthcare, education and long-term social development		

Outlook

Deepening climate and community initiatives to enhance environmental efficiency and long-term social resilience.

MATERIALITY ASSESSMENT

Ceylinco Life's annual materiality assessment serves as a navigational tool, guiding the Company through an increasingly complex operating and risk environment. By identifying the matters that most influence long-term value creation and stakeholder outcomes, the Company ensures that strategic decisions remain aligned with its purpose, resilience objectives, and long-term direction.

This exercise is a fundamental component of the organisation's journey as a responsible life insurer a guiding force that helps prioritise what matters most today while remaining focused on sustainable value creation for the future.

MATERIALITY ASSESSMENT

The Company's materiality assessment identifies and prioritises the matters that significantly influence its ability to create, preserve, and sustain value over the short, medium, and long term. The assessment reflects evolving stakeholder expectations, regulatory developments, and changes in the operating and macroeconomic environment, and is reviewed regularly to ensure continued relevance and alignment with the Company's strategy.

The process adopts a double materiality approach, outlined below.

Double Materiality

Financial Materiality (Internal)	Impact Materiality (External)
The impact of material matters on the Company's financial performance, resilience, and long-term sustainability.	The impact of the Company's operations, products, and value chain on policyholders, society, and the environment.

01 ANALYSE & IDENTIFY

This stage establishes the foundation for the materiality assessment by consolidating stakeholder inputs and considering the Company's operating environment to identify potential material matters.

Stakeholder Inputs

The materiality assessment is informed by inputs from key stakeholder groups that are central to the Company's value creation and risk management.

Engagement inputs include:

- Customer feedback, complaints analysis, and service quality reviews
- Regulatory interactions and supervisory communications
- Board and senior management discussions
- Enterprise risk assessments and internal audit findings

Operating context and risk / opportunity universe

In parallel, potential material matters are identified with reference to the Company's operating context, including:

- The prevailing regulatory and supervisory landscape
- Macroeconomic and market conditions
- Broad risk and opportunity trends relevant to the insurance sector
- Evolving customer and societal expectations
- These contextual factors provide a high-level lens to identify emerging issues that may warrant further assessment.

MATERIALITY ASSESSMENT

02 PRIORITISATION OF MATERIAL MATTERS

Identified matters are subjected to a structured, judgement-based prioritisation process to determine which matters are material to the Company.This process considers both the significance of impacts on the Company and the importance of matters in the context of long-term value creation.

Basis of Materiality

The basis of materiality defines the value creation lenses applied to evaluate identified matters during the prioritisation stage. These lenses ensure that decisions are made consistently and reflect the Company's long-term value creation objectives.

Identified matters are evaluated through the following lenses:



Financial Sustainability

Capital strength, solvency, asset–liability management, and long-term profitability.



Policyholder Outcomes

Fair treatment, protection, trust, and product suitability, accessibility and convenience.



Stakeholder Expectations

Matters of relevance to key stakeholder groups in the context of the Company's operations.



Strategic Alignment

Alignment with long-term vision, strategic priorities, and market positioning.



Risks and Opportunities

Exposure to emerging risks and potential value drivers.



Governance and Conduct

Ethical behaviour, regulatory compliance, and reputation.

Materiality Thresholds

A materiality threshold is applied to determine which assessed matters are classified as material. Matters are considered to meet the threshold where they demonstrate one or more of the following characteristics:

- Potential to materially influence financial resilience, solvency, or capital strength
- Direct relevance to policyholder protection, fair outcomes, or customer trust
- Heightened regulatory, supervisory, or governance focus
- Influence on strategic decision-making or long-term planning
- Association with significant current or emerging risks or opportunities
- Potential reputational, conduct, or compliance implications

Only matters meeting the materiality threshold proceed to final prioritisation.

Financial Materiality Thresholds

Quantitative financial materiality thresholds are applied in assessing the potential financial significance of identified matters. These thresholds are considered with reference to key financial statement indicators, including total assets, gross written premiums, and operating cash flows, in line with the principles of SLFRS Sustainability Disclosure Standards (SLFRS S1 and SLFRS S2).

This assessment supports the identification of matters that may reasonably be expected to influence the Company's financial position, performance, or future prospects.

(Refer page page 57 for more details)

03 REVIEW AND VALIDATION

The outcomes of the materiality prioritisation process are reviewed to confirm continued relevance and alignment with the Company's strategic direction, risk profile, and regulatory environment.

04 REPORTING OF MATERIAL MATTERS

The Company reports on material matters to provide transparency on the issues that most significantly influence long-term value creation, resilience, and stakeholder outcomes. Material topics are reviewed annually to reflect changes in the operating environment, stakeholder expectations, regulatory developments, and the Company's strategic priorities.

The current year's material topics reflect both continuity in core focus areas and targeted refinements to capture emerging risks and opportunities more clearly.

Changes in Materiality

The materiality profile was refined during the year to reflect evolving regulatory expectations, the introduction of the SLFRS Sustainability Disclosure Standards (aligned with SLFRS S1 and SLFRS S2), and a clearer distinction between financially material matters and broader sustainability impacts.

The current year identifies 11 material topics, compared to 15 in the prior year, with changes primarily driven by consolidation of overlapping themes, clearer articulation of financially material topics, and alignment with the Company's evolving sustainability and risk management priorities, rather than the removal of matters due to loss of relevance.

11
Material topics (15 in 2024)

04
topics consolidated / reframed

0
Topics removed due to loss of relevance

07
Topics refined / rearticulated

Key changes in material topics include:

- Consolidation of related operational and market-focused topics, with themes such as market leadership, product innovation, and service excellence reframed within broader topics including Competitive Positioning and Customer Experience & Trust, reducing duplication while maintaining continuity with prior disclosures.
- Clearer articulation of financial reporting and solvency-related matters, with Financial Resilience, Capital & Asset-Liability Management and SLFRS 17 & SLFRS 9 Reporting Excellence reflecting the growing importance of financial transparency, solvency oversight, and reporting comparability under evolving accounting frameworks.
- Introduction and strengthening of climate-related considerations, with Climate Change & Energy Transition identified as a financially material topic aligned with SLFRS S2 climate-related disclosures, reflecting exposure to transition risks, regulatory developments, and Scope 3 emissions estimation.
- Reorganisation of digital and operational topics, with Digitalisation & Automation highlighted as an impact-led financially material matter reflecting investment in technology, operational efficiency, and enhanced customer experience.
- Greater differentiation between financial materiality and impact materiality, resulting in a clearer grouping of socially and governance-oriented topics such as Customer Experience & Trust, Talent Capability & Employee Well-being, Community Protection & Financial Inclusion, Ethical Business Conduct & Compliance, and Cybersecurity & Data Privacy.
- Selective changes in ranking levels for certain topics reflecting updated assessments of impact severity, financial significance, and risk exposure, with greater alignment between material topics, enterprise risk management considerations, and strategic priorities.
- No material topics were removed due to loss of relevance; rather, the reduction in the number of topics reflects refinement and consolidation to improve clarity and alignment with the Company's evolving reporting framework.

MATERIALITY ASSESSMENT

Material ESG Topics by Pillar Supported by Financials

Material topics are grouped under four broad themes aligned to economic, environmental, social, and governance dimensions. Given this alignment, the material topics also directly support and reinforce the Company's strategic pillars, while recognising the interconnected nature of value creation across financial performance, sustainability, and stakeholder outcomes.

Economic

- M1 Financial Resilience, Capital & ALM
- M2 Competitive Positioning
- M3 Responsible Investment & Long-Term Value
- M4 SLFRS 17 & SLFRS 9 Implementation

These topics represent the core financial and investment-related drivers of long-term value creation, capital strength, and performance.

Core strategic pillar:
Financial Performance - pages 155-198

Environmental

- M5 Climate Change & Energy Transition

This topic reflects the financial and operational implications of climate-related risks and the Company's role in supporting protection and resilience.

Core strategic pillar:
Environmental Sustainability - pages 199-223

Social

- M6 Customer Experience & Trust
- M7 Community Protection & Financial Inclusion
- M8 Talent Capability & Employee Well-being

These topics address customer outcomes, workforce capability, ethical distribution practices, and broader societal impact.

Core strategic pillar:
Social Responsibility - pages 224-318

Governance

- M9 Ethical Business Conduct & Compliance
- M10 Cybersecurity & Data Privacy
- M11 Digitalisation & Automation

Governance-related topics reflect the systems, controls, and capabilities required to manage risk, uphold ethical standards, and support sustainable operations.

Core strategic pillar:
Corporate Governance - pages 319-376

Nature of Impact ⊕ Positive Impact ⊖ Negative Impact

Time Horizons **ST** – Short-term (1-2 years) **MT** – Medium-Term (3-5 years) **LT** – Long-Term (5+ years)

Risks IR Insurance Risk RR Regulatory Risk FR Financial Risk OR Operational Risk SR Strategic Risk LC Low Carbon Transition Risk DR Data Security Risk TR Tax Legislation Risk REP Reputational Risk

Material topics are evaluated alongside the Company's Enterprise Risk Management framework to ensure alignment between sustainability priorities and key risk exposures.

Material Topic	Risk Landscape	Materiality	Impact Materiality	Financial Materiality	Time Horizon	SDG	Description	Relevant Sections of the Report	Disclosure Standards Applied
M1 Financial Resilience, Capital & ALM	RR DS TR OR IR FR SR	Financial-led impact material	⊕	⊕	ST, MT, LT	8	Material to solvency, capital adequacy and investor confidence. Effective asset-liability management supports policyholder protection and long-term financial stability.	Financial Performance (pages 155-198) Enterprise Risk Management (pages 91-103)	GRI 201 GRI 207
M2 Competitive Positioning	SR RR	Financial-led impact material	⊕ ⊖	⊕ ⊖	ST, MT, LT	8	Fair pricing, market accessibility and competitive conduct influence insurance penetration and customer inclusion while maintaining market discipline.	Market Leadership (pages 227-242)	GRI 2
M3 Responsible Investment & Long-Term Value	LC FR SR	Financial-led impact material	⊕	⊕	ST, MT, LT	7 13 14	Investment decision quality affects long-term policyholder value creation, sustainable economic development and portfolio resilience.	Investment Management (pages 155-198)	GRI 203
M4 SLFRS 17 & SLFRS 9 Implementation	FR RR	Financial-material		⊕ ⊖	ST, MT, LT	16	Financial reporting standards affect insurance liability valuation, profit emergence patterns, asset classification and expected credit loss provisioning.	Financial Performance (pages 155-198)	GRI 201
M5 Climate Change & Energy Transition	LC	Impact-led financial material	⊕ ⊖	⊕ ⊖	ST, MT, LT	13	Exposure to climate transition risks, regulatory developments and Scope 3 emissions estimation challenges affecting financial institutions and investment portfolios.	Empowering the Climate Transition (pages 63-65) SLFRS Disclosures (pages 56-75) Enterprise Risk Management (pages 91-103)	SLFRS S2, GRI 302, GRI 303, GRI 305, GRI 306

MATERIALITY ASSESSMENT

Nature of Impact ⊕ Positive Impact ⊖ Negative Impact

Time Horizons **ST** – Short-term (1-2 years) **MT** – Medium-Term (3-5 years) **LT** – Long-Term (5+ years)

Risks IR Insurance Risk · RR Regulatory Risk · FR Financial Risk · OR Operational Risk · SR Strategic Risk · LC Low Carbon Transition Risk · DR Data Security Risk · TR Tax Legislation Risk · REP Reputational Risk

Material Topic	Risk Landscape	Materiality	Impact Materiality	Financial Materiality	Time Horizon	SDG	Description	Relevant Sections of the Report	Disclosure Standards Applied
M6 Customer Experience & Trust	OR RR	Social impact led financial material	⊕ ⊖	⊕ ⊖	ST, MT, LT	3	Customer rights, service quality and claims handling influence trust, policyholder satisfaction and accessibility of insurance solutions.	Customer Engagement and Service Excellence (pages 227-242)	GRI 416, GRI 417
M7 Community Protection & Financial Inclusion	SR REP	Social impact led financial material	⊕ ⊖	⊕ ⊖	ST, MT, LT	1, 3, 10	Expanding access to insurance protection and financial literacy contributes to inclusive economic growth and societal resilience.	Building Resilient Communities (pages 307-318) Financial Inclusion and Accessibility (pages 227-242)	GRI 203, GRI 413
M8 Talent Capability & Employee Well-being	OR REP	Social impact material	⊕ ⊖		ST, MT, LT	8	Workforce capability, employee well-being and professional development support organisational resilience, service quality and productivity.	Training and Development (pages 243-278) Employee Health and Well-being (pages 243-278)	GRI 202, GRI 401, GRI 403, GRI 402, GRI 404, GRI 405, GRI 406
M9 Ethical Business Conduct & Compliance	RR SR DR	Governance / social impact material led financial material	⊕ ⊖	⊕ ⊖	ST, MT, LT	16	Anti-corruption practices, regulatory compliance and ethical conduct maintain stakeholder trust and organisational integrity.	Corporate Governance (pages 319-376)	GRI 205, GRI 206, GRI 405, GRI 406, GRI 408, GRI 414
M10 Cybersecurity & Data Privacy	DR RR OR	Governance / social impact material led financial material	⊕ ⊖	⊕ ⊖	ST, MT, LT		Protection of sensitive customer data and secure digital infrastructure are critical to maintaining trust and regulatory compliance.	Data Privacy and Cybersecurity (pages 352-356) IT Governance (pages 352-356) Enterprise Risk Management (pages 91-103)	GRI 418

Material Topic	Risk Landscape	Materiality	Impact Materiality	Financial Materiality	Time Horizon	SDG	Description	Relevant Sections of the Report	Disclosure Standards Applied
M11 Digitalisation & Automation	OR DR SR	Financial led impact material	⊕	⊕ ⊖	MT, LT		Digitalisation enhances operational efficiency and customer experience. Due to the sensitivity of customer data and digital platforms, the topic carries significant customer and reputational impact. However, it is not considered financially material under the SLFRS S1 assessment given the strong internal controls and governance	Digitalisation, Convenience and Accessibility (pages 227-242) SLFRS Disclosures (pages 56-75)	SLFRS S1, GRI 418

05 INTEGRATION INTO STRATEGY AND OPERATIONS

Material topics are embedded into the Company's strategy formulation, risk management, and operational planning processes. The outcomes of the materiality assessment inform strategic priorities, capital allocation decisions, and the deployment of financial and human resources, ensuring that matters with the highest severity and likelihood receive appropriate focus.

Critical and High material topics are considered in the development of strategic objectives, investment decisions, and key initiatives, while Moderate material topics are monitored to identify emerging risks, opportunities, or shifts in stakeholder expectations. Through this approach, materiality serves as a practical tool to align strategy, operations, and resource allocation with long-term value creation and stakeholder outcomes.

Materiality determines:

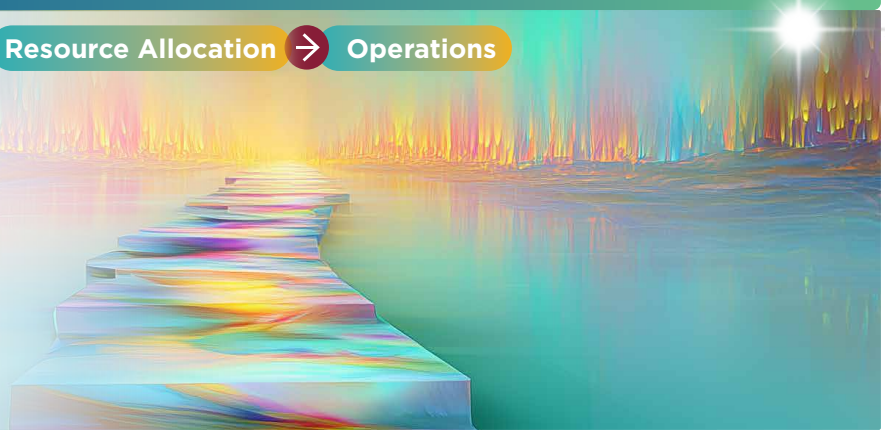
- Strategic priorities
- Capital allocation decisions, including the deployment of financial and human resources

Refer pages 125-149 for more information on ESG Integration and Purpose-driven Strategy.

FROM MATERIALITY TO ACTION

Material Topics → Strategy → Resource Allocation → Operations

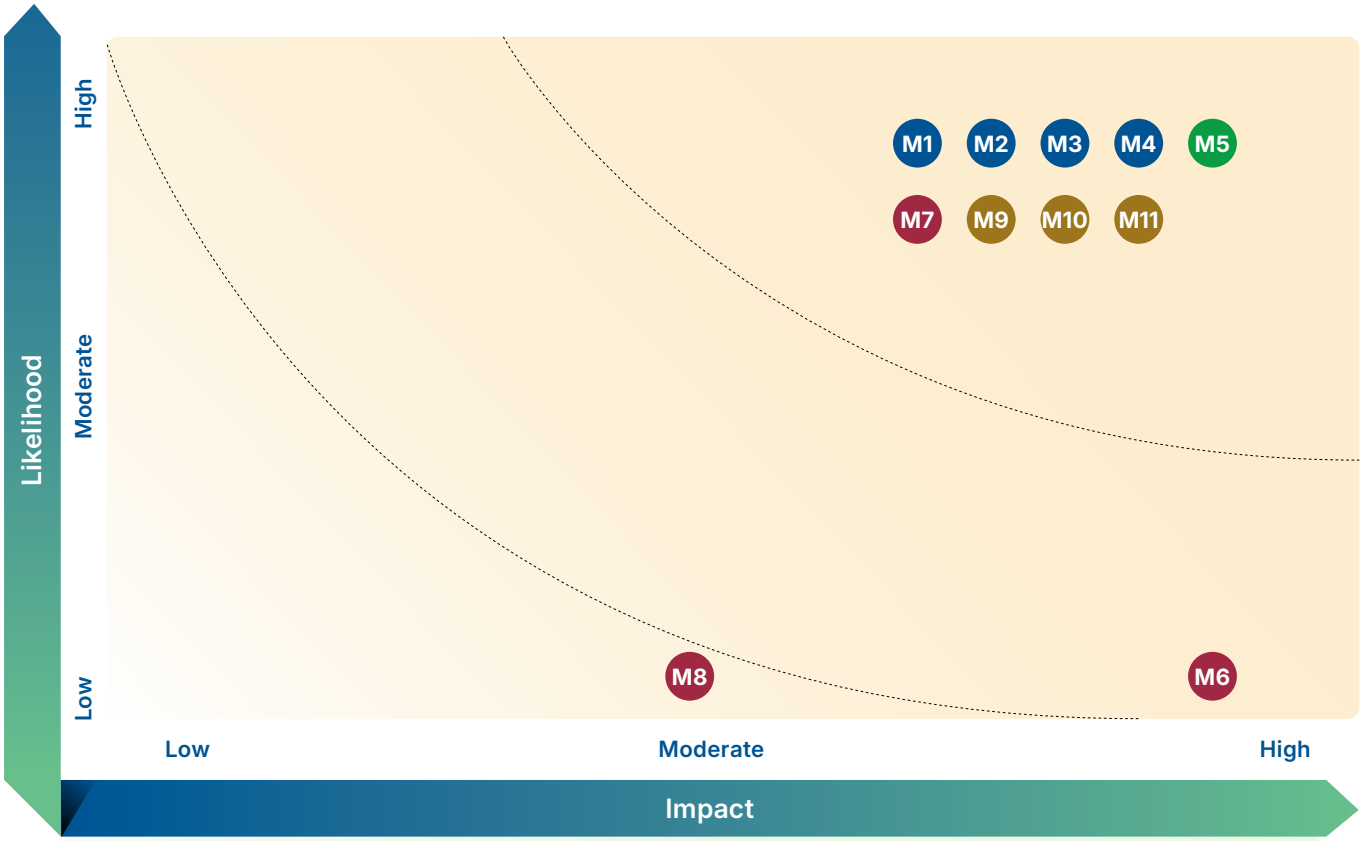
- **Materiality assessment** identifies priority matters
- **Strategy** sets direction based on Critical and High topics
- **Resource allocation** channels capital and capabilities to priority areas
- **Operations and risk management** execute and monitor outcomes



MATERIALITY ASSESSMENT

MATERIALITY MATRIX

The materiality matrix below presents the outcome of the Company's materiality prioritisation, mapping material topics based on the severity of their potential impact on the organisation and its stakeholders, and the likelihood of occurrence. Based on their positioning within the matrix, material topics are categorised into overall materiality levels to reflect their relative priority and management focus.



- M1 Financial Resilience, Capital & ALM
- M2 Competitive Positioning
- M3 Responsible Investment & Long-Term Value
- M4 SLFRS 17 & SLFRS 9 Implementation
- M5 Climate Change & Energy Transition
- M6 Customer Experience & Trust
- M7 Community Protection & Financial Inclusion
- M8 Talent Capability & Employee Well-being
- M9 Ethical Business Conduct & Compliance
- M10 Cybersecurity & Data Privacy
- M11 Digitalisation & Automation

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Ceylinco Life's strategy provides the framework for delivering sustainable growth while creating long-term value for policyholders, shareholders, employees and the wider community. It reflects the Company's operating environment, stakeholder expectations and long-term priorities.

The strategic focus areas outlined in this section guide business decisions, resource allocation and performance monitoring across the organisation.



STRATEGIC OVERSIGHT AND PLANNING

Ceylinco Life's Environmental, Social, and Governance (ESG) strategy is guided by the Board of Directors, ensuring that sustainability considerations are embedded within the Company's long-term strategic direction. Through a structured governance framework, the Board provides oversight of ESG priorities while supporting responsible growth and long-term value creation.

BOARD OVERSIGHT

- ESG strategy overseen by the Board of Directors
- Strategic guidance provided through the Board ESG Committee
- Ensures alignment with longterm sustainability priorities

Management Implementation

- ESG Subcommittee supports strategy execution
- Reviews stakeholder expectations, market developments and emerging ESG risks
- Integrates sustainability considerations into operational planning

ESG Integration into Strategy

ESG considerations are embedded within Ceylinco Life's strategic planning and operational decision-making processes. While individual business divisions tailor their strategies to address specific market conditions and opportunities, the overall strategic direction remains aligned with the Company's ESG priorities and long-term sustainability commitments.



ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

ESG ROADMAP: FROM FOUNDATION TO LEADERSHIP



2025 Foundation ····► 2026 Acceleration

ESG STRATEGY ROADMAP

Building a Sustainable Future – 2026 and Beyond

Leadership Perspective by Chairman

"At Ceylinco Life Insurance Limited, sustainability is not viewed as a separate initiative but as an integral part of how the organisation creates long-term value. As one of Sri Lanka's most trusted life insurers, the Company recognises that responsible business practices are essential to sustaining stakeholder confidence while contributing meaningfully to national development."

Environmental, Social and Governance (ESG) considerations are embedded within the Company's strategic direction, guiding how it manages risk, invests capital, engages with communities, and delivers protection to policyholders. By integrating ESG principles into its operations and decision-making processes, Ceylinco Life seeks to balance financial performance with responsible stewardship of environmental and social resources.

As the global business landscape continues to evolve in response to climate change, technological disruption, and evolving stakeholder expectations, the Company has developed a structured ESG roadmap that outlines its journey toward deeper sustainability integration. This roadmap reflects a phased approach that begins with strengthening governance and reporting foundations, progresses through embedding sustainability into operational and investment strategies positioning Ceylinco Life as a leader in responsible insurance and sustainable financial services

Stage 1 – Foundation

Strengthening Governance and Transparency (2025)

In 2025, Ceylinco Life strengthened its sustainability governance framework by enhancing transparency, deepening organisational awareness of ESG priorities, and reinforcing oversight at both management and Board levels. A key focus was expanding sustainability disclosures to provide stakeholders with clearer insights into environmental and social risks and opportunities that could influence long-term value creation. Reporting was broadened beyond climate-related issues to incorporate wider sustainability considerations.

To enhance credibility, the Company obtained independent assurance for sustainability information prepared in line with Sri Lanka Financial Reporting Standards while aligning disclosures with globally recognised frameworks such as Integrated Reporting and the Global Reporting Initiative. These efforts were recognised with the ACCA Sustainability Reporting Award 2025 in the Other Financial Services category.

Environmental stewardship remained a priority through increased contributions to the Green Fund supporting conservation and sustainability awareness initiatives. Internally, ESG capabilities were strengthened through targeted training programmes for the Board, senior management, and employees on ESG principles and emerging standards including SLFRS S1 and S2. Governance oversight was further strengthened with the appointment of an additional Non-Executive Director to the ESG Committee.

Stage 2 – Acceleration

Embedding Sustainability into Operations (2026)

Building on its strong sustainability foundation, Ceylinco Life will accelerate the integration of ESG principles across its operations, investment strategies, and digital transformation initiatives. The objective is to embed sustainability more deeply within core business activities while strengthening long-term value creation.

A key initiative will be the introduction of financed emissions measurement for the Company's investment portfolio. As a significant institutional investor, the Company recognises that investment decisions carry wider environmental implications. Measuring financed emissions will enable Ceylinco Life to better understand



2027 2029 Integration ····► 2030+ Leadership

the carbon footprint associated with its investments and identify opportunities to gradually align its portfolio with more sustainable pathways.

The Company also plans to increase exposure to sustainable investments while incorporating ESG considerations into its investment policy framework. Digital transformation will support these objectives through further digitalisation of the sales force and the expansion of online insurance products and customer platforms, improving accessibility while reducing paper-based processes.

To strengthen performance management, ESG dashboards will be introduced to monitor key sustainability indicators while structured learning initiatives will further build employee capability and reinforce a culture of sustainability and innovation.

Stage 3 – Integration & Transformation

Advancing Climate and Social Impact (2027–2029)

During this phase, ESG considerations will become increasingly embedded in the Company's strategic and operational decision-making processes. Ceylinco Life will move beyond implementation to deeper integration of sustainability within investments, operations, and stakeholder engagement.

A key initiative will be the introduction of climate scenario analysis for the investment portfolio, enabling the Company to assess potential risks and opportunities associated with climate change. Insights from this analysis will inform long-term investment strategies and strengthen portfolio resilience.

The Company also plans to expand allocations to sustainable investments, including environmentally responsible assets and low-carbon technologies. These investments will support the transition toward a more sustainable economy while maintaining strong financial performance.

Digital innovation will continue to transform the insurance experience through the expansion of digital products and online platforms, enabling more convenient customer engagement and improved operational agility.

On the social front, the Company will deepen its commitment to employee wellbeing and community development while expanding financial literacy initiatives through education programmes that improve financial awareness across Sri Lanka.

Stage 4 – Leadership

Driving Sustainable Insurance Beyond 2030

Looking beyond 2030, Ceylinco Life aspires to position itself as a recognised leader in sustainable insurance and responsible financial services. The Company's long-term vision is to build a strong sustainable investment portfolio aligned with global ESG best practices while continuing to deliver consistent financial returns for policyholders.

Technological innovation will remain central to this ambition. Ceylinco Life aims to develop an industry-leading digital insurance platform supported by advanced technologies such as artificial intelligence and data analytics. These capabilities will enhance customer experience while improving operational efficiency and responsiveness.

The Company will also scale its social impact initiatives through large-scale financial literacy and community education programmes aimed at strengthening financial inclusion across Sri Lanka.

In addition, advanced ESG analytics systems will be developed to provide real-time insights into environmental and social performance. These capabilities will support more informed decision-making and enable the Company to proactively respond to emerging sustainability challenges.

Creating Sustainable Value for the Future

Ceylinco Life's ESG roadmap reflects a long-term commitment to responsible growth, innovation, and stakeholder value creation. By progressively strengthening governance frameworks, embedding sustainability into operations, and expanding its social and environmental initiatives, the Company is building a resilient organisation capable of navigating future challenges while continuing to deliver lasting value.

Through this structured and forward-looking approach, Ceylinco Life reaffirms its commitment to protecting lives, supporting communities, and contributing to the sustainable development of Sri Lanka for generations.

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

STRATEGIC FOCUS AREAS

Ceylinco Life's strategic direction is grounded in its vision, mission, and values, driving sustainable growth and responsible value creation. The Company's strategy is built around four interconnected focus areas approved by the Board. These areas reflect the operating environment, stakeholder expectations, and key sustainability priorities. They guide decision-making, resource allocation, and performance management across the organisation. Together, they ensure strong governance, social responsibility, environmental stewardship, and financial resilience. Digital transformation and innovation further strengthen execution by improving efficiency and customer engagement.

STRATEGIC DRIVER

VISION | MISSION | VALUES (page 13)

Guiding long-term value creation and responsible business practices.

STRATEGIC FOCUS AREAS

FINANCIAL PERFORMANCE

- Driving Sustainable Business Growth
- Managing Insurance Risk and Investment Return
- Driving Operational Efficiency
- Enhancing Profitability and Returns
- Optimising Investments and Asset Growth
- Strengthening Capital and Solvency
- Driving Sustainable Business Growth

Refer pages 166-197

ENVIRONMENTAL SUSTAINABILITY

- Strengthening Environmental Governance
- Enabling the Low-Carbon Transition
- Championing Resource Efficiency
- Advancing Sustainable Infrastructure
- Influencing a Green Supply Chain
- Mobilising Collective Action

Refer pages 204-221

SOCIAL RESPONSIBILITY

- **Policyholder**

Focused on meeting people's evolving needs by strengthening policyholder trust and delivering secure, accessible, and digitally enabled services.

- **Employees**

The organisation builds a strong people culture by promoting diversity and inclusion, ensuring talent stability and leadership continuity, investing in continuous learning, and enhancing employee well-being. Fair rewards and performance governance, supported by strong workplace accountability, reinforce a responsible and high-integrity environment.

- **Sales force**

Driving Performance, Customer Confidence and Market Leadership Building Capability, Productivity, and Integrity

- **Suppliers**

Advancing Sustainable, Ethical, and Inclusive Sourcing Ensuring Quality, Reliability, and Long-Term Trust Enhancing Digital Efficiency and Operational Discipline

- **Community at large**

Committed to safeguarding health and well-being while advancing education and strengthening community capability.

Refer Pages 230-317

CORPORATE GOVERNANCE

- Maintaining Board Leadership and Stewardship
- Enhancing Board Capability, Diversity and Succession
- Overseeing Strategy and Performance
- Strengthening Risk Governance and Assurance
- Advancing ICT, Data Protection and Digital Governance
- Upholding Ethical Conduct, Compliance and Stakeholder Accountability

Refer pages 326-360

STRATEGIC ENABLER

DIGITAL TRANSFORMATION & INNOVATION

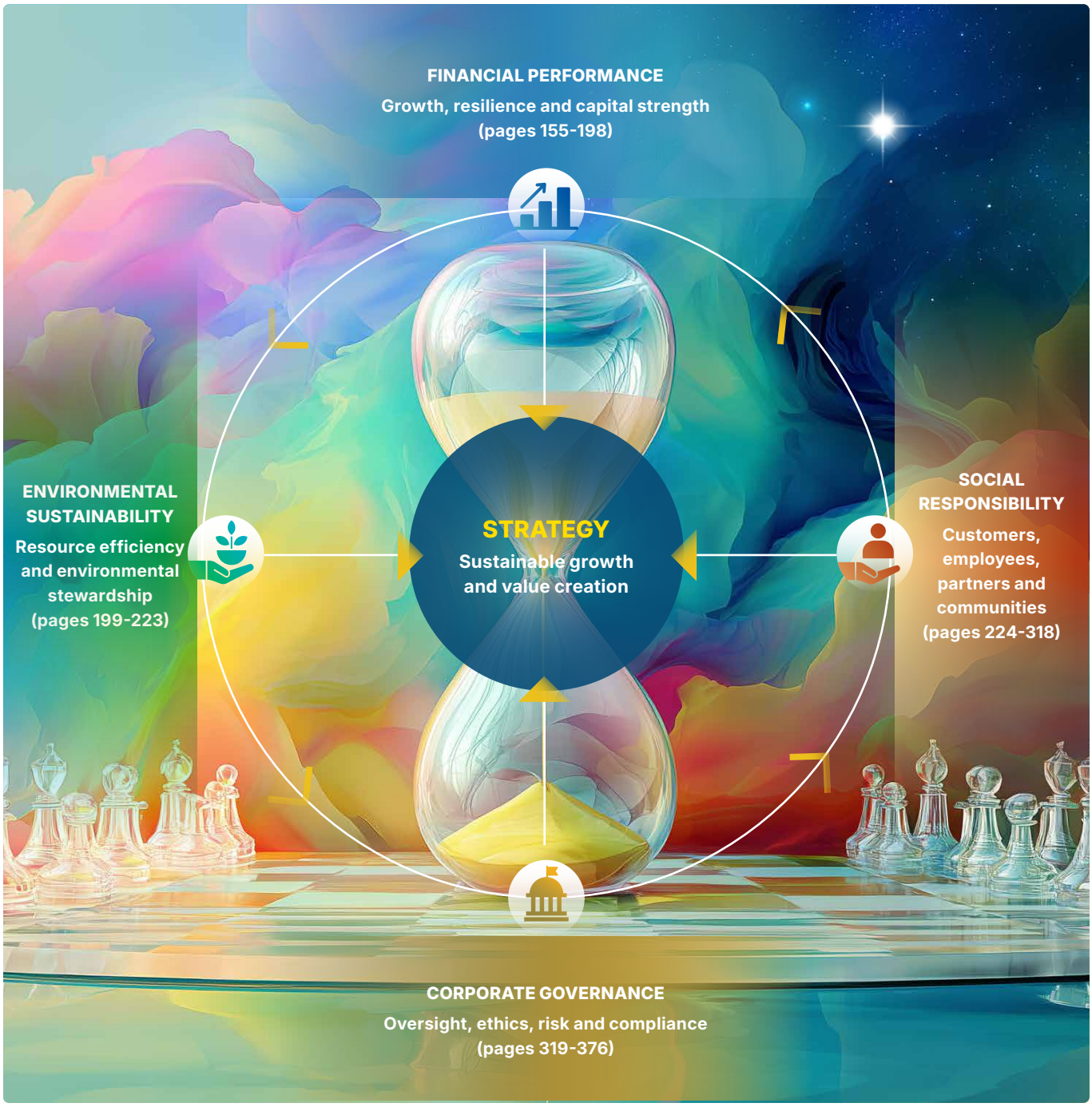
Enhancing operational efficiency, customer experience and data-driven decision-making

STRATEGIC FRAMEWORK

Ceylinco Life's strategic framework illustrates how governance oversight, sustainability priorities, and financial performance are integrated to support long-term growth and organisational resilience. Corporate Governance provides the foundation for responsible decision-making through strong oversight, ethical conduct, risk management and regulatory compliance.

Environmental Sustainability and Social Responsibility are embedded within the Company's operations and long-term planning, ensuring that environmental stewardship, stakeholder well-being and responsible business practices support sustainable growth.

Together, these interconnected priorities strengthen financial performance, resilience and capital stability.



ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

RESOURCE ALLOCATION CONSIDERATIONS

In implementing its strategy, Ceylinco Life directs resources towards initiatives that strengthen long-term value creation while maintaining financial discipline and resilience. Resource allocation decisions are guided by several key considerations.

Alignment to Purpose & Vision

Investment decisions are aligned with the Company's vision, mission, and values, ensuring that resources are directed towards opportunities that generate positive economic, social, and environmental impact.

The Company evaluates whether its existing capabilities, talent, and operational competencies are sufficient to deliver its strategic priorities and sustain long-term growth.

Capabilities & Competencies

Financial Targets

Financial objectives are assessed against the weighted average cost of capital, adjusted for the risk profile of each business line and sector.

Strategic investments consider existing and emerging risks that may influence the operating environment and the Company's long-term outlook.

Risks & Vulnerabilities

STRATEGY DEVELOPMENT PROCESS

Strategy development follows a structured process that considers market dynamics, stakeholder priorities, regulatory developments and organisational capabilities. These insights inform the formulation of strategic priorities, resource allocation and performance monitoring across the organisation, ensuring that the Company remains responsive to evolving risks and opportunities.

Analysis

- Assess market dynamics and identify Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs)

  (Pages 56-75)
- Analyse stakeholder needs and expectations

  (Pages 104-116)
- Evaluate organisational strengths, resources, and capabilities

  (Page 226)

Development

- Develop strategy aligned with the Company's vision, mission, and values

  (Pages 125-149)
- Define short-, medium-, and long-term strategic objectives and establish KPIs

  (Pages 125-149)

Implementation

- Allocate and deploy resources while leveraging core competencies

  (Pages 125-149)
- Establish timelines and monitor progress against strategic objectives

  (Pages 141-146)

INTERRELATED STRATEGY

Ceylinco Life's strategic pillars are interconnected, with progress in each area reinforcing outcomes across the others. Together, these priorities support resilience, responsible growth and long-term value creation.

Pillar	Financial Performance	Environmental Sustainability	Social Responsibility	Corporate Governance
Financial Performance		Improving cost efficiency and operational optimisation through responsible resource management and digitalisation. Ensuring business continuity and stability through sustainable growth and responsible sourcing practices.	Strengthening organisational performance and resilience by building stakeholder trust, improving customer experience, and expanding inclusive protection solutions.	Strengthening business stability through prudent governance, responsible stewardship of assets, and strategic decision-making that supports sustainable financial returns.
Environmental Sustainability	Investing in energyefficient technologies, green energy efficient infrastructure, and digital processes that reduce operational costs and environmental impact. Expanding sustainable investments including renewable energy and green financing instruments.		Promoting environmental responsibility among employees, policyholders, and communities through awareness initiatives and responsible business practices.	Strengthening Board level oversight of climate-related risks and opportunities while integrating environmental considerations into governance frameworks and disclosures.
Social Responsibility	Expanding inclusive insurance solutions that enhance financial protection, retirement security, and financial resilience for individuals and families.	Supporting resilient communities through environmental initiatives, renewable energy investments, and responsible resource stewardship.		Strengthening ethical stakeholder relationships through transparency, responsible conduct, and strong governance practices.
Corporate Governance	Ensuring responsible capital allocation and ethical management of financial resources to support sustainable returns and long-term stability.	Aligning with recognised sustainability and environmental standards, including climate-related governance and disclosure frameworks.	Protecting customer interests through strong data protection, cybersecurity, and ethical business practices. Combating corruption, fraud, and financial crime through strong governance and compliance systems.	

ESG INTEGRATION AND PURPOSE- DRIVEN STRATEGY

The company applies the following time-frame classification outlining its strategic targets and performance commitments.

Short Term	Medium Term	Long Term
1–2 years (2025-2026)	**3–5 years (2027 -2029)**	**Beyond 5 years (2030 and Beyond)**
Near-term operational and strategic targets	Medium-term strategic priorities and capability development	Beyond 5 years (2030 and beyond)

STRATEGIC PRIORITIES, TARGETS AND PERFORMANCE

The following tables outline the Company's key strategic priorities across Environmental, Social, Governance and Financial dimensions, together with the associated KPIs, resources allocated and progress achieved during the year.

Environmental Sustainability - Strategic Priorities			
Material Topics	M5 M11	SDGs	6 7 12 13 14
Capitals Impacted	NC MC FC	Associated Risks	LC OR REP

Goal	KPI	Progress	Resource Allocation
Sustainable business expansion and development	Construction or conversion of two green buildings per year	Two buildings completed at Nittambuwa and Ambalanthota	Rs. 199 Mn invested in construction of the green buildings.
	10% annual growth of the Environmental Protection Fund	Environment protection has grown by 63% to Rs. 7.5 Mn as at 31.12.2025	Rs. 7.5 Mn enviroment protection fund balance as at 31st December 2025
Responsible resource management through adoption of the 6R waste management concept	5% year-on-year reduction in electricity usage	Electricicty consumption slightly increased by 0.06%	Rs. 9.7 Mn invested in battery backup systems to enable independent energy generation.
	5% annual reduction in water usage	Decreased by 3%	Rs. 2.2 Mn invested in two rainwater harvesting systems
	10% annual reduction of paper consumption	Increased by 22% due to statutory requirements.	Investment made in the e-submission and digitalization system
	5% annual reduction in organisation's carbon footprint (Total Direct and Indirect Emissions)	3% Reduced	Investments in online business business platforms and digital sales.
	Year-on-year increase in rainwater harvesting by 4%	5% Increased	Investments in rainwater harvesting systems amounting to- Rs. 0.8 Mn
Raise overall awareness among stakeholders on the importance of conserving the ecosystem	Distribution of 3,000 seed packets annually Environment during the Widhyahamuwa Programmes	Distributed 2,673 pkts and 1,300 fertilizers	Rs. 0.5 Mn for seeds and fertilizer distribution
	Minimum of two environement awareness programmes annually	Conducted 10 programmes as joint projects	
	Conduct two beach clean-up programmes annually involving branch staff and customers.	Conducted 02 programmes at Batticaloa & Galle	Branch teams, customers, and community participantion.
Combat climate change, promote climate resilience and mitigate climate-related risks	Conduct at least two climate-related educational activities	Conducted quize programme through Leaning management platforms utilised for programme execution	Staff time dedicated to planning and delivering awareness content Learning Management System's digital platform utilised for programme execution
	Integrate climate considerations into risk management and resource allocation	Identified risk eliments and reviewed by the risk team.	Internal expertise and cross-functional support to embed climate considerations into enterprise risk-management processes.
Sustainability Reporting Compliance	Ensures alignment with sustainability reporting standards, enabling transparent disclosures and strengthening governance structures.	Obtained sustainability assurance for GRI/IR and SLFRS S1 & S2. Integrated ERM framework to identify sustainability risks and opportunities.	Strengthen compliance through internal team support, improved reporting tools, and coordinated cross-departmental data validation.

Social Responsibility - Strategic Priorities			
Material Topics	M2 M3 M6 M7 M8 M9 M10 M11	SDGs	
Capitals Impacted	HC SC IC	Associated Risks	IR OR DR REP

Policyholders			
(Pages 227-242)			
Goal	**KPI**	**Progress**	**Resource Allocation**
Broaden access to life insurance, with a focused emphasis on retirement and protection solutions for Sri Lanka's changing demographic profile.	⊕ Improve access for first-time insurance buyers. ⊕ Increase customers with retirement-focused products while expanding senior health-support options.	⊕ Conducted youth-related initiatives to educate the need for life insurance and establish the brand.	⊕ Budget for targeted youth-related outreach program ⊕ Digital platform upgrades for easy access for life insurance requirements.
Create multiple contact points and obtain feedback	⊕ Expand and enhance all customer touchpoints to provide seamless, convenient, and consistently accessible service channels.	⊕ Established an integrated WhatsApp platform for customer communication. ⊕ Established a mechanism to measure the CX scores.	⊕ CX improvements were supported through dedicated project teams and enhancements made to customer-facing digital channels and service platforms.
Understand the customer journey and make constant improvements	⊕ Maintain healthy customer experience (CX) scores. ⊕ Improve the claim settlement experience of customers. ⊕ Proactively identify and eliminate inefficiencies across onboarding, servicing, and offboarding journeys to deliver a more intuitive and transparent customer experience.	⊕ Identified gaps in the claim settlement process and fixing measures such as instant messaging for claim pending document calling. ⊕ Introduction of recurring premium-paying facility through the "Pay Here" platform. ⊕ Introduced a mechanism to support and guide customers with medical loadings to manage their medical conditions identified at the policy onboarding stage.	
Digitalising the customer related process	⊕ Identify gaps and inefficiencies in the onboarding, servicing, and offboarding processes, and digitalise these areas to enhance overall policy management and improve customer experience.	⊕ Digitalising essential customer forms required for policy underwriting and servicing as online documents.	⊕ A dedicated team focused on identifying customer journey-related digitalisation requirements

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Social Responsibility - Strategic Priorities			
Community			
(Pages 307-318)			
Goal	**KPI**	**Progress**	**Resource Allocation**
Reach out to rural Sri Lankans to create awareness on NCDs.	⊕ Establish initiatives to create educate about the NCDS to the Sri Lankan population. ⊕ Conduct 10–12 health camps each year.	⊕ Completed 12 health camps, including 2 programmes conducted in disaster-affected areas. ⊕ Conducted a social media awareness campaign on the prevention and control of non-communicable diseases (NCDs), with special emphasis on regular health check-ups.	⊕ A dedicated team responsible for the community development projects ⊕ 94% budget increase from the previous year for the community development projects
Support state hospitals with critical infrastructure requirements.	⊕ Maintain the HDUs and initiate new projects as the need arises.	⊕ Maintained the HDUs. ⊕ Installation of the oxygen distribution pipes at the Kaluthura hospital.	
Build classrooms for rural schools and support them to improve the quality of education.	⊕ Build 100 classrooms for rural schools.	⊕ Begun the construction work for the 90th and 91st classroom amidst the challenges. ⊕ Initiated a programme to repaint and repair the classrooms. Painted 20 classrooms.	

Social Responsibility - Strategic Priorities			
Sales Administration			
(Pages 279-292)			
Goal	**KPI**	**Progress**	**Resource Allocation**
Generate more employment opportunities for Sales Officers including Customer Retention Officers (CRO)s and Virtual Financial Advisors	⊕ Year-on-year increase in the recruitment of Sales Officers, including Customer Retention Officers (CROs) and Virtual Financial Advisors.	⊕ 1,145 sales officers joined the Company during the year.	⊕ Centralized and decentralized recruitment activities are conducted year-round to improve the recruitment process
Digitalisation of the sales force	⊕ Year-on-year increase in digital initiatives to digitalise the sales force	⊕ 95% of the Sales Force utilise tabs and smartphones ⊕ A total of 2,732 members have access to the digitalised training platform. ⊕ 439 sales staff have been trained on digitalising the workflows.	⊕ 11.3 M Invested for Tab Loans and Free Tabs during the year. ⊕ Investments in modern training platforms and digitalised workflow systems.
Continuously enhance sales productivity and income levels through structured performance management and targeted capability development	⊕ Ensure the sales force meets the minimum income benchmarks set by the Company.	⊕ Periodically review Key Performance Indicators (KPIs) and income levels of the sales force, and implement targeted motivational strategies to enhance both performance and earnings across all organisational levels.	⊕ Mid-month review meetings and performance monitoring sessions ⊕ Annual and bi-annual sales performance reviews ⊕ Sales incentive programmes and competitions to drive productivity and income growth
Promote diversity and inclusivity among the sales force	⊕ Increase diversity and merit-based promotions.	⊕ During 2025, 56% of the sales force comprised female employees, reflecting the organisation's commitment to equal employment opportunities and gender diversity. ⊕ 48% of female Sales Officers received merit-based promotions, demonstrating the Company's focus on recognising performance, supporting career development, and empowering women within the sales organisation.	⊕ 360 structured training programmes to enhance the skills, knowledge and performance of sales personnel ⊕ Ongoing mentoring and performance follow-ups to support eligibility for merit-based promotions
Align the agency force with the Company's Code of Ethics	⊕ Honesty Index integrated into the KPI evaluation system	⊕ Code of Ethics, Corporate Governance, and Personal Data Protection (PDP) incorporated into regular training programmes for the sales force ⊕ Monthly Sales Summits and internal forums used to reinforce ethical standards, governance practices, and compliance requirements	⊕ Ongoing training programmes covering the Code of Conduct, Code of Ethics, and Personal Data Protection awareness. 1,145 newly recruited sales officers participated in the mandatory training programs. ⊕ Regular knowledge-sharing sessions and sales forums to reinforce ethical practices and compliance across the sales organisation

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Social Responsibility - Strategic Priorities			
Employees			
(Pages 243-278)			
Goal	**KPI**	**Progress**	**Resource Allocation**
A conducive work environment	⊕ Maintaining an attrition ratio in the neighbourhood of 12% - 15%	⊕ 13.36% attrition rate ⊕ 07 employee engagement events were conducted	⊕ Rs. 2.4Bn allocated towards remuneration and rewards. ⊕ Rs. 30 Mn expenditure on training
Holistic health and well-being	⊕ Promote employee well-being. ⊕ Conduct a minimum of one health camp and wellness programme annually for employees. ⊕ Conduct an annual Health and Safety Audit.	⊕ 01 medical camp ⊕ 01 first aid camp ⊕ 01 fire training session ⊕ Facilitated counselling services for 4 employees at their request ⊕ An annual Health and Safety Audit was conducted covering the head office and branches	⊕ Rs. 180,000 invested in conducting health programmes. ⊕ 7 individuals involved in the oversight of health and safety
Nurturing growth and development	⊕ Implement a robust succession planning process for Assistant Manager grade and above.	⊕ 27 employees in the Assistant Manager and above grades underwent a Leadership Development Programme during 2025. ⊕ An average of 20.2 training hours per employee has been provided during 2025.	⊕ Rs. 30.9 Mn invested in training and development. ⊕ Rs. 12 Mn invested in LMS
An inclusive workplace	⊕ Focus on attracting Gen Z talent into the workforce and targeting youth segments. ⊕ Align HR policies and practices to strengthen diversity, inclusion and pluralism.	⊕ 60% of new recruits in 2025 were from Gen Z, and 66% of them were female. ⊕ The cadre was further diversified with the recruitment of a differently-abled employee, supporting our core values and ESG commitments. ⊕ 18% of the female cadre received promotions during 2025.	⊕ Rs. 1.2 Mn invested in recruitment activities.
	⊕ Promote employee well-being. ⊕ Conduct a minimum of one health camp and wellness programme annually for employees. ⊕ Conduct an annual Health and Safety Audit.	⊕ 17% of the total cadre received merit-based promotions in 2025. ⊕ A Health Camp was conducted for 117 employees. ⊕ The annual Health and Safety Audit was completed, covering the head office and all branches.	

Corporate Governance - Strategic Priorities			
Material Topics	M4 M9 M10	SDGs	
Capitals Impacted	HC SC IC	Associated Risks	RR TR OR REP

Goal	KPI	Progress	Resource Allocation
Promote diversity, equity and inclusive leadership across the organisation	⊕ Gender diversity in recruitments. ⊕ Balanced representation at Board and KMP level. ⊕ Participation in key projects and committees.	⊕ Recruitments are carried out strictly on merit, with gender balance and diversity considerations regularly discussed at Board level. ⊕ The Board also undertakes periodic evaluations to assess its effectiveness and strengthen governance practices	⊕ 06 recruitment programmes.
Ensure fair employment practices and workforce development	⊕ Periodic review of remuneration policies ⊕ External independent surveys on working conditions. ⊕ Salary revisions aligned with performance. ⊕ Training and development programmes linked to performance evaluations. ⊕ Succession planning from Board level downwards. ⊕ Review of employee benefits against industry benchmarks. ⊕ Health and Safety Committee reviews.	⊕ Strengthened performance-driven rewards by recommending annual salary increments aligned with individual performance outcomes and prevailing market benchmarks. ⊕ Enhanced governance of remuneration practices through a comprehensive review of the Remuneration Policies for both Non-Executive Directors and employees, ensuring alignment with evolving market conditions and emerging best practices. ⊕ Reinforced committee effectiveness by reviewing and updating the Committee's Terms of Reference (TOR) to reflect current governance expectations and operational priorities. ⊕ Advanced employee wellbeing and compliance through a health and safety risk management review, ensuring adherence to regulatory requirements and promoting a safe workplace culture.	⊕ 174 training and professional development initiatives.

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Corporate Governance - Strategic Priorities			
Goal	**KPI**	**Progress**	**Resource Allocation**
Promote equality, accountability and transparent performance management	⊕ Systematic performance evaluations with Board and Sub-committee oversight. ⊕ Succession planning at each level of the organisation. ⊕ Customer feedback mechanisms and grievance handling procedures.	⊕ Strengthened talent and leadership pipelines through bi-annual performance assessments and structured reviews of succession plans.	⊕ Governance and performance monitoring frameworks.
Strengthen ethical business conduct and institutional integrity	⊕ Board reporting and evaluation of CSR initiatives. ⊕ Periodic review of AML/CFT, privacy and data protection policies. ⊕ Review and enforcement of Anti-corruption and Anti-bribery policies. ⊕ Integration of risk management practices into strategy. ⊕ Inclusion of risk and compliance indicators in employee training and KPIs. ⊕ Implementation of whistleblower policy and reporting mechanisms.	⊕ Promoted workplace fairness and equity through strengthened Diversity, Inclusion & Equity (DEI) policies. ⊕ Enhanced a safe and respectful work environment by reinforcing Sexual Harassment Prevention mechanisms and Whistleblowing frameworks. ⊕ Expanded confidential support channels for women employees through the continued strengthening of the Liya Saviya initiative.	⊕ Compliance monitoring systems. ⊕ Ethics and governance training programmes.
Maintain compliance with evolving governance and regulatory standards	⊕ Compliance with applicable governance codes and regulatory requirements. ⊕ Adoption of latest LKAS and SLFRS accounting standards. ⊕ Strengthening information security and data protection practices.	⊕ The Company progressed its financial and sustainability reporting transformation by completing major elements of the SLFRS 17, SLFRS 9, SLFRS S1, and SLFRS S2 implementation, working closely with consultants to validate technical interpretations and disclosure requirements.	⊕ Governance frameworks and compliance monitoring processes. ⊕ Significant resources were allocated towards specialised consultancy support and system upgrades, including the enhancement of actuarial, accounting, and reporting systems to align with global accounting and sustainability disclosure standards.

Financial Performance - Strategic Priorities			
Material Topics	M1 M2 M3	SDGs	
Capitals Impacted	FC IC	Associated Risks	FR IR SR

Goal	KPI	Progress	Resource Allocation
Continuous growth in GWP	15% growth in Gross Written Premium (GWP)	Gross Written Premium grew to Rs. 44.18 billion in 2025, up from Rs. 37.14 billion in 2024, an increase of 18.96%.	2,673 sales agents 13% increase in the YOY marketing budget from 2024 Commission expenses increased to Rs. 2.9 Billion in 2025, compared to Rs. 2.5 Billion in 2024
Continuous growth in ROE	12% Return on Equity (ROE)	ROE recorded 11.56%, slightly lower than last year's 11.64%	Investment decisions guided by the expertise of the Operational Investment Committee
Growth in Life Fund	13% growth in the life fund	The Long Term Insurance Fund increased to Rs. 201.81 billion in 2025 from Rs. 180.90 billion in 2024, reflecting a growth of 11.56%.	Skilled actuarial team Strategic allocation to higher-yield bonds and investment instruments Investment in Prophet and actuarial modelling software
Growth in Shareholder Fund	Demonstrates strong financial stewardship to strengthen capital structure and grow shareholder funds.	Surplus Transfer: Rs. 3.5 Bn The proposed dividend for 2025 is Rs. 19.60 per share, compared to Rs. 17.70 per share in 2024.	Surplus transfers from the Life Fund to support shareholder value Investment decisions guided by the expertise of the Operational Investment Committee
Growth in Total Assets	15% growth in total assets	Total Assets increased to Rs. 287.02 billion in 2025 from Rs. 251.44 billion in 2024, reflecting a growth of 14.15%, and exceeding the Rs. 200 billion milestone	Dedicated portfolio managers overseeing asset growth and allocation Investment decisions guided by the expertise of the Operational Investment Committee
Maintain Capital Adequacy Ratio (CAR) above 200%	Maintain CAR at 200% or above	432%	Investment decisions guided by the expertise of the Operational Investment Committee
Profit per employee	Maintain at Rs. 15 Mn	Profit per employee rose to Rs. 15.84 Mn in 2025 from Rs. 13.9 Mn in 2024	A skilled workforce of 708 employees Continuous performance evaluation
Expense and operational efficiency	Maintain Expense Ratio at 15.93%	16.52%	Rs. 317 Mn was incurred as IT Opex, and Rs. 27.5 Mn was invested as IT Capex to support digital initiatives

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Financial Performance - Strategic Priorities			
Goal	**KPI**	**Progress**	**Resource Allocation**
Adoption of latest insurance-related standards	Transition to SLFRS 17 and SLFRS 9	⊕ Consultant selection completed ⊕ System selection completed ⊕ Actuarial system implementation completed ⊕ Finance system integration underway through collaboration with the IT partner to integrate SAP with the actuarial software; requirement-gathering phase currently in progress ⊕ Parallel run initiated using draft YE2025 results, with ongoing refinement of assumptions and models and incorporation of AOC steps ⊕ Development of SLFRS 17-compliant Chart of Accounts (COA) and financial statement presentation underway; evaluation of financial reporting structure ongoing with completion targeted for June 2026	⊕ Budget for system upgrades & consultancy Rs. 40 Mn ⊕ Accounting and Actuarial Consultants

STRATEGIC TARGETS

To support the implementation of its strategic priorities, the Company has established a series of short-, medium-, and long-term targets across its strategic pillars. These targets provide a structured framework for monitoring progress, guiding investment decisions, and strengthening the integration of sustainability considerations into business strategy.



Environmental Sustainability - Strategic Priorities			
	Projected investment Rs. 200 Mn	**Projected investment 250 Mn average per annum**	**Projected investment 270 Mn average per annum**
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Sustainable business expansion and development	⊖ Register solar projects to obtain carbon credits for offsetting. ⊖ Convert air-conditioning systems to R-410 units. ⊖ Replace generators with battery back-up systems.	⊖ Encourage more sustainable purchases. ⊖ Expand battery back-up systems to replace generators.	⊖ Grow the Environment Protection Fund to Rs. 20 Mn and integrate climate risk considerations into underwriting.
Responsible resource management through adoption of the 6R waste management concept	⊖ Conduct awareness sessions on the 6R concept among internal stakeholders. ⊖ Adopt ethical waste disposal practices.	⊖ Maintain environmental KPIs at or above expected levels. ⊖ Continue ethical waste disposal practices.	⊖ Transition into a plastic- and polythene-free workplace while maintaining environmental KPIs.
Raise awareness among stakeholders on the importance of conserving the ecosystem	⊖ Incentivise employee participation and engage policyholders on climate awareness.	⊖ Collaborate with local environmental organisations and continue policyholder engagement on climate awareness.	⊖ Collaborate with global and local stakeholders while expanding climate awareness initiatives.
Combat climate change, promote climate resilience and mitigate climate-related risks	⊖ Integrate climate-related considerations into investment screening and risk assessment processes. ⊖ Digital capabilities are expanded to create an integrated ecosystem that supports seamless service delivery, advanced data analytics, and greater automation across business operations.	⊖ Expand the Company's investment exposure to climate-resilient sectors and strengthen portfolio-level climate-risk evaluation. ⊖ Enhance internal capabilities for climate-risk assessment and incorporate scenario-based testing into investment and risk-management practices. ⊖ Digital capabilities are expanded to create an integrated ecosystem that supports seamless service delivery, advanced data analytics, and greater automation across business operations	⊖ Collaborate with global and local stakeholders to support large-scale climate-resilience initiatives. ⊖ Strengthen advanced climate-scenario planning to address extreme weather events and long-term climate-related risks across operations and investments. ⊖ Digital capabilities are expanded to create an integrated ecosystem that supports seamless service delivery, advanced data analytics, and greater automation across business operations.
Disclose sustainability-related financial information	⊖ Continue implementation of sustainability related reporting standards across reporting processes with external assurance	⊖ Continue implementation of sustainability related reporting standards across reporting processes with external assurance	⊖ Ensure comprehensive implementation of the full series of ISSB sustainability-related disclosure standards across governance and reporting frameworks.

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Social Responsibility - Strategic Targets			
	Projected investment 287 Mn	**Projected investment 305 Mn average per annum**	**Projected investment 325 Mn average per annum**
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Policyholders			
Broaden access to life insurance, with a focused emphasis on retirement and protection solutions for Sri Lanka's changing demographic profile.	⊕ Establish wider channels to access insurance-related solutions for first-time buyers. ⊕ Roll out retirement and health protection focused campaigns. ⊕ Implement training for advisors in relation to retirement and health.	⊕ Further upgrade the retirement-related product category. ⊕ Expand online tools for retirement planning such as the retirement preparedness score.	⊕ Establish the Company as the leading retirement-related insurance solution provider. ⊕ Achieve broad social inclusion with life insurance coverage across all demographic segments.
Create multiple contact points and obtain feedback	⊕ Maintain an acceptable response rate. ⊕ Train staff in creating meaningful interactions and feedback during service-related engagements. ⊕ Improve the contactability of the customer base through continuous engagement and updated contact details. ⊕ Introduce structured feedback systems.	⊕ Implement mechanisms to analyse feedback to identify trends and recurring issues and improve service delivery.	⊕ Create a fully integrated omnichannel experience enabling customers to seamlessly transition between contact points. ⊕ Leverage data analytics for predictive insights to improve satisfaction levels.
Understand the customer journey and make constant improvement	⊕ Further enhance the claim settlement process by streamlining internal operations. ⊕ Enhance policy services by reassessing service level benchmarks and improving areas where performance can be optimised. ⊕ Expand dedicated policy retention teams.	⊕ Introduce systems to ensure continuous customer engagement throughout the policy lifecycle.	⊕ Develop and implement a customer engagement strategy leveraging predictive analytics and insights to proactively address customer needs.
Digitalising the customer related process	⊕ Convert customers to automated or recurrent premium payment methods.	⊕ Enhance online interaction channels such as WhatsApp, chatbots and the customer app to ensure personalised digital experiences.	⊕ Develop a seamless digital ecosystem integrating customer engagement, policy management, claims processing and customer support.

Social Responsibility - Strategic Targets			
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Community			
Reach out to rural Sri Lankans to create awareness on non-communicable diseases (NCDs).	⊖ Reach more than 2,000 beneficiaries annually through NCD awareness initiatives.	⊖ Expand outreach to 200,000 beneficiaries.	⊖ Support communities in preventing and controlling non-communicable diseases.
Support state hospitals with critical infrastructure requirements.	⊖ Support a regional hospital to improve infrastructure while maintaining the existing High Dependency Units (HDUs).	⊖ Extend piped oxygen distribution projects to other regional hospitals where required.	⊖ Support the state sector in strengthening healthcare infrastructure and improving the delivery of quality patient care.
Build classrooms for rural schools and support them to improve the quality of education.	⊖ Complete 95 classrooms for rural schools.	⊖ Complete 100 classrooms.	⊖ Ensure the continuous maintenance and sustainability of completed classrooms.
Sales Administration			
Generate more employment opportunities for Sales Officers including CROs and Virtual Financial Advisors	⊖ Increase agency force by 2.5% per annum.	⊖ Increase agency force by 5% per annum.	⊖ Become the most sought-after employer among agents in the insurance industry.
Digitalisation of the sales force	⊖ Achieve 75% ownership of digital devices among the sales force.	⊖ Increase digital device ownership to 85%.	⊖ Achieve 95% ownership of digital devices.
Annual increase in productivity and income	⊖ Implement performance-based reward schemes.	⊖ Invest in technology to enhance sales efficiency and productivity.	⊖ Promote sustainable growth to increase productivity and income through market expansion and new revenue opportunities.
Promote diversity and inclusivity among the sales force	⊖ Ensure equal employment opportunities (50:50)and merit-based promotions.	⊖ Continue equal employment opportunities (50:50) and merit-based promotions.	⊖ Sustain equal employment opportunities (50:50) and merit-based promotions.
Align the agency force with the Company's Code of Ethics	⊖ Establish a reporting mechanism to support ethical practices.	⊖ Establish ethical performance reviewslinked to evaluations and promotions.	⊖ Strengthen and sustain an ethical culture across the sales force.

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Social Responsibility - Strategic Targets			
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Employees			
A conducive work environment	⊕ Maintain employee attrition in the range of 12%–15%.	⊕ Maintain employee attrition below 12%.	⊕ Maintain employee attrition below 10% and become the most sought-after employer.
Holistic health and well-being	⊕ Promote employee well-being. ⊕ Conduct a minimum of one health camp and wellness programme annually for employees. ⊕ Conduct an annual Health and Safety Audit.	⊕ Continue employee well-being initiatives and annual health camps and wellness programmes. ⊕ Conduct annual Health and Safety Audits.	⊕ Sustain employee well-being initiatives and maintain regular health camps and wellness programmes alongside annual Health and Safety Audits.
Nurturing growth and development	⊕ Implement a robust succession planning process for Assistant Manager grade and above.	⊕ Extend succession planning to supervisory grades with a focus on competency development. ⊕ Provide a minimum of 15 hours of training per employee.	⊕ Fill 75%–90% of Assistant Manager vacancies through internal talent.
An inclusive workplace	⊕ Focus on attracting Gen Z talent into the workforce and targeting youth segments. ⊕ Align HR policies and practices to strengthen diversity, inclusion and pluralism.	⊕ Integrate Gen Z talent into the workforce and continue targeting youth segments.	⊕ Continuously review HR policies and practices to strengthen diversity, inclusion and pluralism.

Corporate Governance - Strategic Targets			
	Projected investment Rs. 55 Mn	**Projected investment Rs. 37 Mn average per annum**	**Projected investment Rs. 40 Mn average per annum**
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Strengthen regulatory compliance and governance practices	⊖ Comply with the Companies Act (Amendment) Act No. 12 of 2025, amendments to the IRCSL Solvency Margin (Risk-Based Capital) Rules, amendments to the Regulation of Insurance Industry Act, and the Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders (2027).	⊖ Strengthen governance policies and compliance monitoring frameworks.	⊖ Maintain strong governance practices aligned with evolving regulatory expectations.
Strengthen ESG governance and oversight	⊖ Strengthen compliance with SLFRS S1 and S2 by enhancing sustainability disclosures to meet global baseline reporting expectations. ⊖ Deepen integration of sustainability factors into the ERM framework to ensure climate- and sustainability-related risks and opportunities are systematically identified, assessed, and monitored. ⊖ Reinforce governance and decision-making by embedding sustainability considerations into strategy, risk oversight, and long-term value creation.	⊖ Strengthen ESG oversight and monitoring mechanisms across the organisation.	⊖ Fully integrate ESG considerations into governance, risk management and strategic decision-making processes.
Strengthen IT governance and cyber security management	⊖ Further strengthen Board oversight of data governance through tighter monitoring mechanisms, more frequent access reviews, and enhanced data-management protocols. ⊖ Advance the Company's cybersecurity resilience by expanding proactive digital-risk mitigation measures to ensure service continuity and protect sensitive information. ⊖ Enhance information security capabilities with scheduled updates to the Information Security (IS) Policy, regular procedure audits, and continuous vulnerability assessments to address evolving threats.	⊖ Implement IT security policies and procedures.	⊖ Maintain robust cyber security and data protection practices across operations.
Promote ethical business conduct and integrity	⊖ Strengthen governance and ethical standards. ⊖ Implement anti-corruption and anti-bribery policies. ⊖ Reinforce data protection and compliance discipline.	⊖ Strengthen ethics monitoring and compliance frameworks.	⊖ Sustain a strong ethical culture across the organisation.
Adopt evolving financial reporting standards and disclosure frameworks	⊖ Comply with SLFRS 17, SLFRS 9,sustainability related reporting diclosures , SLFRS 11, SLFRS 18 standards.	⊖ Strengthen financial and sustainability reporting processes.	⊖ Enhance credibility of financial reporting through continued adherence to recognised standards.

ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Financial Performance - Strategic Priorities			
Goal	**Short Term (Next Year 2026)**	**Medium Term (2027-2029)**	**Long Term (2030 and Beyond)**
Continuous growth in GWP	Achieve 15% growth in Gross Written Premium.	Achieve 20% growth in Gross Written Premium.	Increase penetration in the core life insurance segment and maintain market leadership.
Continuous growth in ROE	Maintain 12% Return on Equity.	Increase ROE to 15%.	Balance the product mix to achieve higher CSM under SLFRS 17.
Growth in Life Fund	Achieve 13% growth in the Life Fund.	Achieve 15% growth in the Life Fund.	Ensure the Life Fund remains adequately capitalised to meet short- and long-term policyholder obligations.
Growth in Shareholder Fund	Achieve sustainable growth in the shareholder fund through profit growth and retained earnings.	Maintain steady growth in shareholder funds.	Maintain a prudent and sustainable dividend policy while strengthening shareholder value.
Growth in Total Assets	Achieve 15% growth in total assets.	Achieve 10% growth in total assets.	Strengthen financial resilience through increased investments in fixed assets.
Sustainable investment options	Explore investments in green bonds.	Expand investments in sustainable financial instruments.	Direct investments into projects supporting environmental conservation, renewable energy and climate mitigation.
Maintain Capital Adequacy Ratio above 200%	Maintain CAR at 200%.	Maintain CAR at 200%.	Maintain CAR at 200% or above.
Adoption of insurance-related standards	Transition to SLFRS 17 and SLFRS 9 and implement SLFRS S1 and S2.	Strengthen financial reporting systems and compliance frameworks.	Enhance credibility of financial reporting and stakeholder confidence.
Turnover / profit per employee	Achieve 15% improvement.	Achieve 20% improvement.	Improve employee retention, productivity and long-term workforce stability.
Expense and operational efficiency	Improve operational efficiency and reduce manual processes.	Reduce cost-to-income ratio through automation and process optimisation.	Achieve long-term efficiency through automated underwriting and AI-driven claims processing.
Risk and claims management	Strengthen underwriting guidelines and claims management processes.	Improve risk scoring models and fraud detection capabilities.	Maintain strong reinsurance partnerships and predictive analytics capabilities to stabilise claims volatility.

CAPITAL TRADE-OFFS AND STRATEGIC OUTCOMES

The Company's strategy influences how value is created across the six capitals. While some initiatives require trade-offs between capitals, these decisions are made with the objective of strengthening long-term value creation. The table below illustrates the strategic outcomes across each capital.

Strategic Pillar	Financial Capital (FC)	Social & Relationship Capital (SC)	Manufactured Capital (MC)	Human Capital (HC)	Intellectual Capital (IC)	Natural Capital (NC)
Environmental Sustainability	⊕ Reduced operating costs through improved resource efficiency ⊖ Investing in sustainability initiatives and green infrastructure	⊕ Strengthening environmental awareness and supporting a more resilient society	⊕ Enabling expansion through greener and more sustainable infrastructure	⊕ Developing an environmentally responsible workforce equipped for the future	⊕ Strengthening organisational knowledge and capabilities in sustainability and climate management	⊕ Improving resource efficiency and supporting environmental conservation initiatives
Social Responsibility	⊕ Increasing revenue through improved customer trust and market reach ⊖ Investing in employee development, remuneration and digital service platforms	⊕ Building stakeholder confidence and strengthening long-term relationships ⊕ Increasing insurance accessibility and financial inclusion	⊕ Creating safe, supportive and inclusive working environments	⊕ Building employee capability, engagement and professional development	⊕ Strengthening organisational knowledge, customer insights and service innovation	⊕ Promoting environmentally conscious behaviour through community engagement

⊕ Value Creation ⊖ Capital Utilisation

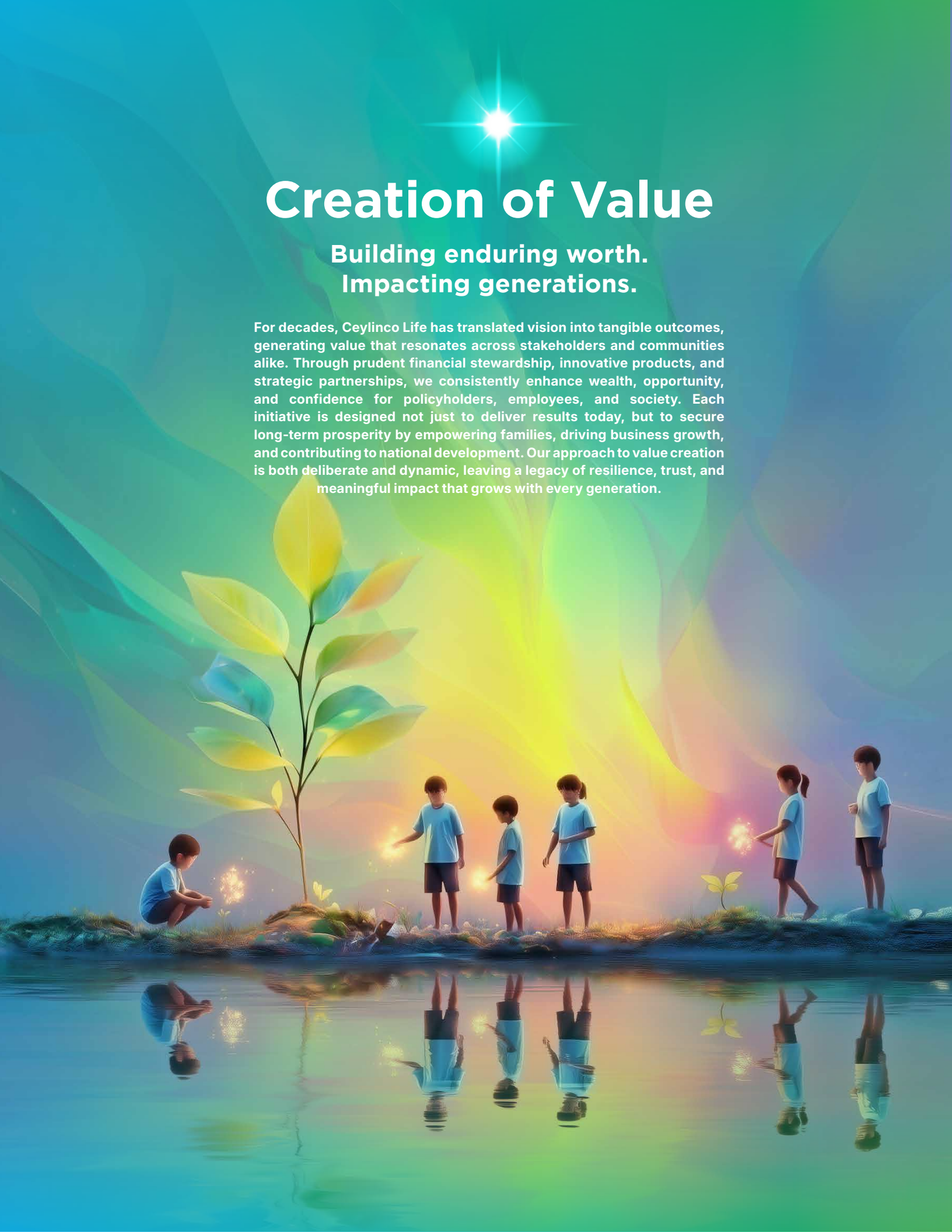
ESG INTEGRATION AND PURPOSE-DRIVEN STRATEGY

Strategic Pillar	Financial Capital (FC)	Social & Relationship Capital (SC)	Manufactured Capital (MC)	Human Capital (HC)	Intellectual Capital (IC)	Natural Capital (NC)
Corporate Governance	⊕ Strengthened governance reduces financial risks, enhances capital stability, and builds stakeholder confidence, supporting sustainable profitability and long-term growth. ⊖ Investing in governance, compliance and risk management frameworks	⊕ Strengthening corporate reputation and stakeholder trust	⊕ Reducing operational risks through effective governance oversight	⊕ Promoting professionalism, ethical conduct and accountability	⊕ Strengthening leadership capability, governance expertise and institutional knowledge	⊕ Strengthening oversight of environmental and sustainability-related risks
Financial Performance	⊕ Strengthening financial resilience, capital adequacy and profitability ⊖ Investing in asset development and sustainable investments	⊕ Building investor and policyholder confidence	⊕ Enabling branch expansion and infrastructure development	⊕ Supporting employee stability, productivity and long-term welfare	⊕ Enhancing financial expertise, analytics and strategic decision-making	⊕ Allocating capital towards environmentally responsible investments

Creation of Value

Building enduring worth. Impacting generations.

For decades, Ceylinco Life has translated vision into tangible outcomes, generating value that resonates across stakeholders and communities alike. Through prudent financial stewardship, innovative products, and strategic partnerships, we consistently enhance wealth, opportunity, and confidence for policyholders, employees, and society. Each initiative is designed not just to deliver results today, but to secure long-term prosperity by empowering families, driving business growth, and contributing to national development. Our approach to value creation is both deliberate and dynamic, leaving a legacy of resilience, trust, and meaningful impact that grows with every generation.



VALUE CREATION MODEL

A robust business model is the cornerstone behind Ceylinco Life's journey of leadership and stewardship, representing how clear direction, strategic focus and disciplined pathways come together to set the standard for long-term value creation.

NORTH STAR - VISION, MISSION AND VALUES (PAGE 13)

INPUTS

Organisational Strengths (pages 226)

A STRONG MOMENTUM

FINANCIAL CAPITAL

Supports long term fund stability, risk bearing capacity, investment performance and the assurance of policyholder protection.

- Shareholders' funds **Rs. 67.86 Bn**
- Life Insurance Fund **Life- Rs. 201.8 Bn**
- Diversified investment portfolios (G-Secs, corporate debt, equities, unit-linked funds) **Rs. 253.4Bn**
- Reinsurance arrangements supporting risk transfer
- Strong solvency & liquidity positions as the No.1 life insurer for 22 consecutive years

MANUFACTURED CAPITAL

Enables physical and digital service accessibility, supporting seamless protection and long-term customer engagement.

- A nationwide network of 119 locations and 3 contact centres.
- Modern IT systems, digital servicing platforms & customer portals
- Advisor digital enablement (e proposal systems, e POS, digital onboarding)
- Established partner networks (medical, diagnostics, hospitals) supporting efficient claims processing

INTELLECTUAL CAPITAL

Drives actuarial strength, product innovation, brand leadership and strategic differentiation.

- Institutionalised underwriting & actuarial expertise
- Market leadership and differentiation across various products and segment
- Enterprise Risk Management models & actuarial valuation frameworks
- Knowledge repositories & training modules -LMS
- Market intelligence, customer insights & analytics frameworks
- Predictive modelling & Business Intelligence tools enabling product tailoring

HUMAN CAPITAL

Essential for delivering the protection promise, superior service, operational excellence and long-term business resilience.

- Skilled workforce covering underwriting, actuarial, investment, finance & operations
- Employee engagement and well-being programmes
- Leadership development & succession planning
- Technical, sales & compliance training
- Safety, wellness and equal opportunity practices
- Cultural alignment focused on integrity, trust & long-term protection commitments

SOCIAL & RELATIONSHIP CAPITAL

Strengthens Ceylinco Life's social legitimacy and deepens long-term relationships with policyholders, communities and stakeholders.

- 600,000+ policies in-force
- Market leadership and differentiation across various products and segment
- Advisor, broker, and bancassurance partnerships
- Hospital, medical testing & service provider networks
- Engagement with regulators & industry associations
- CSR initiatives under national-scale community programmes
- Supplier & partner collaboration supporting operational excellence

NATURAL CAPITAL

Minimises environmental footprint and supports responsible, sustainable operations in line with Ceylinco Life's sustainability commitments.

- **Rs. 9.7 Mn** invested in solar related projects
- Waste reduction, paper minimisation & recycling programmes
- **32** certified green buildings introduced across the branch network-**Rs. 123.8 Mn**
- Responsible procurement guidelines
- Climate transition plans and carbon footprint reduction efforts
- ESG integrated budgeting system incorporated across processes

A CLEAR DIRECTION - STRATEGY & FOCUS

GUIDING CONSIDERATIONS

Material topics

ECONOMIC
M1 M2 M3 M4

ENVIRONMENTAL
M5

SOCIAL
M6 M7 M8

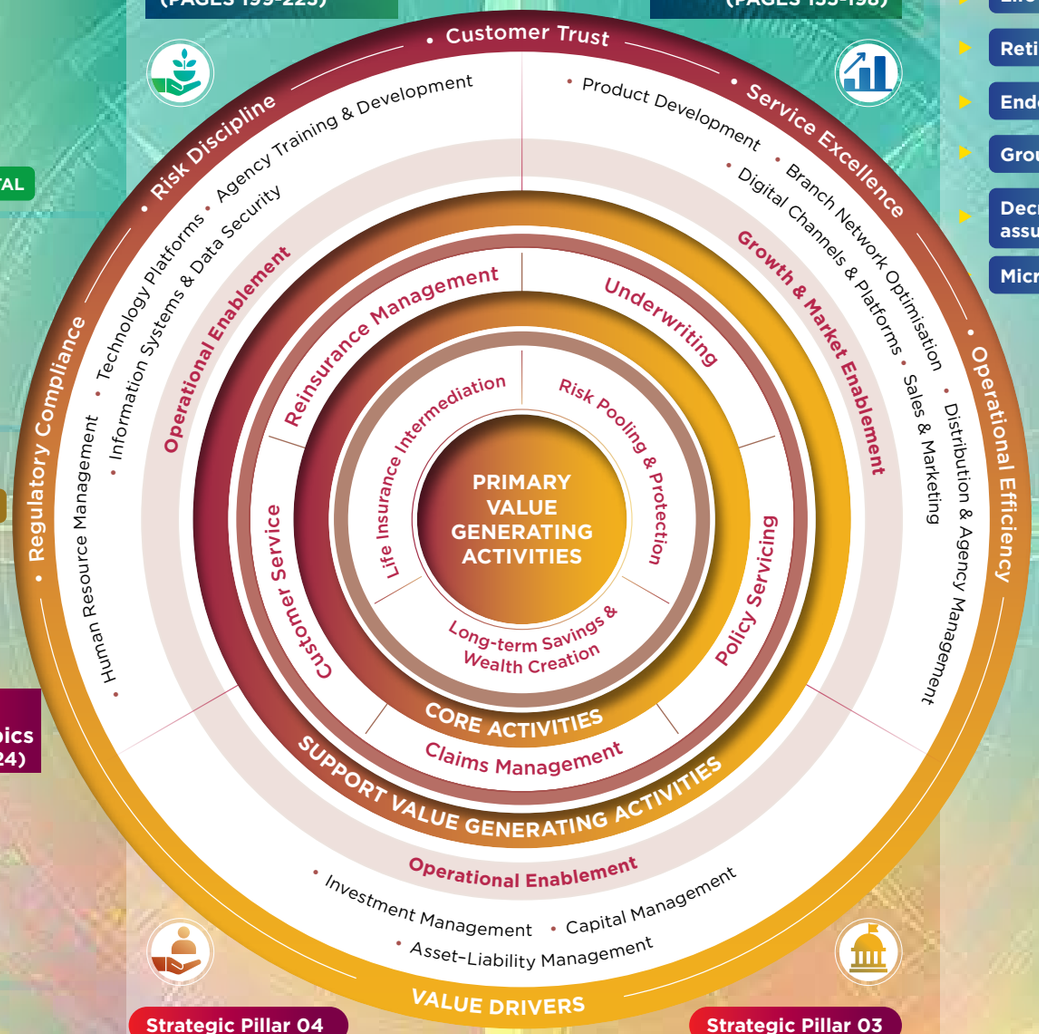
GOVERNANCE
M9 M10 M11

11 Material Topics (pages 117-124)

PROCESS

Strategic Pillar 01
Environmental Sustainability (PAGES 199-223)

Strategic Pillar 02
Financial Performance (PAGES 155-198)



Strategic Pillar 04
Social Responsibility (Pages 224-318)

Strategic Pillar 03
Corporate Governance (Pages 319-376)

OUTPUTS

Products that Safeguard

- Life plans
- Retirement plans
- Endowment plans
- Group Life Plans
- Decreasing term assurance plans
- Micro-insurance plans

Scan the QR code to learn more about our products

Enterprise Risk Management (pages 91-103) | **Governance Framework (page 327)**

Refer ESG Integration and Purpose-driven Strategy (pages 125-149)

Risk management and governance continued to be strengthened during the year, with enhanced alignment to SLFRS S1 and S2 (pages 56-75).

A STABLE TERRAIN- GOVERNANCE & RISK

OUTCOMES	IMPACT
FINANCIAL CAPITAL Strong fund sustainability and long-term solvency Stable returns supporting policyholder bonuses and guarantees ESG-integrated budgeting and capital allocation Green and responsible investment options supporting long-term value	**FINANCIAL CAPITAL** **Securing Long-Term Financial Resilience** Supporting sustained financial performance, capital strength, and long-term value creation. Key Stakeholders: Relevant SDGs: 1, 8, 9, 10, 16
MANUFACTURED CAPITAL Seamless digital onboarding and e-proposal capabilities Scalable digital self-service and customer portals Enhanced operational efficiency through modern platforms Improved service accessibility across customer touchpoints	**MANUFACTURED CAPITAL** **Enabling Inclusive, Accesible and Sustainable Growth** Enhancing accessibility and reach through infrastructure, systems, and operational capabilities. Key Stakeholders: Relevant SDGs: 9, 10, 11, 12, 13
INTELLECTUAL CAPITAL Accurate actuarial modelling and pricing discipline Robust product governance and approval processes Continuous product upgrades and innovation Data-driven insights supporting customer-centric solutions Improved brand visibility	**INTELLECTUAL CAPITAL** **Powering Progress through Innovation and Insight** Strengthening efficiency, decision-making, and customer experience through innovation and digital capabilities. Key Stakeholders: Relevant SDGs: 8, 9, 10, 12, 16
HUMAN CAPITAL Enhanced learning and development improved employee capability. Leadership programmes strengthened succession readiness. Better engagement and skilling built a future-ready workforce. Workforce stability reinforced organisational resilience and service quality.	**HUMAN CAPITAL** **Cultivating Talent and Organisational Strength** Developing people through learning, inclusive practices, and a performance-driven culture. Key Stakeholders: Relevant SDGs: 3, 4, 5, 8, 10, 16
SOCIAL & RELATIONSHIP CAPITAL Enhanced customer trust, loyalty and long-term relationships Transparent policy disclosures and claims processes Responsible claims settlement and communication Strengthened partnerships across distribution and service networks Improved protection access and support for policyholders and communities. Strengthened sales force capability to better serve customer needs.	**SOCIAL & RELATIONSHIP CAPITAL** **Building Enduring Relationships and Shared Value** Fostering trust and creating shared value through responsible practices and stakeholder engagement. Key Stakeholders: Relevant SDGs: 1, 3, 4, 8, 10, 11, 12, 16, 17
NATURAL CAPITAL Increased allocation to sustainable and green investments Reduced environmental footprint through digitalisation and efficient practices Integration of sustainability considerations into investment decisions Ongoing awareness efforts deepened employee and community engagement in environmental practices.	**NATURAL CAPITAL** **Preserving Natural Capital for the Future** Promoting responsible resource use and supporting the transition to a low-carbon and sustainable future. Key Stakeholders: Relevant SDGs: 6, 7, 9, 12, 13, 15
Refer Strategic Outcomes (pages 132-140)	Refer Value Added Statement (page 29)

PARTNERSHIPS OF TRUST

Stakeholder Expectations (pages 104-116)

VALUE CREATION RESULTS

FINANCIAL CAPITAL

Outputs	Measure	2022	2023	2024	2025	% Change
Gross Written Premium	(Rs. Mn)	29,160	33,411	37,140	44,183	18.96%
Investment Income	(Rs. Mn)	19,323	27,479	27,744	27,508	(0.85%)
Dividends paid to shareholder	(Rs. Mn)	788	913	750	885	18%
Life Insurance Fund	(Rs. Mn)	134,886	157,538	180,896	201,814	11.56%
Corporate Taxes paid	(Rs. Bn)	877	3,112	1,799	1,530	(14.95%)
Outcomes						**% Change**
ROE	%	15.45%	10.67%	11.64%	11.56%	(0.69%)
Yeild on invested assets	%	11%	13%	15%	12%	(20.00%)
DPS	(Rs.)	18	15	18	20	10.73%
Net asset per Share	(Rs.)	988	1,087	1,215	1,357	11.71%
CAR ratio	%	303%	344%	448%	432%	(3.57%)

MANUFACTURING CAPITAL

Outputs	Measure	2022	2023	2024	2025	% Change
Green Buildings	Count	24	29	30	32	6.67%
Solar Power Generated	Mwh	790	1,001	1,108	1,121	1.08%
Solar Power related Investments	(Rs. Mn)	28	131	26	10	(62.69%)
IT Infrastructure Investment	(Rs. Mn)	139,752	77,636	83,753	27,463	(67.21%)
Outcomes						**% Change**
IT systems uptime	%	98.9%	98.7%	98.5%	98.8%	0.30%
Total investments in green Buildings	(Rs. Mn)	21	81	26	124	376.15%

INTELLECTUAL CAPITAL

Outputs	Measure	2022	2023	2024	2025	% Change
New Products Introduced	Count	1	2	1	1	0.00%
Digital Service Platforms	Count	1	1	1	1	0.00%
IT System Availability	Count	14	12	4	5	25.00%
Outcomes						**% Change**
Brand value	(Rs. Bn)	4	4	4	6	84.29%
Top-of-the mind recall	%	49%	44%	42%	44%	4.76%
IT modernisation programme completed	Count	4	7	3	5	66.67%
No of workflows digitalised	Count	-	-	-	150	100.00%

SOCIAL CAPITAL- POLICYHOLDER

Outputs	Measure	2022	2023	2024	2025	% Change
New Policies Issued - Individual Life/ DTA/Group Term	New policies (Count)	108,285	79,636	61,325	65,916	7.49%
Maturity claims paid	(Rs. Bn)	13	17	20	24	24.00%
Claims - death, disability and hospitalisation	(Rs. Mn)	1,778	1,743	1,818	2,186	20.2%
Total claims and benefits paid	(Rs. Bn)	19	23	25	31	23.41%
Outcomes						**% Change**
Claims and Benefit ratio (excl.maturities etc.)	%	6%	5%	5%	5%	0.00%
Customer complaints acknowledged within one day	%	100%	100%	100%	100%	0.00%
Maturity claims paid within one day	%	100%	100%	100%	100%	0.00%
Customer satisfaction score (CSAT)	%	-	-	72%	78%	8.91%

HUMAN CAPITAL

Outputs	Measure	2022	2023	2024	2025	% Change
No. of employees	Count	752	740	729	708	(2.88%)
Average training per employee	Hours	19	19	20	20	1.66%
No of leadership programmes held	Count	7	3	5	1	(80.00%)
Wages and salaries including bonus & incentives	(Rs. Bn)	1.90	2.00	2.20	2.40	9.09%
Outcomes						**% Change**
New employees	Count	46	85	92	75	(18.48%)
Profit per employee	(Rs. Mn)	13	11	14	16	14.86%
Promotions	Count	159	176	114	118	3.51%

SOCIAL CAPITAL- SALES FORCE

Outputs	Measure	2022	2023	2024	2025	% Change
No. of sales agents	Count	2,868	2,939	2,577	2,673	3.73%
Commissions paid	(Rs. Bn)	2	2	3	3	14.80%
No. of classrooms-Classroom development projects	Count	2	2	2	-	(100.00%)
No. of health camps - Waidya Hamuwa health camps	Count	7	10	12	12	0.00%
No. of HDUs maintained	Count	5	5	5	5	0.00%
Pranama scolarships offered	Count	147	152	152	128	(15.79%)
Payments to suppliers	(Rs. Bn)	3,154	2,439	2,271	2,938	29.37%
Outcomes						**% Change**
New sales agents	Count	1,001	1,438	861	1,145	32.98%
Number of MDRT qualifiers	Count	161	302	313	277	(11.50%)
No. of beneficiaries -Classroom development projects	Count	449	649	173	-	(100.00%)
No. of beneficiaries- Waidya Hamuwa health camps	Count	1,360	2,301	2,609	2,907	11.42%
Scholars completed	Count	3,034	3,186	3,498	3,466	(0.91%)

NATURAL CAPITAL

Outputs	Measure	2022	2023	2024	2025	% Change
Electricity consumption	Mwh	1,465	1,479	1,440	1,449	0.63%
Fuel consumption	Litres	176,645	165,996	176,040	175,939	(0.06%)
Water consumption	Units	22,540	23,704	24,716	23,972	(3.01%)
Paper recycled	Kg	44,388	11,739	6,102	4,950	(18.88%)
Water recycled	Litres	1,056,000	1,171,500	1,320,000	1,386,000	5.00%
Outcomes						**% Change**
Own operational Scope 1 and Scope 2 carbon emissions	tCO2e	1,169	954	864	930	7.63%
Green club members	Count	14	22	22	100	354.55%

Value creation Value preservation Value erosion



Gross Written Premium

2025	2024
Rs. 44 Bn	Rs. 37 Bn

19% Increase

Net Claims and Benefits

2025	2024
Rs. 31 Bn	Rs. 25 Bn

24% Increase

Investment and other Income

2025	2024
Rs. 28.2 Bn	Rs. 28.4 Bn

1% Decrease

Insurance A Provision - Long-Term

2025	2024
Rs. 202 Bn	Rs. 181 Bn

12% Increase

Total Equity

2025	2024
Rs. 68 Bn	Rs. 61 Bn

11% Increase

Profit After Tax

2025	2024
Rs. 7.85 Bn	Rs. 7 Bn

12% Increase

Total Assets

2025	2024
Rs. 287 Bn	Rs. 251.4 Bn

14% Increase

Profit Before Tax

2025	2024
Rs. 11 Bn	Rs. 10 Bn

10% Increase

Investments in Financial Instruments

2025	2024
Rs. 244 Bn	Rs. 214 Bn

14% Increase

Gross Changes in Contract Liabilities

2025	2024
Rs. 20.6 Bn	Rs. 23 Bn

10% Increase

FINANCIAL PERFORMANCE

SUSTAINING VALUE THROUGH FINANCIAL STRENGTH

As a life insurer managing long-term policyholder commitments, Ceylinco Life focuses on maintaining strong financial fundamentals while delivering sustainable value to policyholders and shareholders. Through disciplined underwriting, prudent investment management, cost efficiency, and strong capital governance, the Company continues to strengthen its financial resilience while supporting long-term business growth.

THE NORTH STAR

- Sustainable Value Creation for Policyholders and Shareholders

An established financial compass that guides disciplined growth, capital stewardship, and responsible investment decisions - ensuring the Company remains resilient, profitable, and capable of meeting long-term commitments.

GUIDING PRINCIPLES

- Growth
- Financial Discipline
- Operational Efficiency
- Capital Strength
- Responsible Investment

These principles guide financial decision-making across underwriting, investment management, capital allocation, and operational processes, enabling sustainable performance while safeguarding policyholder obligations.

OUTCOMES

- Strong Fund Sustainability
- Long-Term Solvency
- Stable Investment Returns
- ESG-Integrated Capital Allocation
- Responsible
- Investment Opportunities

These outcomes reflect the Company's ability to maintain long-term financial stability through disciplined capital management, responsible investment practices, and sustainable fund growth.

Rs. 44.18 Bn
Gross Written Premium
(Rs. 37.14 Bn in 2024)

Rs. 11.21 Bn
Profit Before Tax
(Rs. 10.05 Bn in 2024)

11.56%
Return on Equity
(11.64% in 2024)

432%
Capital Adequacy Ratio
(448% in 2024)

Rs. 28.25 Bn
Investment Income Generated
(Rs. 28.41 Bn in 2024)

92%
Combined Ratio
(87% in 2024)

FINANCIAL PERFORMANCE

STRATEGIC CONTEXT

GUIDED BY FINANCIAL DISCIPLINE, PRUDENCE AND LONG-TERM VALUE CREATION

Stakeholder Expectations

- Strong financial stability and solvency to safeguard long-term policyholder commitments.
- Consistent profitability and sustainable returns to shareholders.
- Prudent investment management that balances return generation with capital preservation.
- Transparent financial reporting and compliance with evolving accounting and regulatory standards.
- Efficient cost management and disciplined operational performance.

Operating Landscape

Core Challenges

- Managing investment returns amid fluctuating interest rate environments and market volatility.
- Balancing premium growth with disciplined underwriting and risk management.
- Rising operational costs driven by inflation, technology investments, and business expansion.
- Adapting to evolving financial reporting and regulatory requirements, including SLFRS 17 and SLFRS 9.
- Maintaining strong capital adequacy while supporting business growth and product innovation.

Capitals: FC IC HC

Key Stakeholders:

S

- Market leadership and strong brand trust built over decades in Sri Lanka's life insurance sector.
- Robust capital adequacy and solvency position supporting long-term policyholder commitments.
- Well-diversified investment portfolio delivering stable returns.
- Strong distribution network supported by a large and experienced agency force.
- Large and growing life insurance fund ensuring long-term financial resilience.
- Disciplined underwriting and claims management supported by actuarial expertise.

W

- Exposure to macroeconomic fluctuations impacting investment returns.
- Operational cost pressures arising from expanding digital and technology infrastructure.
- Dependence on traditional distribution channels requiring ongoing productivity improvements.
- Data integration challenges during transition to new financial reporting standards.

O

- Expanding demand for protection and retirement solutions driven by demographic changes.
- Leveraging digital platforms to improve customer access, operational efficiency, and data insights.
- Growth in sustainable and responsible investment opportunities.
- Strengthening bancassurance and alternative distribution partnerships.
- Enhanced financial reporting and analytics capabilities through SLFRS transformation.

T

- Interest rate volatility affecting long-term investment yields.
- Increasing regulatory and compliance requirements across financial services.
- Economic uncertainty affecting consumer purchasing power and premium growth.
- Rising claims experience driven by demographic and health trends.
- Competitive pressure within the life insurance industry.

Material Topics

M1 M2 M3 M4 M5 M9 M11

Risks and Opportunities

IR RR FR OR REP SR DR TR LC CRR1 CR01

FINANCIAL PERFORMANCE IN FOCUS

Key focus areas shaping Ceylinco Life's environmental strategy and performance.



SUSTAINING BUSINESS GROWTH

Driving sustainable premium growth by strengthening distribution productivity, maintaining pricing discipline, enhancing product profitability, and improving policy persistency and customer retention across the Company's expanding customer base.

Refer pages 166-169 for details

MANAGING INSURANCE RISK AND INVESTMENT RETURNS

Enhancing underwriting discipline and claims management through predictive analytics, strong reinsurance partnerships, fraud detection mechanisms, and robust governance frameworks, while supporting income stability through disciplined investment management.

Refer pages 170-173 for details





DRIVING OPERATIONAL EFFICIENCY

Enhancing operational productivity through automation, streamlined processes, digital transformation, and disciplined cost management to ensure efficient deployment of resources across the organisation.

Refer pages 174-175 for details

ENHANCING PROFITABILITY AND RETURNS

Strengthening profitability through an improved product mix with a greater focus on protection solutions, disciplined cost management, enhanced investment performance, and improved Contractual Service Margin (CSM) release under SLFRS 17.

Refer pages 176-178 for details





OPTIMISING INVESTMENTS AND ASSET GROWTH

Managing a diversified investment portfolio designed to generate stable long-term returns while maintaining liquidity, strategic asset allocation discipline, and a growing emphasis on responsible and sustainable investments.

Refer pages 179-184 for details

STRENGTHENING CAPITAL AND SOLVENCY

Maintaining strong capital buffers and a robust solvency position through disciplined asset–liability management, prudent reinsurance arrangements, and risk-based capital planning aligned with regulatory requirements.

Refer pages 185-195 for details





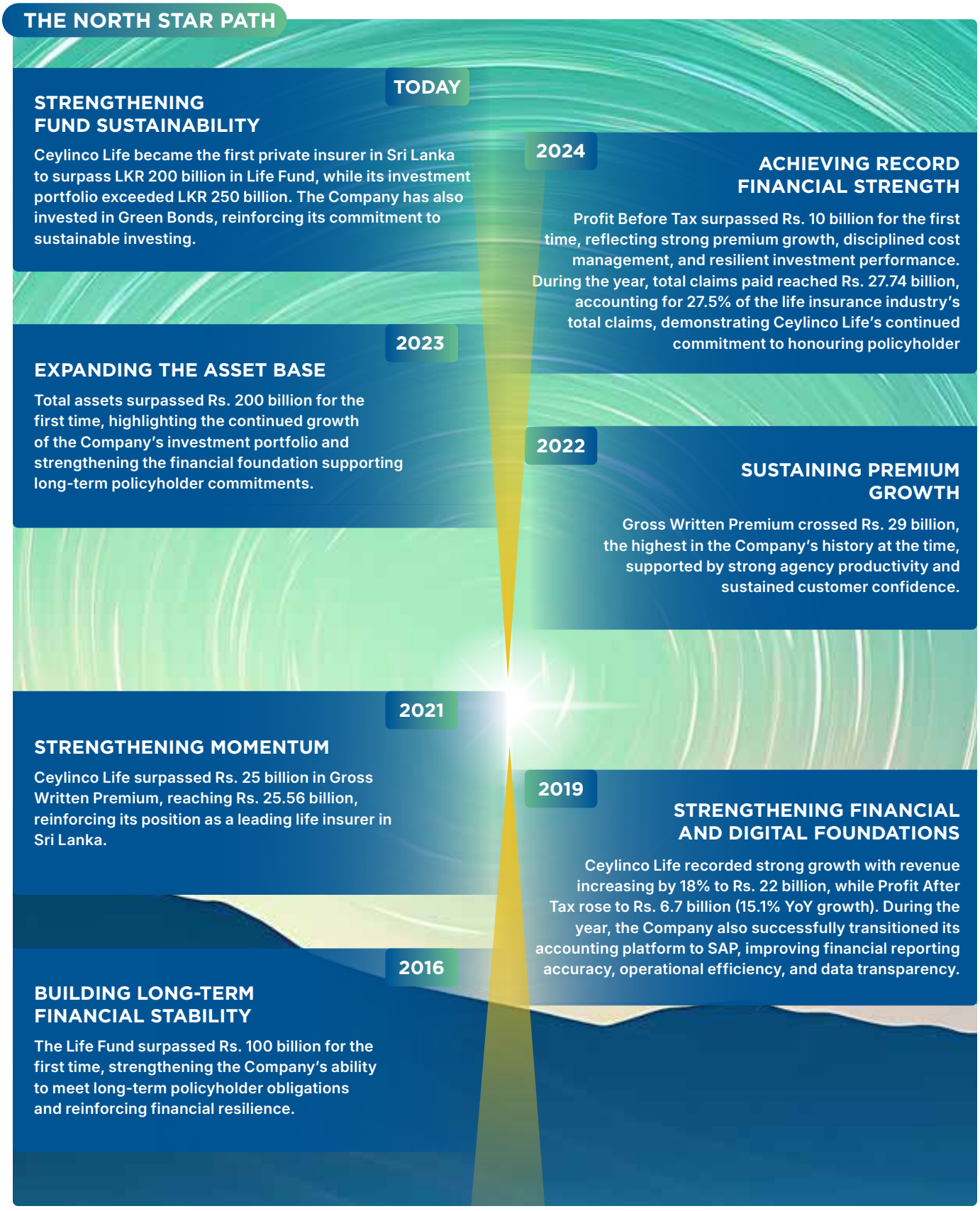
ENHANCING FINANCIAL REPORTING AND COMPLIANCE

Maintaining transparency and strong financial governance through high-quality financial reporting, enhanced data integrity, accurate reserving practices, and effective implementation of SLFRS 17 and SLFRS 9.

Refer pages 196-197 for details

FINANCIAL PERFORMANCE

THE NORTH STAR PATH



LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

FINANCIAL STEWARDSHIP: DELIVERING STABILITY AND LONG-TERM VALUE

CORE ACTIVITIES:

Core Activities: Ceylinco Life continues to prioritise disciplined financial stewardship to ensure long-term value creation for policyholders and shareholders. Guided by strong governance, prudent investment strategies, and a resilient business model, the Company maintained steady financial performance during the year despite evolving economic and market challenges. The organisation's financial leadership is guided by several overarching priorities:

Resilient Performance

Maintaining strong profitability and stable financial performance despite macroeconomic volatility.

Clear Policy Direction

Achieving consistent premium growth supported by a strong distribution network and customer confidence.

Disciplined Capital Management

Strengthening capital adequacy and financial resilience through prudent cost management and disciplined investment strategies.

Digital Enablement

Enhancing digital capabilities and financial systems to improve reporting accuracy, operational efficiency, and decision-making.

Continuous Improvement

Governance structures, strategic priorities, and initiatives evolve as expectations rise.

MARKET CONTEXT AND CHALLENGES

In 2025, Sri Lanka's operating environment improved steadily as inflation remained subdued due to currency appreciation and lower energy costs- while policy interest rates were eased significantly, supporting market stability. Economic growth remained positive. Within this stabilising macroeconomic landscape, the Company focused on maintaining prudent financial management. This enhanced the Company's efforts to protect policyholder value while sustaining financial resilience.

Progress in 2025:

Ceylinco Life capitalised on the steady nature of the macroeconomic financial environment. The Life Fund surpassed Rs. 200 billion, strengthening the Company's long-term financial foundation. Continued investments in digital systems enhanced financial reporting efficiency, while recognition through ACCA and TAGS awards affirmed the Company's commitment to high-quality financial and sustainability reporting.

Governing Policy:

ESG Policy

Oversight:

Board ESG Committee, Management level ESG Sub-Committee

Refer pages 402-404 for details



"Our position as one of the leading and most financially resilient life insurers in Sri Lanka reflects decades of disciplined management, strong governance, and the trust placed in us by our policyholders. With this leadership position comes a clear responsibility—to safeguard financial stability, strengthen capital foundations, and continue building an organisation capable of delivering long-term value. Guided by prudent financial stewardship and forward-looking leadership, we remain focused on sustaining stability while driving the next stage of growth."

P A JAYAWARDENA

Senior Executive Director / Chief Financial Officer

FINANCIAL PERFORMANCE

DELIVERING FINANCIAL RESILIENCE AND INDUSTRY LEADERSHIP

Ceylinco Life leveraged the stabilising macroeconomic environment during the year to further strengthen its financial resilience and performance. Through disciplined financial management, prudent investment strategies, and strong governance oversight, the Company delivered stable financial outcomes while reinforcing its long-term financial foundations.

At the same time, the Company continued to expand its contribution to the life insurance industry while reinforcing its leadership position across key financial indicators.

MARKET SHARE

Navigating a Complex Operating Environment

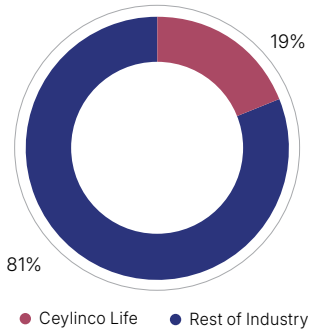
Key Challenges	How We Responded
Interest rate fluctuations and declining yields	Adjusted portfolio duration and strengthened forecasting models while conducting regular reviews through the Investment Committee.
Reinvestment risks due to falling interest rates	Diversified fixed-income allocations beyond government securities into high-quality bank debentures and deposits while maintaining strong liquidity buffers.
Credit risk exposure in financial institutions	Restricted investments to minimum investment-grade instruments while adhering to internal investment guidelines with oversight from the Operations Investment Committee.
Inflation-driven operating costs	Strengthened budget monitoring, rationalised non-essential expenditure, and accelerated digitalisation initiatives to improve efficiency.
Implementation of IFRS 17, IFRS 9 and sustainability reporting standards	Conducted extensive staff training, implemented phased transition plans, and engaged expert consultants to support implementation.
Digital transformation investments	Continued upgrading core systems, automation platforms, and reporting tools to enhance operational and reporting capabilities.

Industry Leadership

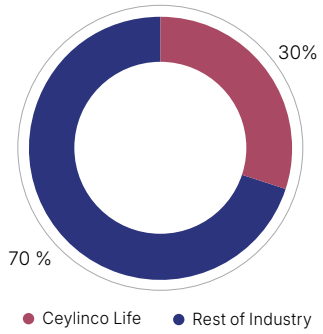
Despite challenging market conditions, Ceylinco Life maintained a strong leadership position within Sri Lanka's life insurance sector. Based on IRCSL Q4 Industry Highlights (2025 vs 2024), the Company recorded significant contributions across key industry indicators. These indicators highlight the Company's continued role as one of the most influential financial institutions within Sri Lanka's life insurance industry, demonstrating scale, financial strength, and sustained market leadership.

Indicator	Industry	Growth	Ceylinco Life	Growth	Contribution
Gross Written Premium	Rs. 227.13 Bn	23%	Rs. 44.18 Bn	19%	19.5%
Benefits Paid	Rs. 104.70 Bn	25%	Rs. 31.37 Bn	24.02%	30.0%
Investment Income	Rs. 102.06 Bn	1%	Rs. 27.51 Bn	(0.85%)	27.0%
Profit Before Tax	Rs. 32.31 Bn	(2%)	Rs. 11.21 Bn	11.55%	34.7%
Total Assets	Rs. 1,059.61 Bn	15%	Rs. 287.02 Bn	14.15%	27.1%

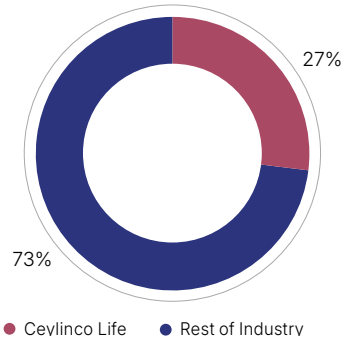
Gross Written Premium (GWP)



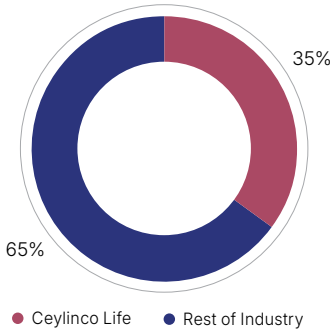
Benefits Paid



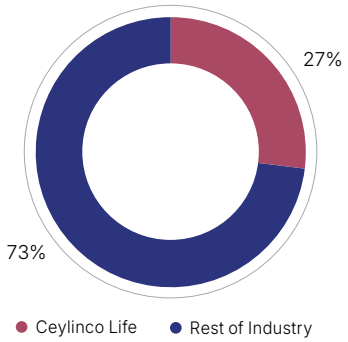
Investment Income



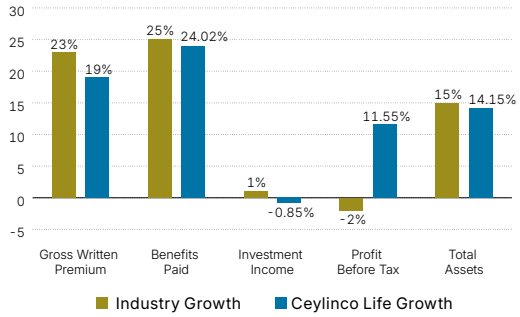
Profit Before Tax



Total Assets



Industry vs Ceylinco Life Growth Rates



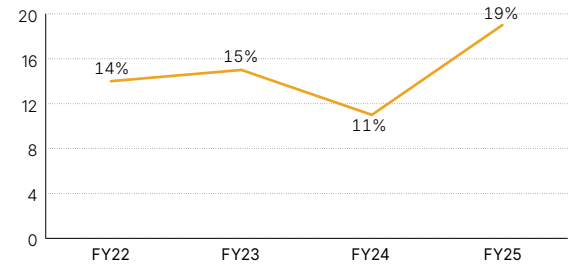
FINANCIAL PERFORMANCE

Ratio Analysis

Key financial ratios demonstrate Ceylinco Life's financial strength, operational efficiency, and disciplined capital management. The following analysis highlights trends across revenue growth, profitability, solvency, operational efficiency, investor returns, and insurance-specific performance indicators.

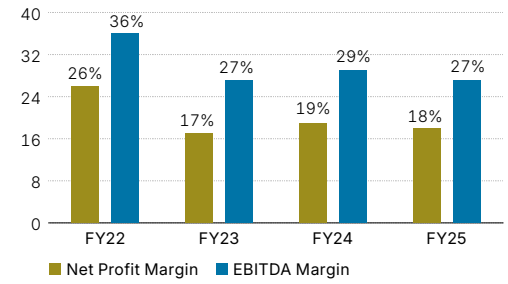
Revenue Ratios	FY22	FY23	FY24	FY25
GWP Growth (YoY)	14%	15%	11%	19%

GWP Growth (YoY)

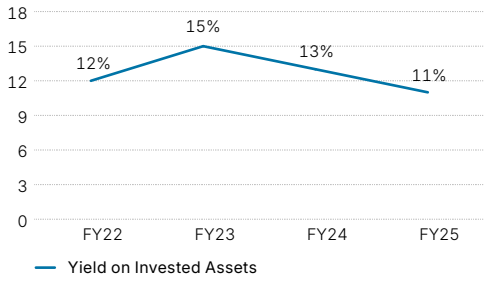


Profitability Ratios	FY22	FY23	FY24	FY25
Net Profit Margin	26%	17%	19%	18%
EBITDA Margin	36%	27%	29%	27%
Return on Assets	4%	3%	3%	3%
Return on Equity	15%	11%	12%	12%
Yield on Invested Assets	12%	15%	13%	11%

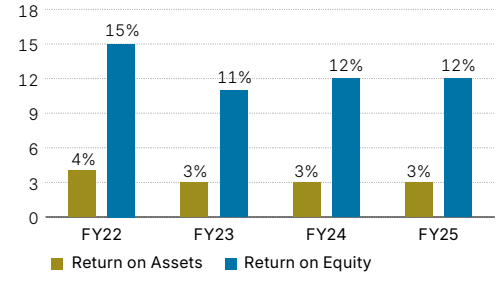
Profitability Margins



Yield on Invested Assets

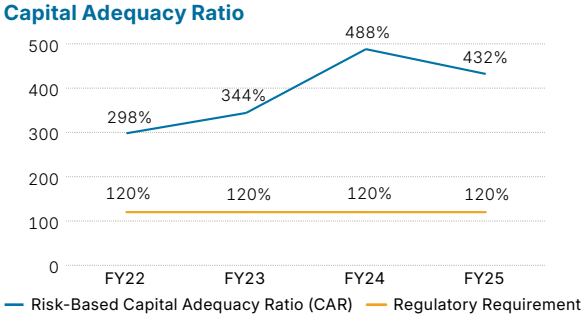


Return Ratios



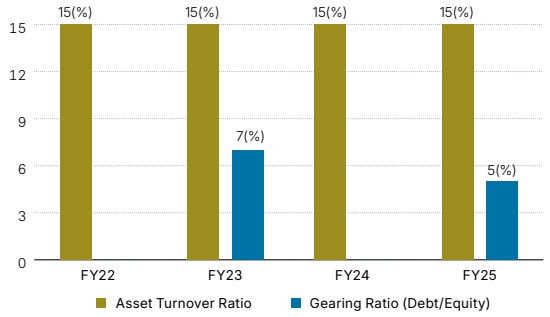
Solvency Ratios	FY22	FY23	FY24	FY25
Risk-Based Capital Adequacy Ratio (CAR)	298%	344%	488%	432%

Capital Adequacy Ratio



Efficiency Ratios	FY22	FY23	FY24	FY25
Asset Turnover Ratio	15%	15%	15%	15%
Gearing Ratio (Debt/Equity)	–	7%	–	5%

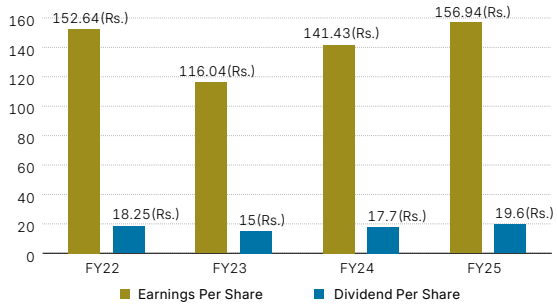
Efficiency Ratios



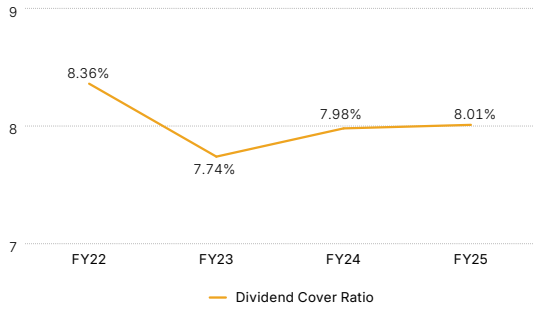
Investor Ratios*	FY22	FY23	FY24	FY25
Earnings Per Share (Rs.)	152.64	116.04	141.43	156.94
Dividend Per Share (Rs.)	18.25	15	17.7	19.6
Dividend Cover	8.36x	7.74x	7.98x	8.01x
Dividend Payout Ratio	12.00%	12.90%	12.50%	12.50%

(As a company not quoted on the Colombo Stock Exchange, we do not calculate investor ratios associated with the share price)

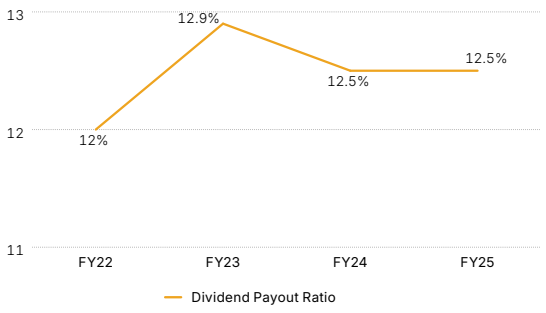
Earnings and Dividend Distribution



Dividend Cover Ratio



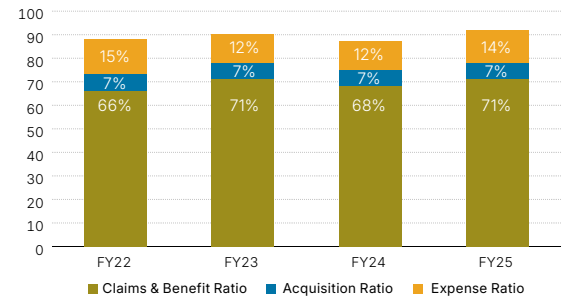
Dividend Payout Ratio



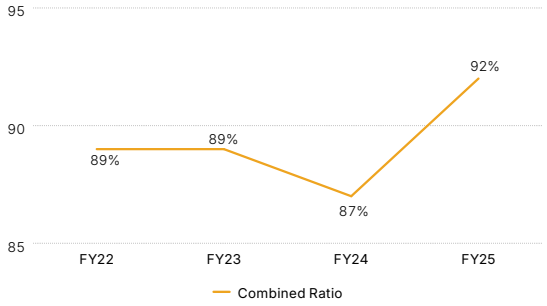
FINANCIAL PERFORMANCE

Insurance Ratios	FY22	FY23	FY24	FY25
Claims & Benefit Ratio	66%	71%	68%	71%
Claims Ratio (excl.maturities etc.)	6%	5%	5%	5%
Reinsurance Ratio	1%	1%	1%	2%
Acquisition Ratio	7%	7%	7%	7%
Expense Ratio	15%	12%	12%	14%
Combined Ratio	89%	89%	87%	92%
Combined Ratio (excl. maturities etc.)	28%	24%	24%	25%

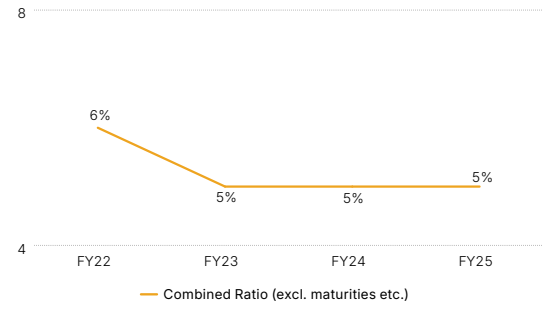
Insurance Cost Structure



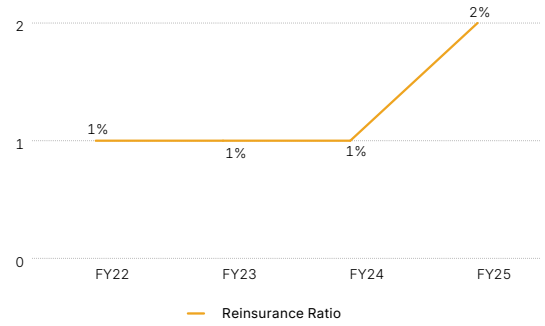
Combined Ratio



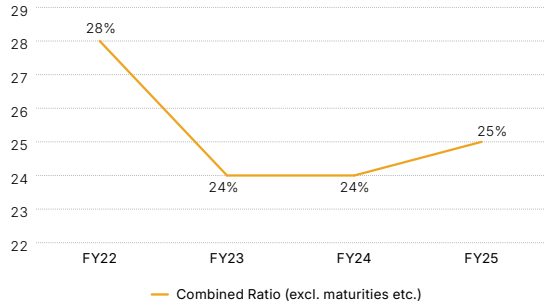
Claims Ratio (excl. maturities etc.)



Reinsurance Ratio



Combined Ratio (excl. maturities etc.)



Introduction to Financial Performance

The Company's financial performance during the year reflects the combined impact of business growth, disciplined cost management, and prudent financial stewardship in a challenging economic environment. Despite fluctuations in interest rates, inflationary pressures, and evolving regulatory requirements, Ceylinco Life continued to maintain stable revenue generation and strong profitability.

The following section outlines the key components of the Company's income statement, illustrating how premium income, investment returns, and operational costs contributed to overall financial performance during the year ended 31 December 2025, compared with the previous year. It also highlights the Company's outlook and priorities for sustaining financial performance in the period ahead.

The table below summarises the material income statement line items and their year-on-year movements.

Description	2025 (Rs. Mn)	2024 (Rs. Mn)	Change	2026 Outlook
Gross Written Premium	44,183	37,140	19%	18% growth
Premium Ceded to Reinsurers	(669)	(550)	22%	3% decrease
Investment & Other Income	28,254	28,408	-1%	1% growth
Net Benefits & Claims Paid	(31,075)	(25,049)	24%	14% decrease
Gross Change in Contract Liabilities	(20,681)	(23,041)	-10%	41% growth
Acquisition Costs	(2,868)	(2,489)	15%	86% growth
Expenses	(5,929)	(4,368)	36%	11% growth
Profit Before Tax	11,213	10,052	11.5%	6% growth
Income Tax Expense	(3,366)	(2,981)	13%	3% growth
Profit for the Year	7,847	7,071	11%	8% growth

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

DEMONSTRATING FINANCIAL STRENGTH THROUGH FARSIGHTED STRATEGY

Strategic Focus Area 01 | **Driving Sustainable Business Growth**

CORE ACTIVITIES:

- Strengthening distribution productivity through a nationwide agency network and alternative sales channels.
- Expanding customer reach through targeted market segmentation and enhanced customer engagement initiatives.
- Improving policy persistency and retention through service excellence and digital payment channels.
- Enhancing product design and pricing discipline to support sustainable premium growth.
- Leveraging brand strength and customer trust to strengthen long-term policyholder relationships.

Impacted SDGs:



Performance in 2025

Sustainable business growth remains a key driver of Ceylinco Life's financial performance. The Company continues to focus on strengthening distribution productivity, enhancing persistency levels, and expanding its customer base through disciplined pricing strategies and diversified product offerings. These efforts support steady premium growth while reinforcing the Company's long-term commitment to policyholder protection and value creation.

During 2025, Ceylinco Life delivered strong premium growth supported by improved renewal collections, continued demand for life insurance protection solutions, and the strength of its nationwide distribution network. The Company also maintained a balanced mix between renewal, single premium, and new business policies, enabling stable revenue generation while sustaining customer engagement.

The following section outlines the key components of the Company's revenue performance and business growth indicators for the year ended 31 December 2025.

GROSS WRITTEN PREMIUM (GWP)

Gross Written Premium (GWP) represents the primary revenue stream of Ceylinco Life and reflects the Company's ability to generate sustainable business volumes through its distribution network and product portfolio.

During the year, GWP increased by 18.96% year-on-year to Rs. 44.18 billion, compared with Rs. 37.14 billion in 2024. The growth was primarily driven by higher renewal premium income, reflecting improved policy persistency and stronger customer engagement initiatives.

Rs. 44.18 Bn
Gross Written Premium recorded in 2025.

18.96% YoY Growth
Premium income increased from Rs. 37.14 Bn in 2024.

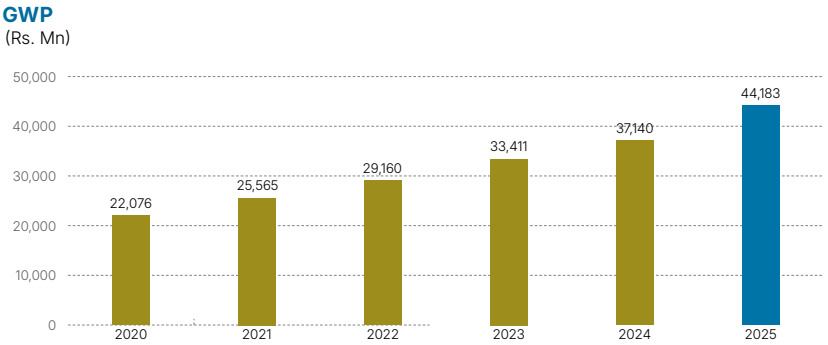
6-Year Growth Trend
Premium income doubled from Rs. 22.08 Bn in 2020.

42%
Renewal Contribution
Renewal premiums remain the largest contributor to premium income.

26%
Growth in New Business Premium
Strong expansion in new policy sales.

30%
Contribution from Single Premium Products
Reflects continued demand for investment-linked life solutions.

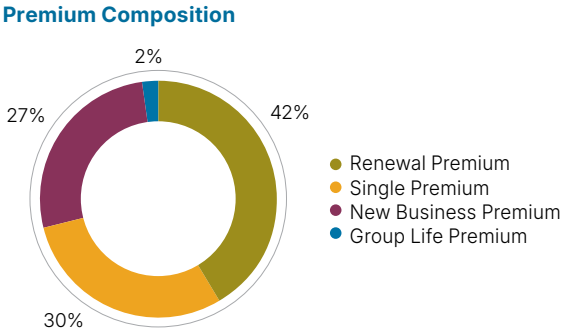
Year	GWP (Rs. Mn)
2020	22,076
2021	25,565
2022	29,160
2023	33,411
2024	37,140
2025	44,183



Premium Composition

Ceylinco Life maintains a balanced portfolio of premium income streams, combining renewal premiums from existing policyholders with new business growth and single premium products.

Renewal premiums continue to represent the largest share of total premiums, supported by improved persistency levels and the adoption of automated premium collection mechanisms.



Premium Category	2025 (Rs. Mn)	2024 (Rs. Mn)	Composition	Change	Key Value Driver
Renewal Premium	18,611	15,519	42%	19.93%	Higher persistency and improved collections through auto-pay and targeted retention programmes
Single Premium	13,162	11,674	30%	12.75%	Growth driven by the relative attractiveness of short-term endowment insurance products
New Business Premium	11,745	9,314	27%	26.10%	Expansion into new market segments supported by strong sales force performance
Group Life Premium	664	634	2%	4.85%	Stable renewals and limited expansion of new group policy acquisitions
Total	**44,183**	**37,140**	**100%**	**19%**	

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Driving Sustainable Business Growth**

New Business Performance: Nature-wise GWP

New business growth reflects the Company's continued focus on expanding market reach and strengthening its sales force. During the year, Ceylinco Life recorded stable growth in annualised new business premiums and improved average premium values per policy.

The increase in the average premium per policy reflects a stronger product mix and higher policy values, indicating improved customer confidence and demand for long-term protection solutions.

Indicator	2025	2024	YoY Change
Annualised New Business Premium (Rs. Mn)	13,234	12,064	9.7%
Number of New Policies Issued	65,916	61,325	0.2%
Average Premium per Policy (Rs.)	200,770	196,729	9.5%

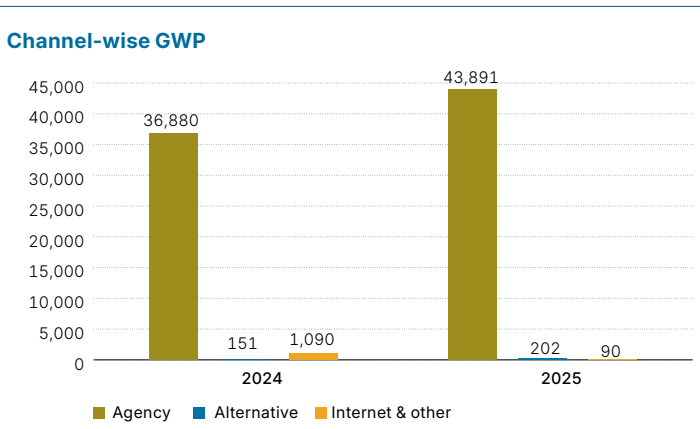
Distribution Channels: Channel-wise GWP

Ceylinco Life distributes its products through a diversified distribution network consisting of:

- Agency channel (individual sales agents)
- Alternative channels including Virtual Finance advisors, brokers, and corporate partnerships
- Digital and online platforms, including social media channels.

The agency channel remains the Company's primary distribution engine, reflecting the strength of its field force and its ability to build long-term relationships with policyholders.

Channel	2025 (Rs. Mn)	2024 (Rs. Mn)
Agency	43,891	36,880
Alternative	202	151
Internet & other	90	1090
Total	**44,183**	**38,121**



KEY GROWTH DRIVERS

Ceylinco Life's premium growth during the year was supported by several operational and strategic initiatives:

- Strengthening of policy persistency through improved customer engagement and retention programmes
- Expansion of sales productivity through targeted training and performance incentives
- Increased demand for protection-oriented life insurance products
- Continued customer confidence in the Company's financial strength and brand reputation

These initiatives collectively supported sustained business growth while reinforcing the Company's ability to deliver long-term value to policyholders and shareholders.

18.96% Premium Growth

Driven by strong persistency and new business expansion.

65,000+ New Policies

Expansion of the customer base during the year.

Rs. 44 Bn Premium Portfolio

Demonstrates the scale of the Company's life insurance operations.

Strong Distribution Strength

Nationwide agency network driving market leadership.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Managing Insurance Risk and Investment Returnsn**

CORE ACTIVITIES:

- Enhancing underwriting discipline and claims management through predictive analytics, strong reinsurance partnerships, fraud detection mechanisms, and robust governance frameworks.
- Strengthening risk transfer mechanisms through partnerships with globally recognised reinsurers to mitigate large claim exposures and safeguard financial stability.
- Supporting stable income generation through disciplined investment management aligned with long-term insurance liabilities.
- Strengthening actuarial oversight and data-driven risk monitoring to improve pricing accuracy, reserve adequacy, and portfolio resilience.
- Enhancing claims governance through robust validation processes, improved data analytics capabilities, and strengthened internal controls.

Impacted SDGs:



Ceylinco Life continues to strengthen its insurance risk management framework to safeguard policyholder interests while sustaining stable financial returns. The Company manages insurance risk through disciplined underwriting, robust reinsurance partnerships, data-driven claims monitoring, and prudent investment management that supports long-term policyholder liabilities.

By integrating actuarial expertise, predictive analytics, and strong governance frameworks, the Company ensures that insurance obligations are met while maintaining the stability of its financial performance.

Rs. 669 Mn

Premium ceded to reinsurers in 2025.

AA- / A+ Rated Reinsurers

Swiss Re and Munich Re partnerships strengthen risk transfer..

Rs. 28.25 Bn

Investment and other income generated during the year.

Rs. 31.07 Bn

Net benefits and claims paid to policyholders.

71% Claims Ratio

Within the healthy industry benchmark range.

Rs. 20.68 Bn

Transferred to the Long-Term Insurance Fund.

24% Growth in Claims Payments

Reflecting the Company's commitment to honouring policyholder obligations.

Reinsurance and Risk Transfer: Premium Ceded to Reinsurers

Reinsurance remains a key component of Ceylinco Life's risk management strategy, enabling the Company to diversify insurance risk exposure while protecting its capital position. During the year, the Company continued to partner with two globally recognised reinsurers Swiss Re and Munich Re — both of whom maintain strong credit ratings from international rating agencies.

Premium ceded to reinsurers increased by 22% year-on-year to Rs. 669 Mn, reflecting the Company's continued emphasis on prudent risk transfer and portfolio protection.

Year	2025	2024	2023	2022	2021	2020
Premium ceded (Rs. Mn)	669	550	640	472	308	505
Growth	21.71%	14.05%	35.52%	53.06%	-38.97%	-8.12%

Reinsurer	Rating	Rating Agency
Swiss Re	A+ (Strong)	Fitch Rating
Munich Re	AA- (Strong)	Fitch Rating

These partnerships strengthen the Company's ability to manage large or unexpected claim exposures while maintaining a stable financial position.

Investment and Other Income

Investment income represents an important contributor to the Company's financial performance, supporting long-term insurance liabilities and enabling sustainable returns for policyholders and shareholders.

During 2025, Sri Lanka's interest rate environment continued to decline as the Central Bank maintained an accommodative monetary policy stance. Despite these conditions, Ceylinco Life sustained stable portfolio returns through disciplined asset allocation and prudent reinvestment strategies.

Total investment and other income amounted to Rs. 28.25 billion in 2025, compared with Rs. 28.41 billion in 2024, reflecting a marginal decline of 1% amid lower market yields.

Further details on the Company's investment portfolio and asset allocation strategy are presented under Strategic Focus Area 05

Investment and Other Income	2025 (Rs. Mn)	2024 (Rs. Mn)	Growth
Investment income	27,508	27,744	-1%
Realised gains/(losses)	231	192	20%
Fair value gains/(losses)	417	207	101%
Other income	97	265	-63%
Total	28,254	28,408	-1%

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Managing Insurance Risk and Investment Returnsn**

Net Benefits and Claims Paid

Claims and benefit payments represent a core component of Ceylinco Life's commitment to policyholders. During the year, total claims and benefits increased primarily due to higher policy maturities reflecting the Company's large and maturing long-term policy portfolio.

Gross claims and benefits increased by 24% to Rs. 31.38 billion, while net benefits and claims after reinsurance recoveries increased to Rs. 31.07 billion.

Claims and Benefits	2025 (Rs. Mn)	2024 (Rs. Mn)	Change
Policy maturities	24,188	19,531	24%
Surrenders	3,730	2,629	42%
Death, disability & hospitalisation claims	2,186	1,818	20%
Interim payments	1,254	1,288	-3%
Annuities	16	33	-51%
Gross claims & benefits	31,375	25,299	24%
Reinsurance recoveries	300	250	20%
Net benefits and claims	31,075	25,049	24%

The incurred claims ratio of 71.41% remains within the healthy industry benchmark range of 50–100%, reflecting disciplined underwriting practices and effective claims management processes.

Gross Change in Contract Liabilities

Changes in contract liabilities reflect movements in the Company's long-term insurance obligations arising from policyholder benefits and actuarial reserve requirements.

During the year, Rs. 20.68 billion was transferred to the Long-Term Insurance Fund, compared with Rs. 23.05 billion in 2024, representing a 10% decrease from the previous year.

This transfer reflects strong premium inflows during the year, which were sufficient to absorb increases in acquisition costs, operating expenses, benefit payments, and income tax while maintaining the financial strength of the insurance fund.

The movement also reflects the continued expansion of the Company's long-term insurance portfolio and its disciplined approach to actuarial reserve management.

Actuarial Oversight and Risk Monitoring

The actuarial function plays an important role in strengthening the Company's risk management framework by supporting underwriting discipline, product pricing, and monitoring claims experience. Through continuous evaluation of policyholder behaviour, mortality trends, and portfolio performance, actuarial insights support more accurate risk assessment and sustainable product design.

During the year, the actuarial team continued to refine pricing models and strengthen liability monitoring processes to ensure that insurance obligations remain adequately supported by the Company's financial resources. These capabilities enhance the Company's ability to maintain a well-balanced insurance portfolio while supporting long-term policyholder protection.

Further details on actuarial modelling developments relating to SLFRS 17 implementation are discussed under Strategic Focus Area 07 – Financial Reporting and Compliance Strengthening.

Data Analytics and Risk Monitoring

Ceylinco Life continues to strengthen its data analytics capabilities to support risk monitoring, claims management, and operational decision-making. During the year, the Company enhanced its business intelligence dashboards and automated reporting processes, enabling faster access to performance insights across underwriting, actuarial, investment, and operational teams.

Improved data models and integrated analytics platforms now support proactive monitoring of claims patterns, underwriting performance, and operational risks. These tools reduce manual reporting processes while improving transparency, enabling management to respond more quickly to emerging trends and strengthen overall risk governance.

Through these initiatives, the Company continues to build a more data-driven operating environment that supports effective risk management and informed decision-making.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 03 — Driving Operational Efficiency

CORE ACTIVITIES:

- Strengthening cost discipline through structured monitoring of acquisition costs and operating expenses.
- Enhancing operational productivity through process optimisation, automation, and digital transformation initiatives.
- Improving sales productivity through targeted incentives, performance monitoring, and strengthened distribution management.
- Investing in advanced technology solutions to streamline administrative processes and improve operational efficiency.
- Strengthening employee engagement and workforce capabilities to support sustainable organisational growth.

Impacted SDGs:



Ceylinco Life continues to strengthen operational effciency across its business operations to support sustainable growth while maintaining disciplined cost management. The Company focuses on optimising administrative processes, improving sales productivity, and leveraging digital solutions to streamline operations and enhance long-term effciency.

By strengthening operational discipline and investing in technology-driven improvements, the Company continues to enhance productivity, optimise resource allocation, and maintain cost effciency while supporting business expansion.

Acquisition Costs

Acquisition costs increased by 15.75% year-on-year to Rs. 2,868 Mn, compared with Rs. 2,478 Mn in 2024, largely reflecting the growth in premium income and increased sales activity during the year.

These costs primarily relate to commissions and incentives paid to the sales force in recognition of business generation and portfolio expansion. The increase in acquisition costs remains broadly aligned with the 18.96% growth in Gross Written Premium, indicating consistent sales productivity and disciplined cost management. This trend reflects the Company's continued investment in strengthening its distribution network and supporting the performance of its sales force.

Year	2025	2024	2023	2022	2021	2020	2019
Acquisition Cost (Rs. Mn)	2,868	2,478	2,268	2,097	2,370	2,124	1,963

Rs. 2.87 Bn
Acquisition Costs

36.25% Increase
Operating expenses driven by workforce investment.

Rs. 20.4 Mn Saved
Postage and courier cost savings through digitalisation

Rs. 5.84 Bn
Operating Expenses

11% Reduction in
Electricity expenses through effciency initiatives

Expenses

Operating expenses can be broadly categorised into other operating and administrative expenses and finance costs.

Other Operating and Administrative Expenses

Total operating and administrative expenses increased by 36% to Rs. 5,839 Mn in 2025, compared with Rs. 4,285 Mn in 2024, reflecting higher employee-related costs, increased sales activity, and operational investments required to support business growth.

Other Operating & Administrative Expenses	2025 (Rs. Mn)	2024 (Rs. Mn)	Growth
Administration expenses	2,455	1,948	26.02%
Selling expenses	1,481	1,139	29.97%
Employee benefit expenses	1,903	1,198	58.87%
Total	5,839	4,285	36.25%

Employee Benefit Expenses

Employee benefit expenses increased by 59% to Rs. 1,903 Mn, representing the largest increase among operating expense categories during the year.

The increase was primarily driven by higher contributions to the Company's gratuity fund amounting to Rs. 518 Mn. During the year, the pension and gratuity funds recorded a reversal of Rs. 1.7 Bn (2024: Rs. 1.7 Bn) as the fair value of plan assets exceeded the related liabilities.

In addition, the Company continued to prioritise employee welfare, with contributions towards staff welfare amounting to Rs. 534 Mn (2024: Rs. 795 Mn). These investments reflect the Company's commitment to maintaining a motivated and engaged workforce that supports long-term organisational growth.

Selling Expenses

Selling expenses increased by 30% to Rs. 1,481 Mn, primarily due to higher rewards and incentives provided to the sales force as well as increased promotional activities undertaken to support business expansion.

These investments reflect the Company's continued focus on strengthening its distribution network and supporting the productivity of its agency force.

Administrative Expenses

Administrative expenses increased by 26% to Rs. 2,455 Mn, reflecting higher operational costs required to support expanding business operations.

During the year, expenditure on software systems, building maintenance, vehicle maintenance, and other operational infrastructure increased by approximately Rs. 317 Mn. Statutory payments such as Cess and Crop Insurance leviesalso increased to Rs. 165.2 Mn, compared with Rs. 115.8 Mn in 2024, mainly due to the growth in Gross Written Premium and the Company's improved profitability.

Professional service fees increased moderately to Rs. 78 Mn, compared with Rs. 70 Mn in the previous year, reflecting additional advisory and compliance requirements.

Operational Efficiency Initiatives

The Company continued to implement several operational efficiency and sustainability initiatives during the year.

Through process optimisation and digitalisation initiatives, the Company achieved an 11% reduction in electricity expenses compared with the previous year. Improvements in digital communication and workflow processes also enabled the Company to save approximately Rs. 20.4 Mn in postage and courier expenses.

These initiatives reflect the Company's ongoing efforts to streamline operations, enhance efficiency, and support environmentally responsible business practices.

Finance Expenses

Finance costs increased marginally by 9% to Rs. 91 Mn in 2025, compared with Rs. 83 Mn in 2024. These costs primarily relate to financing arrangements and interest expenses associated with operational funding requirements.

Despite the increase, finance expenses remain relatively low in proportion to the Company's overall cost structure, reflecting the Company's strong capital position and prudent financial management practices.

Finance Expenses	2025 (Rs. Mn)	2024 (Rs. Mn)	Growth
Finance costs	91	83	9.47%
Total	91	83	9.47%

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 04 — Enhancing Profitability and Returns

CORE ACTIVITIES:

- Strengthening premium profitability through disciplined pricing strategies and improved product mix across protection and savings portfolios.
- Optimising capital utilisation and improving return on equity through prudent financial management and strategic reinvestment of earnings.
- Enhancing investment returns through diversified asset allocation and disciplined portfolio management aligned with long-term insurance liabilities.
- Maintaining cost discipline across operations by improving operational efficiency and controlling acquisition and administrative expenses.
- Sustaining strong shareholder value through consistent earnings growth and stable dividend distributions.
- Strengthening financial performance monitoring through improved analytics, reporting systems, and performance management frameworks.

Impacted SDGs:



Sustaining strong profitability remains a key priority for Ceylinco Life as the Company continues to balance business expansion with disciplined cost management and prudent financial stewardship. During the year, the Company maintained stable earnings despite a challenging economic environment characterised by interest rate volatility, inflationary pressures, and evolving regulatory requirements.

The Company's profitability performance was supported by continued growth in premium income, stable investment returns, and disciplined expense management across operations. These factors collectively enabled the Company to sustain strong earnings while continuing to create long-term value for policyholders and shareholders.

Profit Before Tax

During the year, Profit Before Tax increased to Rs. 11.21 billion, compared with Rs. 10.05 billion in the previous year, reflecting a 11.55% year-on-year growth in earnings. The increase was primarily supported by strong premium growth and improved operational performance across the business.

Rs. 11.21 Bn
Profit Before Tax recorded in 2025.

Rs. 19.60 Dividend Per Share
Stable shareholder returns maintained.

Rs. 7.85 Bn
Profit After Tax achieved during the year.

12.52% Dividend Payout Ratio
Consistent dividend distribution policy.

Rs. 156.94 EPS
Earnings generated per share.

8.01x Dividend Cover
Strong earnings capacity supporting dividends

Rs. 11.74 Bn EBITDA
Reflecting strong operating performance.

Income Tax Expense

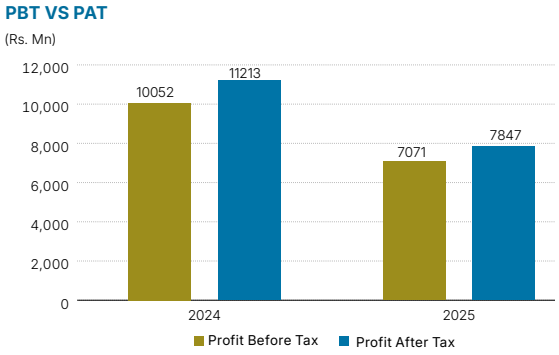
Income tax expense increased by 13% to Rs. 3,366 Mn, compared with Rs. 2,981 Mn in 2024. The increase reflects the Company's higher taxable profits during the year, with income tax applied at the prevailing corporate tax rate of 30%.

The higher tax charge is consistent with the improvement in the Company's profitability and overall financial performance.

Profit After Tax

After accounting for income tax expenses, Profit After Tax reached Rs. 7.85 billion, compared with Rs. 7.07 billion recorded in 2024.

Metric	2025 (Rs. Mn)	2024 (Rs. Mn)	Change
Profit Before Tax	11,213	10,052	11.55%
Income Tax Expense	(3,366)	(2,981)	12.92%
Profit After Tax	7,847	7,071	10.97%



Other Comprehensive Income

Other comprehensive income increased by 18% year-on-year to Rs. 8,385 Mn, compared with Rs. 7,105 Mn in 2024.

The increase was primarily driven by revaluation gains on property, plant and equipment amounting to Rs. 1,249.7 Mn (2024: Rs. 572.6 Mn). In addition, fair value gains on investments classified as available-for-sale (AFS) contributed Rs. 41.7 Mn (2024: Rs. 77.6 Mn).

These gains were partially offset by actuarial losses on defined benefit plans amounting to Rs. 683 Mn (2024: Rs. 592 Mn).

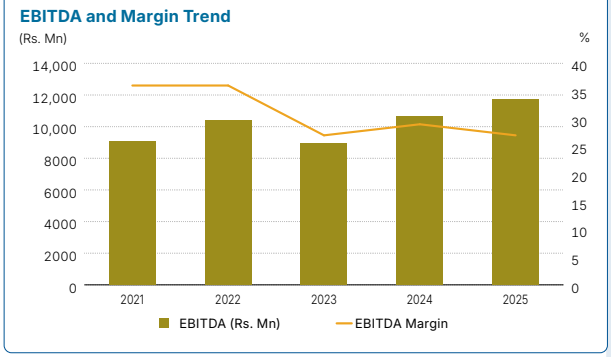
Description	2025 (Rs. Mn)	2024 (Rs. Mn)	Change
Total Comprehensive Income for the Year	8,385	7,105	18%

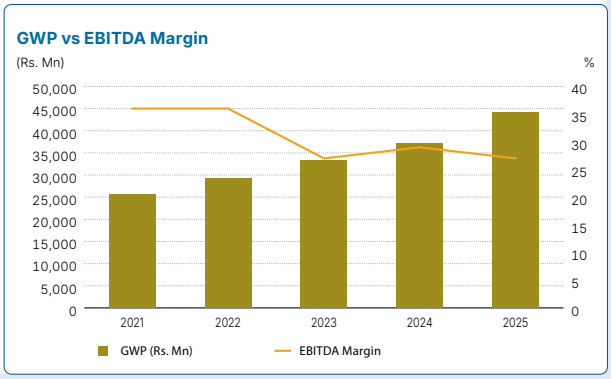
EBITDA Performance

EBITDA provides an indication of the Company's operating performance before the impact of financing and accounting adjustments. During the year, EBITDA reached Rs.

11.74 billion, compared with Rs. 10.63 billion in 2024.

Year	EBITDA (Rs. Mn)	EBITDA Margin	GWP
2022	10,416	35.72%	29,160
2023	8,976	26.86%	33,411
2024	10,627	28.61%	37,140
2025	11,743	26.58%	44,183





FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 04 | **Enhancing Profitability and Returns**

Shareholder Value Creation

Ceylinco Life continues to generate stable returns for its shareholders while maintaining adequate capital buffers to support future growth.

Metric	2024	2025
Earnings Per Share (Rs.)	141.43	156.94
Dividend Per Share (Rs.)	17.70	19.60
Dividend Payout Ratio	12.52%	12.52%
Dividend Cover	7.98x	8.01x

The Company continues to maintain a consistent dividend policy, balancing shareholder returns with the need to retain capital for long-term growth and policyholder protection.

Key Profitability Drivers

Ceylinco Life's profitability during the year was supported by several key factors:

- Continued growth in premium income driven by strong distribution productivity
- Stable investment returns supported by disciplined portfolio management
- Effective cost management across operational activities
- Improved product mix and higher policy values

These factors collectively strengthened the Company's ability to sustain profitability while continuing to invest in business expansion and operational improvements.

STRATEGIC ACTIONS

Strategic Focus Area 05

Optimising Investments and Asset Growth

CORE ACTIVITIES:

- Optimising portfolio performance through disciplined asset allocation across government securities, bank deposits, corporate debt instruments, and strategic investments.
- Strengthening investment governance through oversight by the Operational Investment Committee and Board Investment Committee.
- Managing interest rate and reinvestment risks through dynamic duration management and diversification strategies.
- Maintaining a conservative investment approach with a strong emphasis on high-quality credit instruments.
- Expanding responsible investment initiatives through participation in green, blue, and sustainability-linked bonds.

Impacted SDGs:



Effcient Investment and Asset Growth

Ceylinco Life manages its investment portfolio through a disciplined and conservative investment strategy that prioritises capital preservation, stable returns, and prudent risk management.

Investment decisions are guided by structured governance mechanisms and continuous monitoring of credit exposures, market developments, and macroeconomic conditions.

To sustain long-term returns while safeguarding policyholder funds, the Company maintains a diversified investment portfolio across government securities, bank deposits, corporate debt instruments, real estate, and selected strategic investments.

In response to evolving market conditions, the Company continues to optimise portfolio allocation by gradually diversifying investments while maintaining adequate exposure to government securities in line with regulatory requirements. This balanced approach enables the Company to sustain stable investment returns while maintaining a conservative risk profile.

The Company also continues to explore emerging opportunities including selective exposure to equity markets and sustainability-linked financial instruments, ensuring that investment decisions remain aligned with policyholder obligations while supporting long-term portfolio growth.

Strategic Investment Highlights

- Disciplined and conservative investment strategy focused on capital preservation and stable long-term returns.
- Diversified investment portfolio across government securities, bank deposits, corporate debt instruments, and strategic investments.
- Dynamic portfolio allocation to manage reinvestment risk in a declining interest rate environment.
- Structured investment governance and risk oversight ensuring prudent management of policyholder funds.
- Selective exploration of new opportunities, including sustainability-linked investments and emerging asset classes.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 05 | **Optimising Investments and Asset Growth**

Investment Portfolio Performance

Ceylinco Life manages its investment portfolio through a disciplined and conservative investment strategy that prioritises capital preservation, stable returns, and prudent risk management. Investment decisions are guided by structured governance mechanisms and continuous monitoring of credit exposures, market developments, and macroeconomic conditions.

This diversified portfolio structure enables Ceylinco Life to support long-term insurance liabilities while maintaining resilience across changing market conditions. As at 31 December 2025, investment income continued to represent a significant contributor to overall financial performance, supported by disciplined asset allocation and strong credit quality across the portfolio.

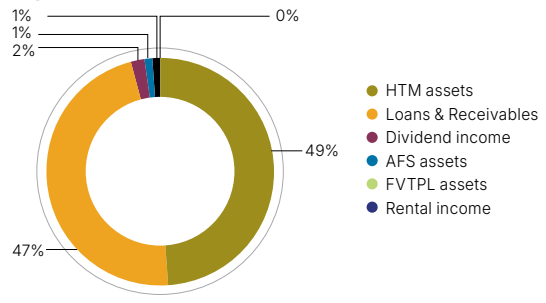
Further insights into the composition of investment income are presented below.

Investment Income

Description	2025 (Rs. Mn)	2024 (Rs. Mn)	Change	Contribution
Rental income from investment properties	98	44	124%	0%
Investment income from HTM assets	13,373	15,741	-15%	49%
Investment income from FVTPL assets	252	848	-70%	1%
Investment income from AFS assets	263	220	19%	1%
Investment income from Loans & Receivables	12,956	10,763	20%	47%
Dividend income from associate	567	128	100%	2%
Total Investment Income	27,508	27,744	-1%	100%

The majority of investment income was generated through held-to-maturity instruments and loan and receivable assets, reflecting the Company's conservative investment strategy focused on stable fixed-income returns.

Investment Income Composition



Responsible Investments

As a life insurance provider whose purpose is centred on protecting lives and supporting long-term wellbeing, Ceylinco Life recognises the importance of aligning its investment practices with responsible values. In evaluating investment opportunities, the Company applies prudent screening practices and avoids exposure to sectors that may conflict with this broader commitment, including industries such as tobacco, gambling, and certain animal-related activities. This approach reflects a long-standing investment philosophy that balances ethical considerations with the Company's fiduciary responsibility to safeguard and grow policyholder funds.

Sustainable Investment Initiatives

As part of its commitment to responsible financial stewardship and long-term value creation, Ceylinco Life continued to expand its sustainable investment portfolio during the year. The Company allocated LKR 4.75 billion towards green, blue, and sustainability bonds that support environmentally and socially responsible projects.

A key highlight was the Company's role as Anchor Investor in the DFCC Bank Green Bond, committing LKR 2 billion to Sri Lanka's first capital-market debt instrument dedicated to renewable energy projects. The issuance raised LKR

2.5 billion, with proceeds directed toward solar energy projects supporting the national target of achieving 70% renewable electricity generation by 2030.

These investments contribute to broader environmental and social outcomes including renewable energy generation, climate resilience, sustainable infrastructure, and improved resource management.

Bond Type	SDG Contribution	Impact Areas
DFCC Green Bond		Renewable energy generation and reduction of greenhouse gas emissions
DFCC Blue Bond		Protection of marine ecosystems and sustainable water management
Commercial Bank Green Bonds		Emissions reduction, resource conservation and climate resilience
HNB Sustainability Bonds		Renewable energy, green infrastructure and environmental protection

Rs. 27.5 Bn
Investment income

Rs. 201.8 Bn
Long-Term Insurance Fund

14.1% Growth
Policyholder fund growth

99%
Investment Grade
A-rated and above assets.

Rs. 4.75 Bn
Sustainable bond investments

FINANCIAL PERFORMANCE

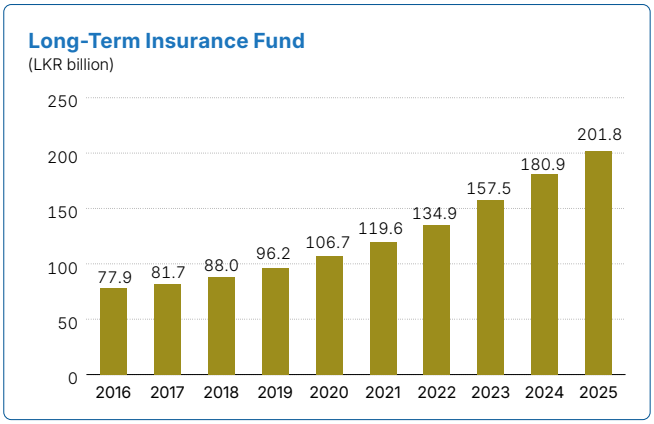
STRATEGIC ACTIONS

Strategic Focus Area 05 | **Optimising Investments and Asset Growth**

OPERATIONAL INVESTMENT COMMITTEE REPORT - 2025

Long-Term Insurance Fund

The Long-Term Insurance Fund, one of the largest and most robust investment portfolios in the country, stood at LKR 206.4 billion by the end of 2025, reflecting a strong growth of 14% from the previous year. This growth demonstrates the Fund's continued strength and resilience in a dynamic economic environment and clearly illustrates how Ceylinco Life continues to enhance the wealth and long-term financial security of its policyholders.



KEY POINTS

- The Long-Term Insurance Fund stood at LKR 201.8 billion at year-end.
- This reflects a 14.1% growth from the previous year (LKR 180.9 billion).

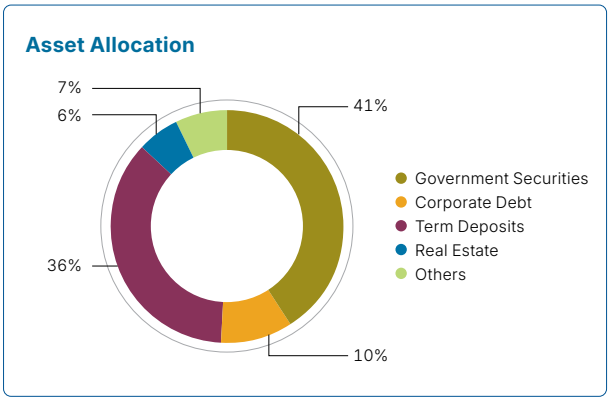
QUALITY OF INVESTMENTS

Asset Allocation of the Long-Term Insurance Fund

The investment strategy of the Fund has remained consistent over the last decade, maintaining a dynamic tactical asset allocation that reflects our prudent and conservative approach to enhancing returns while mitigating risks.

The asset allocation as at year-end was as follows:

- **41% of the Fund's assets were invested in Government Securities,** emphasising a conservative zero-credit-risk investment approach.
- **36% was invested in term deposits,** primarily with large Licensed Commercial Banks, providing further stability and security while enhancing returns.
- **10% was allocated to corporate debt issued** by large licensed commercial banks, which remain conservative instruments while delivering attractive returns.
- **6% was invested in real estate,** providing long-term capital appreciation and serving as a hedge against inflation.
- **The remaining 7% was invested** in other assets, mainly repurchase agreements (5.70%), loans to policyholders



KEY POINTS

- 56% invested in AAArated securities
- 30% invested in AArated securities
- 13% invested in A-rated securities
- Overall, 99% of financial assets are invested in
- "A" and above, emphasising enhanced safety and high-credit quality.

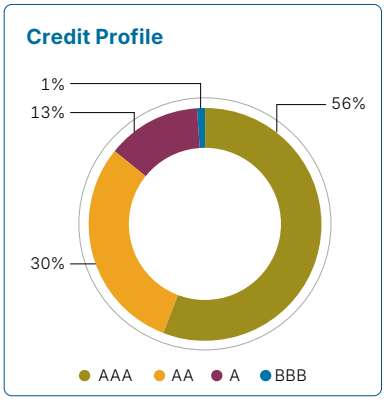
Credit Risk Profile of the Long-Term Insurance Fund

Reflecting Ceylinco Life's prudent and conservative investment strategy, as at the end of 2025, 56% of the Fund's financial assets were invested in "AAA" rated securities, representing the highest level of credit quality. A further 30% and 13% of investments were rated "AA" and "A", respectively, while the remaining 1% was invested in "BBB" rated instruments, ensuring that all investments are maintained above investment grade.

This strong credit profile highlights the Company's commitment to delivering secure, stable, and sustainable investment returns. All investments are made with issuers and counterparties that are carefully screened and approved by the Operational Investment Committee, taking into account creditworthiness, capital adequacy, regulatory oversight,management capability, and track record.

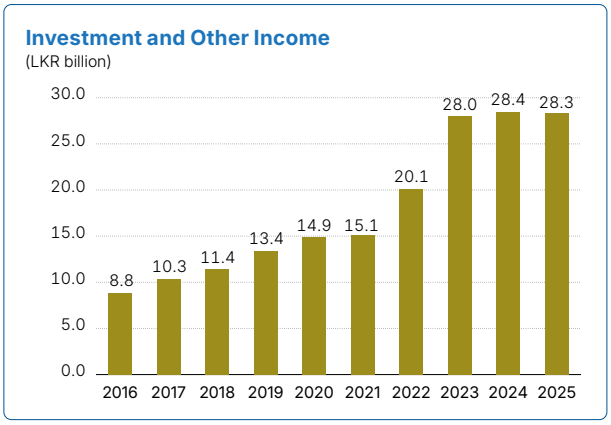
overall, 99% of financial assets are invested in A-rated instruments and above, reinforcing the strong credit quality and safety of the investment portfolio.

All investments are rigorously evaluated and screened by the Operational Investment Committee to ensure compliance with internal guidelines and regulatory requirements.



Investment & Other Income

Investment and other income for the year remained largely stable, recording a marginal year-on-year decline of 0.39%, despite a decline in market interest rates during the year. This outcome reflects the strength and effectiveness of the Company's conservative investment strategy.



KEY POINTS

Despite declining market interest rates during the year, investment income remained stable and above the LKR 28 billion mark.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 05 | **Optimising Investments and Asset Growth**

Investment Outlook for 2026

Looking ahead to 2026, Sri Lanka is expected to experience a strong economic recovery, with key economic indicators showing a gradual return to normalcy across many sectors. After a challenging period, inflation is expected to move closer to the Central Bank of Sri Lanka (CBSL)'s 5% target during the second half of 2026, while the CBSL is expected to continue its expansionary monetary policy stance.

Meanwhile, private sector credit growth reached LKR 183 billion in December 2025, and the prevailing low-interest-rate environment is expected to further stimulate economic recovery.

Although Sri Lanka faced a major natural disaster in 2025, which resulted in loss of lives and significant property damage, the country has demonstrated resilience in absorbing the economic impact without major setbacks. Support from multilateral partners, strong fiscal management, improving foreign exchange reserves, and strengthening macroeconomic fundamentals played a pivotal role in navigating this challenge.

Sri Lanka's foreign reserves, currently standing at approximately USD 6.8 billion, are also projected to strengthen further, improving the country's overall foreign exchange liquidity and solvency position. This progress, together with the consistent reduction in the fiscal deficit, increases the likelihood of a sovereign rating upgrade, which would help attract increased foreign investment.

These positive developments are expected to create a stable foundation for continued economic growth and investment opportunities across multiple sectors.

In this context, the Committee recognises the potential value of diversification and alternative investments, particularly in light of ongoing economic recovery, tighter fiscal policies, expansionary monetary policy, and heightened geopolitical uncertainties.

In addition, as part of the Company's commitment to sustainability and portfolio diversification, investments have continued to be made in innovative financial instruments such as Green Bonds, Blue Bonds, and GSS+ Bonds.

The Committee also recognises that investment strategies must continue to evolve in response to emerging challenges and changing market conditions. Accordingly, the Committee remains committed to closely monitoring developments in monetary and fiscal policies, financial markets, the broader economy, and the geopolitical environment, enabling proactive decision-making that supports policyholders and stakeholders in navigating the opportunities and challenges of 2026 and beyond.

KEY POINTS

- Economic recovery expected in 2026, with a gradual return to normalcy
- Inflation anticipated to move towards the CBSL target of 5%
- Strengthening foreign reserves expected to improve the country's financial position and sovereign rating outlook
- The Committee remains vigilant, proactive, and responsive to evolving economic conditions

STRATEGIC ACTIONS

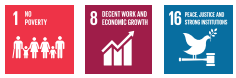
Strategic Focus Area 06

Strengthening Capital and Solvency

CORE ACTIVITIES:

- Maintaining strong capital buffers and solvency levels well above regulatory requirements
- Strengthening the Long-Term Insurance Fund to support policyholder obligations
- Applying disciplined asset-liability management (ALM) to match long-term assets with insurance liabilities
- Maintaining a high-quality investment portfolio with strong credit ratings
- Continuous monitoring of capital adequacy, liquidity, and solvency through structured governance oversight

Impacted SDGs:



	2025 (Rs. Mn)	2024 (Rs. Mn)	Change
Gross Written Premium	44,183	37,140	19%
Premium ceded to reinsurers	(669)	(550)	22%
Net Written Premium	43,513	36,590	19%
Investment and Other Income Attributable to Policyholders	21,683	22,246	-3%
Net Benefits Paid	(31,075)	(25,049)	24%
Increase in Long-Term Insurance Fund	(20,681)	(23,041)	-10%
Acquisition Cost	(2,868)	(2,489)	15%
Operating & Administrative Expenses	(5,531)	(3,912)	41%
Interest Expense	(91)	(83)	9%
Tax Expense	(1,450)	(2,981)	-51%
Surplus from Life Insurance Business transferred to SH Fund	3,500	1,282	173%

The Policyholders' Fund continued to expand during the year, supported by strong premium growth, disciplined expense management, and stable investment income. This reflects the Company's ability to generate sustainable business volumes while maintaining prudent financial management.

During the year, a surplus of Rs. 3.5 billion from the life insurance business was transferred to the Shareholder Fund, while ensuring that adequate reserves were retained within the Long-Term Insurance Fund to support future policyholder obligations. This transfer demonstrates the strength and sustainability of the Company's life insurance operations while maintaining the financial resilience required to meet long-term commitments to policyholders.

Policyholders' Fund

The table below summarises the financial performance attributable to the Policyholders' Fund, which represents the pool of assets supporting policyholder obligations and long-term insurance liabilities.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Strengthening Capital and Solvency**

Statement of Financial Position

The Statement of Financial Position presents the Company's assets, liabilities, and equity as at the reporting date. The key components of the balance sheet are discussed below.

As at 31 December	2025 (Rs Mn)	2024 (Rs Mn)	Change
Total Assets	287,024	251,437	14%
Property, Plant and Equipment and Intangible Assets	15,260	13,914	9.7%
Investment Property	5,014	4,755	5.4%
Investment in Subsidiary	1,511	1,511	–
Investments in Associates	2,642	2,642	–
Financial Investments	244,260	213,601	14%
Employee Gratuity / Pension Benefit Asset	10,187	9,186	11%
Loans to Life Policyholders	2,670	3,008	-11%
Other Assets	5,480	2,821	94%
Total Equity	67,860	60,745	12%
Total Liabilities	219,163	190,692	15%
Insurance Contract Liabilities – Life	201,814	180,896	12%
Other Liabilities	17,349	9,796	77%
Total Equity and Liabilities	287,024	251,437	14%

Total Assets

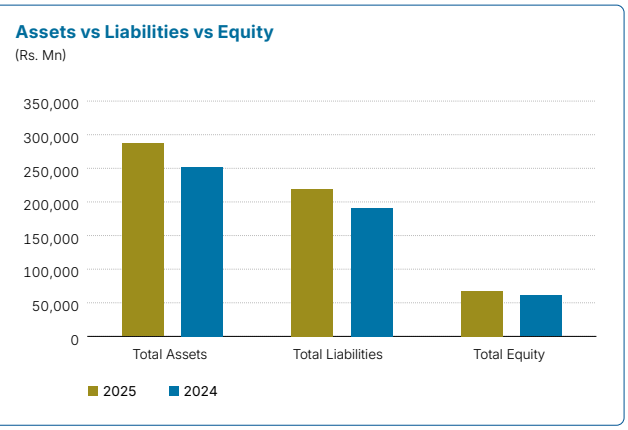
Ceylinco Life's assets and investments are fundamental to its long-term continuity by enhancing strength and stability in an increasingly volatile environment.

The Company's total asset base amounted to Rs. 287,023 Mn as at 31 December 2025, reflecting an increase of 14%from Rs. 251,437 Mn in 2024.

This growth was mainly driven by:

- expansion of financial investments and cash equivalents
- increases in the net book value of property, plant and equipment and investment properties
- growth in the employee gratuity and pension benefit asset

Investments in subsidiaries and associates remained unchanged during the year as no additional share acquisitions were undertaken by the Company. However, reductions were observed in certain asset categories including intangible assets, loans to policyholders, premium receivables, and reinsurance receivables.



	2025 (Rs Mn)	2024 (Rs Mn)	Change
Property Plant and Equipment	15,124	13,721	10%
Intangible Assets	136	193	-30%
Total	15,260	13,914	10%

Property, Plant and Equipment

Property, plant and equipment amounted to Rs. 15,124 Mn as at 31 December 2025, reflecting a 10% year-on-year increase. PPE accounted for approximately 5% of total assets at the end of the year. Freehold land and buildings, which qualify as admissible assets for capital adequacy calculations, represented more than 90% of the total PPE value.

Progress in 2025:

During the year, new property, plant and equipment additions amounted to Rs. 311.5 Mn, reflecting continued investment in operational infrastructure and branch network development. The Company also completed the construction of one green branch at a cost of Rs. 76.4 Mn, supporting its commitment to environmentally responsible infrastructure.

A revaluation gain of Rs. 1,249.7 Mn was recognised on land and buildings during the year (2024: Rs. 572.6 Mn), contributing to the increase in the overall value of property assets.

Intangible assets primarily comprise computer software used to support the Company's operational systems and digital platforms. The decline in the carrying value of intangible assets reflects normal amortisation and write-offs during the year.

Investment Property

The carrying value of investment properties increased by 5% during the year, primarily due to revaluation gains recognised on investment property assets.

Investments in Subsidiary and Associates

Investments in subsidiaries and associates remained unchanged compared with the previous year as no new investments or disposals were undertaken during the reporting period.

Financial Investments

In compliance with Sri Lanka Accounting Standards (SLFRS/LKAS), the Company categorises its financial instruments into the following classifications:

HTM (HELD-TO-MATURITY)

- Treasury Bills & Bonds
- Quoted Debentures

L&R (LOANS & RECEIVABLES

- Staff Vehicle
- Hire Purchase
- Staff Loans
- Repo Investments
- Unquoted
- Debentures
- Quoted Debentures
- Term Deposits

AFS (AVAILABLE-FOR-SALE)

- Treasury Bills & Bonds
- Quoted Share
- Investments
- Unquoted Share Investments
- Quoted
- Debentures
- Unit Trust Investments

FVTPL (FAIR VALUE THROUGH PROFIT OR LOSS)

- Treasury Bills & Bonds
- Quoted Short-Term Investments

As Ceylinco Life is a life insurance company, it has deferred the adoption of SLFRS 9 until the effective implementation of SLFRS 17 on 1 January 2026, in accordance with the exemption granted under SLFRS 17.

FINANCIAL PERFORMANCE

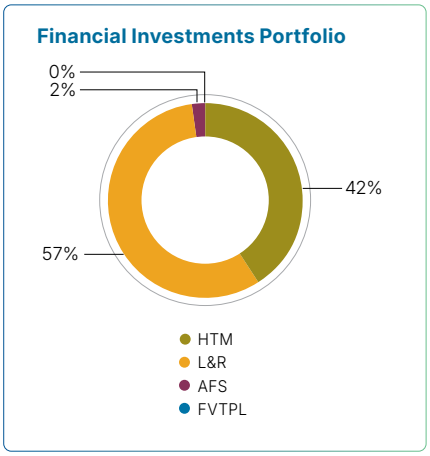
STRATEGIC ACTIONS

Strategic Focus Area 06 — Strengthening Capital and Solvency

Financial Investments Portfolio

Ceylinco Life's investment strategy focuses on generating stable long-term returns through a high-quality portfolio of financial assets while complying with regulatory and internal investment guidelines.

As at 31 December 2025, government securities accounted for 43% of total investments, compared with 56% in 2024. This reduction reflects the Company's strategic reallocation of investments from government securities into fixed deposits issued by licensed commercial banks with strong credit quality.



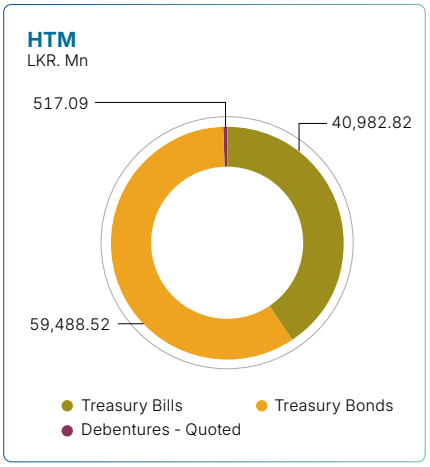
	2025 (Rs. Mn)	2024 (Rs. Mn)	Change	Contribution
HTM	100,988	119,151	-15%	41%
L&R	138,648	93,648	48%	57%
AFS	4,622	799	479%	2%
FVTPL	2	2	-13%	0%
Total	244,260	213,601	14.4%	100%

Held-to-Maturity (HTM) Financial Instruments

Held-to-Maturity (HTM) instruments represent 41% of the Company's total financial investment portfolio and form a core component of the Company's long-term investment strategy. As a life insurer, Ceylinco Life aligns the maturity profile of its investments with the long-term nature of its insurance liabilities, ensuring stable returns and predictable cash flows.

Within the HTM portfolio, 59% is invested in government Treasury bonds, while the remaining balance is allocated to Treasury bills and quoted corporate debentures. Corporate debenture investments are primarily issued by companies with strong credit ratings ranging from AAA to A-, enabling the Company to maintain an optimal balance between return generation and credit risk management.

- **41%** of Portfolio Held-to-Maturity investments
- **59%** in Government Bonds
- Treasury bonds dominate the HTM portfolio
- **AAA to A- Rated Issuers** Corporate debenture investments
- **Liability-Matching Strategy** Aligned with long-term insurance obligations



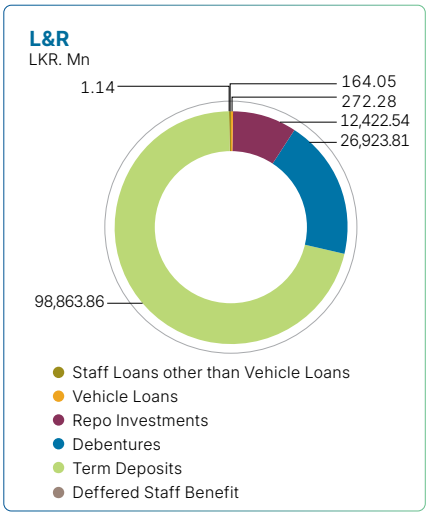
Loans and Receivables (L&R)

Loans and Receivables represent the largest segment of the Company's financial investment portfolio, accounting for 57% of total financial investments. This category primarily comprises fixed-income instruments that provide stable and predictable returns.

Within this portfolio, 71% consists of term deposits placed mainly with licensed commercial banks, while the balance is invested with licensed finance companies and other fixed-income instruments. Approximately 19% of the portfolio is invested in convertible and non-convertible debentures, providing additional yield while maintaining a prudent credit risk profile.

The Company has also strategically allocated a portion of this portfolio to sustainability-linked bonds, reinforcing its commitment to responsible investment practices and supporting environmentally and socially beneficial projects.

- **57% of Investment Portfolio** Loans & Receivables category
- **71% Term Deposits Primarily** with licensed commercial banks
- **19% Debenture Investments** Convertible and non-convertible debentures
- **Sustainability Bonds Supporting** responsible investment initiatives



Available-for-Sale (AFS) Financial Instruments

Available-for-Sale (AFS) financial assets comprise investments that are not classified under other accounting categories and are typically held to provide flexibility in portfolio management.

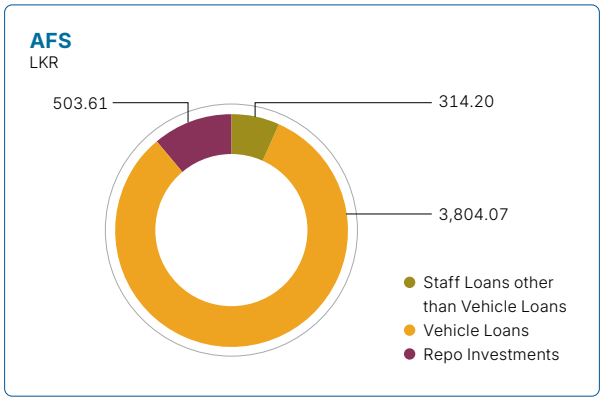
Within the AFS portfolio, 82% of assets consist of Treasury bonds, while the remaining investments are allocated to Treasury bills and quoted or unquoted equity investments. These instruments allow the Company to benefit from potential market value appreciation while maintaining diversification within the overall investment portfolio.

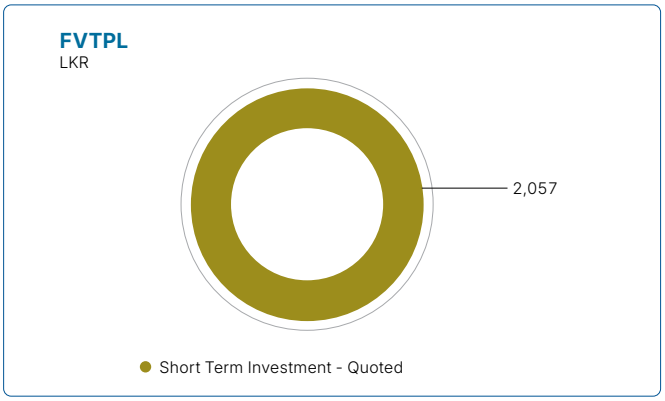
- **82% Treasury Bonds** Dominant component of AFS assets
- **Market-Linked Investments** Exposure to equity and Treasury instruments
- **Portfolio Diversification** Supports balanced asset allocation

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Strengthening Capital and Solvency**





Fair Value Through Profit or Loss (FVTPL)

Financial assets classified under Fair Value Through Profit or Loss (FVTPL) are actively managed to capitalise on short-term market opportunities. These investments are measured at fair value, with gains or losses recognised directly in profit or loss.

As at the end of the year, the balance in this category primarily represents quoted equity investments, reflecting the Company's limited exposure to actively traded market instruments within an otherwise conservative investment strategy.

- **Quoted Equity Investments** Primary assets within FVTPL
- **Short-Term Market Opportunities** Actively managed portfolio segment
- **Fair Value Measurement** Gains and losses recognised through profit or loss

Employee Gratuity and Pension Benefit Asset

The employee gratuity and pension benefit asset increased by 11% year-on-year, reaching Rs. 10,187 Mn as at 31 December 2025. The increase was primarily driven by the fair value of plan assets exceeding the actuarially estimated liabilities, reflecting the strong performance of the underlying fund assets during the year.

Loans to Life Policyholders

Policyholder loans are granted up to 90% of the surrender value of a life insurance policy, at interest rates aligned with prevailing market rates.

As at 31 December 2025, the value of loans granted to policyholders decreased by 11% compared with the previous year, mainly due to settlements and automatic surrenders triggered when outstanding loan balances reached the surrender value of the policy.

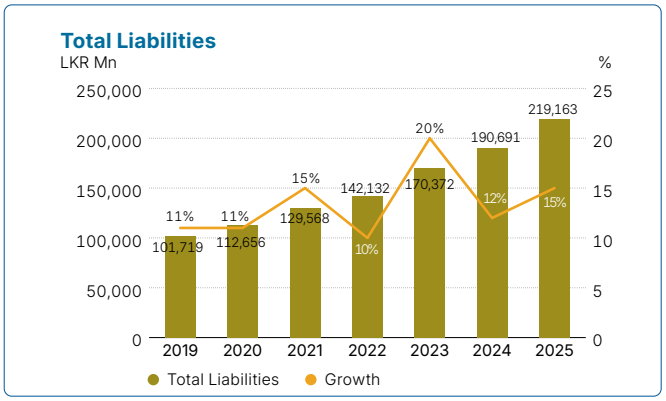
During the year, the Company continued to offer competitive interest rates to policyholders, with loan rates reviewed and revised on a quarterly basis to reflect movements in market interest rates.

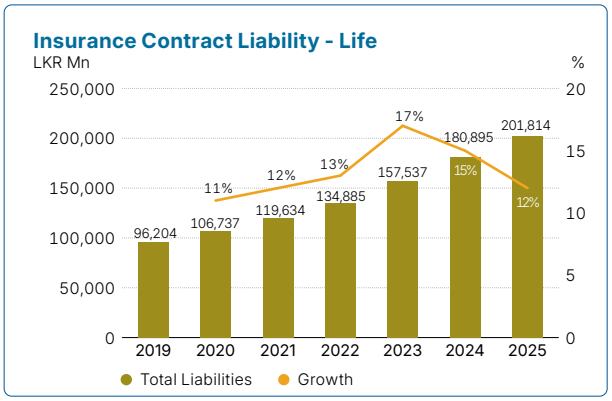
Total Liabilities

Total liabilities increased by 15% year-on-year, reaching Rs. 219,163 Mn compared with Rs. 190,692 Mn in 2024.

This increase was mainly driven by the growth in Insurance Contract Liabilities – Life, which reflects the continued expansion of the Company's policyholder portfolio and the accumulation of long-term insurance funds.

Insurance contract liabilities account for 92% of total liabilities, highlighting the long-term nature of the Company's insurance obligations.





Insurance Contract Liabilities – Life (Life Fund)

The Life Fund, maintained in accordance with the Regulation of Insurance Industry Act No. 43 of 2000, represents the pool of assets supporting the Company's long-term insurance obligations.

As at 31 December 2025, the Life Fund recorded 12% year-on-year growth, increasing to Rs. 201,815 Mn from Rs. 180,896 Mn in 2024, surpassing the significant Rs. 200 billion milestone.

This growth was primarily supported by the increase in Gross Written Premium, which helped offset the impact of lower investment income and higher operating expenses during the year.

The Company maintains proper segregation of assets and liabilities for Participating, Non-Participating and Universal Life Funds in accordance with Direction 15 issued by the Insurance Regulatory Commission of Sri Lanka.

The actuarial valuation of the Life Fund was carried out by the independent consulting actuary Willis Towers Watson, whose report is presented in this Annual Report on page 416.

Capital Adequacy and Solvency

The Company continues to maintain a strong capital adequacy position well above regulatory requirements. As at the end of the year, the Risk-Based Capital Adequacy Ratio (CAR) stood at 432%, significantly exceeding the regulatory minimum threshold.

This strong solvency position reflects the Company's disciplined approach to capital management, prudent investment strategy, and effective risk management practices. Maintaining capital buffers at this level provides additional resilience against potential economic and financial uncertainties while supporting the sustainable growth of the business.

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Strengthening Capital and Solvency**

Other Funds

The following funds relate to products that are no longer actively marketed by the Company. These funds continue to be maintained solely for the benefit of existing policyholders until the respective obligations are fully settled.

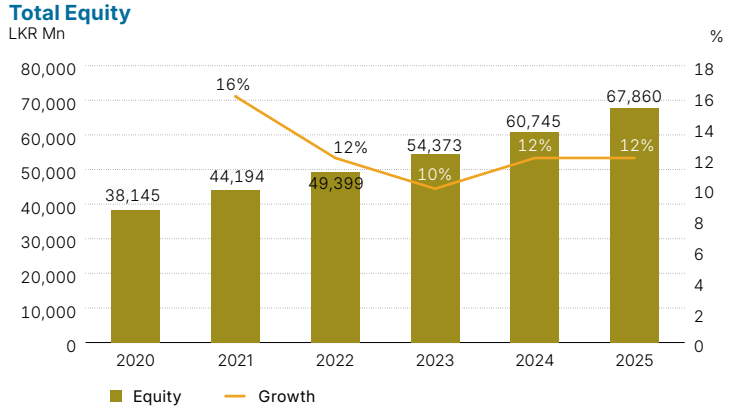
As at 31 December	2025 (Rs Mn)	2024 (Rs Mn)	Change
Insurance Contract Liabilities – Unit Linked	638	201	217%
Family Takaful Contract Liability	23	19	19%
Individual Investment Fund – ISF	426	428	0%
Total	1,087	648	236%

Total Equity

Shareholders' equity increased by 12%, rising to Rs. 67,860 Mn compared with Rs. 60,745 Mn in 2024. The stated capital of the Company remained unchanged at Rs. 500 Mn.

Retained earnings increased to Rs. 55,704 Mn from Rs. 48,742 Mn, following the distribution of dividends during the year. The revaluation reserve increased to Rs. 889.5 Mn, while the Restricted Regulatory Reserve remained unchanged at Rs. 3,456.2 Mn.

Year	2020	2021	2022	2023	2024	2025
Equity (Rs. Mn)	38,145	44,194	49,399	54,373	60,745	67,860
Growth		16%	12%	10%	12%	12%



The stated capital of the Company remained unchanged at Rs. 500 Mn during the year.

Retained earnings increased to Rs. 55,704 Mn from Rs. 48,742 Mn in the previous year, primarily reflecting profits generated during the year after the distribution of dividends.

The revaluation reserve increased to Rs. 889.5 Mn compared with Rs. 723.7 Mn in 2024, reflecting revaluation gains recognised on land and buildings.

The Restricted Regulatory Reserve, recognised in 2017 in compliance with Direction 16 issued by the Insurance Regulatory Commission of Sri Lanka, remained unchanged at Rs. 3,456.2 Mn as at the end of 2025. This represents the one-off surplus transfer made to the Shareholders' Fund from non-participating business in 2017.

Shareholders' equity also includes a Special Reserve of Rs. 7,311.7 Mn, representing the value of net assets transferred to Ceylinco Life Insurance Limited from Ceylinco Insurance PLC on 1 June 2015, following the regulatory segregation of the life insurance business.

- **Rs. 67.9 Bn**
  Total Shareholders' Equity 12% YoY growth
- **Rs. 500 Mn**
  Stated Capital Unchanged during the year
- **Rs. 55.7 Bn**
  Retained Earnings Reflecting sustained profitability
- **Rs. 889.5 Mn**
  Revaluation Reserve Increase driven by property revaluations
- **Rs. 3.46 Bn**
  Restricted Regulatory Reserve Maintained in line with IRCSL Direction 16
- **Rs. 7.31 Bn**
  Special Reserve Arising from the regulatory segregation of the life insurance business in 2015

Dividends and Dividend Policy

Despite economic uncertainties, Ceylinco Life continued to maintain a stable dividend policy, balancing shareholder returns with the need to retain capital for future business expansion.

During 2025, the Company paid Rs. 885 Mn in dividends, compared with Rs. 750 Mn in 2024, achieving a dividend payout ratio of 12.5%.

The Board of Directors has proposed a final dividend of Rs. 19.60 per share for the year ended 31 December 2025.

Year	Dividend Proposed (Rs. Mn)	Dividend Paid (Rs. Mn)	EPS	Proposed DPS (Rs.)	Paid DPS (Rs.)	Dividend Payout Ratio
2021	788	783	135.49	15.75	15.65	11.63%
2022	913	788	152.64	18.25	15.75	11.96%
2023	750	913	116.04	15.00	18.25	12.93%
2024	885	750	141.43	17.70	15.00	12.50%
2025	980	885	156.94	19.60	17.70	12.50%

Cash Flow Analysis

Effective cash flow management remains essential for maintaining suffcient liquidity to meet policyholder obligations, operational needs, and investment commitments.

As at the close of the year, cash and cash equivalents comprised cash in hand and balances at bank net of bank overdrafts. The net cash position improved to negative Rs. 144 Mn, compared with negative Rs. 166 Mn in 2024, mainly due to stronger operating cash inflows during the year.

As at 31 December	2025 (Rs Mn)	2024 (Rs Mn)	Change
Cash flows from operating activities	22,058	16,235	35.9%
Cash flows from investing activities	(21,317)	(11,597)	84%
Cash flows from financing activities	(885)	(4,804)	-82%
Increase/(Decrease) in Cash and Cash Equivalents	(144)	(166)	-13%

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Strengthening Capital and Solvency**

Operating Cash Flows

Cash inflows from operating activities increased by 35.9% year-on-year, reaching Rs. 22,058 Mn for the year ended 31 December 2025 compared with Rs.

16,235 Mn in the previous year. The increase was primarily supported by stronger investment income and higher premium collections during the year.

Interest and dividend income increased by 43%, reflecting the expansion of the Company's investment portfolio and improved returns generated from financial assets. Premium collections also improved by 19%, demonstrating continued business growth and stronger policyholder inflows.

Customer benefits paid increased by 24% to Rs. 31.2 Bn, reflecting the growth of the policyholder base and higher maturity payouts during the year. Operating expenses, including commissions and other direct costs, increased by 12% year-on-year, contributing to the overall operating cash outflows.

- **Rs. 22.1 Bn** Operating cash inflows in 2025
- **35.9% Growth** Increase in operating cash flows
- **43%** Increase Interest and dividend income
- **19% Growth** Premium collections
- **Rs. 31.2 Bn** Customer benefits paid

Investing Cash Flows

Cash outflows from investing activities increased by 84%, reaching Rs. 21,317 Mn compared with Rs. 11,597 Mn in 2024. This increase was primarily driven by higher acquisitions of financial investments during the year as the Company continued to expand its investment portfolio.

Capital expenditure on property, plant and equipment declined significantly, resulting in a 49% reduction in PPE investments to Rs. 312 Mn. Expenditure on intangible assets also declined by 67% year-on-year, reflecting lower development-related investments during the period.

Proceeds from the sale of PPE increased to Rs. 74 Mn, compared with Rs. 31 Mn in the previous year, following asset disposals. In addition, repo borrowings generated a net inflow of Rs. 3.4 Bn, providing short-term liquidity support during the year.

Despite lower capital expenditure, the continued expansion of the financial investment portfolio contributed to the higher net cash outflows from investing activities.

- **Rs. 21.3 Bn** Investing cash outflows
- **84%** Increase Investment cash outflows
- **Rs. 312** MnPPE investments during the year
- **Rs. 74 Mn** Proceeds from PPE disposals
- **Rs. 3.4 Bn** Repo borrowings inflow

Financing Cash Flows

Cash outflows from financing activities amounted to Rs. 885 Mn for the year ended 31 December 2025, compared with Rs. 4,804 Mn in the previous year.

The significant reduction was mainly due to the absence of short-term borrowing settlements recorded in 2025. Financing outflows during the year primarily relate to dividend payments made to shareholders.

Overall, financing outflows declined substantially, reflecting the Company's strong liquidity position and reduced reliance on external funding sources.

Cash Flow Management

Maintaining adequate liquidity to support business operations and meet policyholder obligations remains a key priority for the Company. Several initiatives were implemented during the year to strengthen cash flow monitoring and management

- **Rs. 885 Mn** Financing cash outflows
- **82% Reduction** Decline in financing cash outflows
- **Dividend Payments** Primary financing outflow in 2025

Cash Flow Management

Maintaining adequate liquidity to support business operations and meet policyholder obligations remains a key priority for the Company. Several initiatives were implemented during the year to strengthen cash flow monitoring and management.

Key initiatives include:

- Strengthening daily monitoring of operating cash inflows and outflows to detect liquidity pressures early.
- Enhancing investment portfolio planning and maturity management to support higher claims payments.
- Optimising settlement cycles with reinsurers and business partners to improve cash flow predictability.
- Implementing tighter controls over discretionary capital expenditure.
- Improving forecasting of policyholder fund movements to strengthen short-term cash planning.
- Utilising repo borrowings as a short-term liquidity management tool where necessary.

Key Cash Flow Components

Key Cash Inflows

- Premium collections from policyholders
- Investment income from financial assets
- Reinsurance recoveries
- Proceeds from the sale of investments

Key Cash Outflows

- Premium collections from policyholders
- Investment income from financial assets
- Reinsurance recoveries
- Proceeds from the sale of investments

Key Cash Flow Challenges

The Company continues to monitor several external factors that may influence cash flow dynamics, including:

- declining interest rate environments impacting investment income
- unexpected increases in claims payments
- evolving regulatory requirements
- policy lapses and surrenders that may increase cash outflows

Cash Flow Management Strategy

The Company applies structured Asset-Liability Management (ALM) practices to align investment maturities with expected policyholder liabilities, ensuring suffcient liquidity while maintaining long-term investment stability.

Key strategies include:

- Maintaining adequate liquidity reserves
- Diversifying the investment portfolio to ensure stable returns
- Utilising reinsurance arrangements to manage claims volatility
- Managing operational costs through disciplined expense control

FINANCIAL PERFORMANCE

STRATEGIC ACTIONS

Strategic Focus Area 07 — Enhancing Financial Reporting and Compliance

CORE ACTIVITIES:

- Strengthening financial reporting processes to ensure accuracy, transparency, and regulatory compliance
- Preparing for the implementation of SLFRS 17 Insurance Contracts and SLFRS 9 Financial Instruments
- Enhancing actuarial modelling, reserving methodologies, and financial data governance
- Strengthening collaboration between finance, actuarial, risk, and IT teams to support evolving reporting requirements
- Improving data integrity and reporting effciency through modernised data management systems
- Strengthening regulatory engagement and compliance with evolving directives issued by the Insurance Regulatory Commission of Sri Lanka

Impacted SDGs:



Maintaining strong financial governance and transparent reporting remains a critical priority for the Company as it continues to operate within an evolving regulatory and accounting environment. During the year, significant efforts were directed toward strengthening financial reporting frameworks, improving data integrity, and ensuring readiness for the upcoming implementation of new accounting standards.

SLFRS 17

A key focus area was the preparation for the adoption of SLFRS 17 Insurance Contracts, which represents one of the most significant changes to insurance accounting in recent years. The implementation process has required extensive collaboration between actuarial, finance, and IT functions to ensure that systems, data structures, and actuarial models are aligned with the new reporting requirements. This transition involves enhanced actuarial modelling, refined liability measurement methodologies, and the development of robust reporting frameworks capable of supporting the new standard.

SLFRS 9

In parallel, preparations are also underway for the adoption of SLFRS 9 Financial Instruments, which will further strengthen the classification, measurement, and risk assessment of financial assets. Together, these standards will significantly enhance transparency and comparability in financial reporting across the insurance sector.

As part of this transition, the Company has undertaken initiatives to strengthen data governance and streamline policyholder data management processes.

Improvements in data transformation capabilities and the migration of analytical processes to more advanced data platforms have significantly enhanced reporting effciency and accuracy, reducing processing timelines and strengthening the reliability of actuarial and financial analysis.

The Company also continues to work closely with its external actuarial and professional advisory partners to ensure compliance with emerging reporting standards and best practices. Independent actuarial oversight, together with collaboration with consulting professionals and reinsurance partners, supports the integrity of valuation processes, product pricing, and financial disclosures.

In addition to accounting reforms, the Company remains attentive to the evolving regulatory landscape, with regulators introducing additional reporting requirements aimed at enhancing industry transparency and governance. Strengthening internal

reporting processes, improving cross-functional coordination, and building internal technical expertise remain central to ensuring the Company remains fully compliant while maintaining operational effciency.

Through these initiatives, the Company continues to reinforce a strong culture of financial discipline, transparency, and accountability. These efforts support sound financial decision-making while ensuring that stakeholders, regulators, and policyholders are provided with high-quality, reliable financial information.

Highlights for 2025

- **SLFRS 17 Implementation**
  Major transformation in insurance accounting frameworks
- **Strengthened Actuarial Modelling**
  Enhanced reserving methodologies and liability measurement
- **Improved Data Governance** Upgraded policyholder data management and reporting processes
- **Cross-Functional Collaboration**
  Integrated efforts between finance, actuarial, and IT teams
- **Regulatory Alignment**
  Ongoing compliance with evolving regulatory reporting requirements

FINANCIAL PERFORMANCE – THE JOURNEY CONTINUES

The following outlines the Company's financial performance pathway and the priorities shaping progress over time.

Immediate Priorities

- Strengthening premium growth momentum while reinforcing the Company's position within the core life insurance market.
- Maintaining strong capital adequacy, disciplined financial management, and stable returns to support long-term business sustainability.
- Enhancing operational efficiency, underwriting practices, and claims management processes to support consistent financial performance.

Building Momentum

- Expanding growth across life insurance portfolios while strengthening shareholder value and long-term fund performance.
- Strengthening financial reporting frameworks and governance systems to support transparency, compliance, and regulatory alignment.
- Advancing automation, digital capabilities, and data-driven decision-making to improve productivity and operational resilience.

Future Ambitions

- Sustaining long-term growth and market leadership supported by a balanced portfolio and strong financial fundamentals.
- Strengthening financial resilience through disciplined capital management and diversified investment strategies.
- Building a technology-enabled, efficient operating model that supports long-term profitability and stakeholder value creation.

Refer ESG Integration and Purpose-Driven Strategy (pages 139-140) for more information on priorities and targets in the short, medium, and long-term.



Water Consumption

2025	2024
23,972 Liter	24,716 Liters

Investing of

Rs. 6.7 Bn

in the Sustainability Bond

Electricity Consumption

2025	2025
1,449 Mwh	1,440 Mwh

No of Trees Saved

2025	2024
4,827	5,824

Litres of Rainwater Harvested

2025	2024
Rs. 3.08 Mn	Rs. 2.9 Mn

E-Waste

2025	2024
1,613 Kg	2,850 Kg

Total Solar related Investment

2025	2024
Rs. 9.7 Mn	Rs. 26 Mn

Employee Participating in Various Environmental Initiatives

250

Solar Energy Generated

2025	2024
1,121 Mwh	1,108 Mwh

Carbon Footprint Reduction

3%

Total Number of Green Buildings

2025	2024
32	30

Paper Reduction

2025	2024
10%	12%

ENVIRONMENTAL SUSTAINABILITY



LEADING THE WAY IN ENVIRONMENTAL SUSTAINABILITY

As environmental risks and regulatory expectations continue to evolve, Ceylinco Life remains ahead of the curve by proactively strengthening its environmental practices. The Company's focus on sustainable construction, renewable energy, responsible resource use, and ecosystem protection reflects a leadership position in the life insurance industry, built on foresight, consistency, and long-term thinking.

THE NORTH STAR

- Guided by a commitment to sustainable progress

A clear, enduring reference point that guides environmental decision-making across infrastructure, operations, and governance.

GUIDING PRINCIPLES

- Efficiency
- Circularity
- Responsibility
- Accountability

These principles translate long-term intent into practical direction, ensuring consistency as expectations, regulations, and technologies evolve.

OUTCOMES

- Sustainable Infrastructure
- Low-Carbon Transition
- Resource Efficiency
- Sustainable Procurement
- Stakeholder Engagement

Measurable results that reflect disciplined execution and sustained environmental performance.

Rs. 180.5 Mn
saved via 6R implementaion in 2025
(Rs. 106.8 Mn in 2024)

Rs. 199 Mn
invested in green buildings in 2025
(Rs. 26 Mn in 2024)

1.120 GWh
of renewable energy generated
(1.107 GWh in 2024)

474
employees participated for green iniciatives
(492 in 2024)

4.5 Mn litres
water conserved
(4.2 Mn litres 2024)

3%
GHG emissions reduced
(7% in 2024)

ENVIRONMENTAL SUSTAINABILITY

ENVIRONMENTAL SUSTAINABILITY IN FOCUS

Key focus areas shaping Ceylinco Life's environmental strategy and performance.



STRENGTHENING ENVIRONMENTAL GOVERNANCE

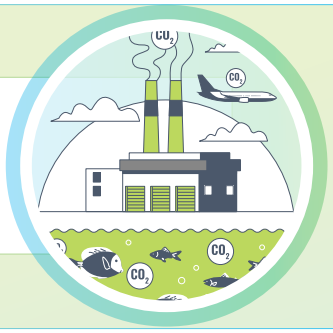
Upholding disciplined environmental governance through robust regulatory compliance, transparent monitoring, and strong oversight that ensures accountability at every level of the organisation.

Refer page 204-205 for details

ENABLING THE LOW-CARBON TRANSITION

Driving the life insurance industry's climate response through proactive emissions reduction, renewable energy adoption, and climate-resilient operations that strengthen long-term environmental and business resilience.

Refer page 206-207 for details





CHAMPIONING RESOURCE EFFICIENCY

Setting new benchmarks for responsible resource use by embedding circular practices, minimising waste, and optimising water, energy, and material consumption across Ceylinco Life's nationwide operations.

Refer page 208-213 for details

ADVANCING SUSTAINABLE INFRASTRUCTURE

Pioneering sustainable building practices through a growing network of green buildings designed for efficiency, low environmental impact, and enduring performance.

Refer page 214-215 for details





INFLUENCING A GREEN SUPPLY CHAIN

Extending environmental leadership beyond the Company's operations by guiding suppliers and partners toward responsible sourcing, efficient processes, and sustainability standards aligned with Ceylinco Life's standards.

Refer page 216-217 for details

MOBILISING COLLECTIVE ACTION

Embedding environmental leadership into culture by empowering employees and engaging communities to adopt responsible behaviours and actively contribute to sustainability initiatives.

Refer page 218-222 for details



STRATEGIC CONTEXT

GUIDED BY TRUST, ACCOUNTABILITY AND OVERSIGHT

Stakeholder Expectations

- Reduction of greenhouse gas emissions and progress toward net-zero goals
- Responsible use of natural resources and minimization of waste
- Transparent reporting on environmental performance and climate risks

Operating Landscape

Core Challenges

- Managing environmental performance across diverse branch environments.
- Adapting to national energy constraints and external infrastructure limitations.
- Responding to evolving environmental regulations.
- Mobilising external partners with varying levels of environmental commitment.
- Scaling environmental initiatives despite fluctuating economic conditions.

Capitals:

FC MC IC HC NC

Key Stakeholders:

S

- Strong leadership commitment to sustainable practices.
- Proven expertise in green building, pre-cast construction, and solar integration.
- Robust monitoring systems for energy, water, waste, and GHG emissions.
- Advanced digitisation drive reducing paper and physical storage.
- Culture of reuse and refurbishment, generating cost and material efficiencies.
- Active internal engagement through campaigns and awareness initiatives.

W

- Limited integration of climate considerations into product innovation.
- Lack of comprehensive data systems for tracking environmental KPIs.
- Reliance on traditional contractors requiring ongoing training.
- Budget constraints limiting uptake of high-cost green technologies.
- Supplier readiness gaps in digital and sustainable practices.

O

- Scaling renewable energy through more solar energy and battery storage systems.
- Wider adoption of pre-cast, prefabricated, and low-waste building methods.
- Further digitisation across suppliers, customers, and internal workflows.
- Increasing staff participation in community clean-ups, tree-planting, and climate-education programs to build internal culture and external visibility.
- Exploring carbon-offset partnerships with accredited organisations to balance unavoidable emissions.
- Stronger partnerships with government, communities, and voluntary groups.
- Branch consolidation and space optimisation to improve efficiency.

T

- Rising costs of sustainable technologies due to economic volatility.
- Increasing operational expenses affecting investment decisions.
- Low environmental commitment among some external partners.
- National grid instability and weather variability disrupting operations.
- Evolving regulatory and reporting demands increasing compliance burden

Material Topics

M3 M5 M8 M9 M11

Risks and Opportunities

OR RR SR LC FR CRR1 REP SRO1 IR

ENVIRONMENTAL SUSTAINABILITY

THE NORTH STAR PATH

From the beginning, Ceylinco Life set a clear environmental direction that has been consistently reflected in its infrastructure choices, governance structures, and collective action.

TODAY — A MATURE, REPLICABLE MODEL

With a growing network of green buildings, established renewable energy systems, and disciplined environmental governance, Ceylinco Life operates a mature sustainability model shaped by earlier strategic decisions and continuous improvements. This model continues to guide environmental stewardship and operational resilience across the organisation, setting a clear direction for environmental leadership within the insurance industry.

2024 — DEEPENING ENVIRONMENTAL INTEGRATION

Board-level oversight was formalised through the Board ESG committee and management oversight by the management ESG committee, strengthening environmental governance across planning, procurement, and compliance processes. The Company also adopted SLFRS Sustainability Disclosure Standards (S1 and S2) and became the anchor investor in Sri Lanka's first listed green bond, investing Rs. 2 Bn, supporting sustainable finance and the low-carbon transition.

2023 — STRENGTHENING RENEWABLE CAPACITY

A major rooftop solar initiative was launched, significantly increasing renewable energy generation and reinforcing energy resilience across operations. During the year, the organisation also initiated a major shift towards cloud technologies, strengthening digital infrastructure efficiency while reducing reliance on physical IT infrastructure.

2021 — ADVANCING LOW-WASTE CONSTRUCTION

Pre-cast and low-waste construction methods were adopted to minimise material usage, reduce on-site waste, and improve build efficiency. Circular practices, including reuse and refurbishment, gained momentum across operations.

2019 — ACTIVATING ENVIRONMENTAL RESPONSIBILITY

Environmental sustainability initiatives expanded beyond infrastructure with the establishment of the Ceylinco Life Green Club, an employee-driven initiative focused on waste management, carbon footprint assessment, environmental awareness, and e-waste collection campaigns. During the year, the Company also announced a greenhouse gas (GHG) reduction target of 5% year-on-year and began disclosing Scope emissions, strengthening climate accountability and structured environmental performance tracking across operations.

2017 — SCALING EFFICIENCY ACROSS OPERATIONS

Environmental performance tracking expanded across the branch network, covering energy, water, and waste. Digitisation initiatives further reduced paper consumption and operational intensity.

2016 — BUILDING THE FOUNDATION

The green building concept was refined and replicated, expanding to multiple locations. Sustainability principles were embedded into design standards, establishing consistency across new developments. GRI Standards were adopted, and resource tracking began.

2015 — INTRODUCING WATER STEWARDSHIP PRACTICES

Water recycling initiatives were introduced, marking a shift towards responsible water use and resource conservation within operations.

2009 — SETTING THE DIRECTION

Ceylinco Life initiated its first green building project, recognising early that sustainable infrastructure, energy efficiency, and responsible design would be critical to long-term resilience. This marked the beginning of a deliberate shift away from conventional construction practices.

LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

RESPONSIBLE STEWARDSHIP: ACCOUNTABILITY AT THE CORE

CORE ACTIVITIES:

The ultimate responsibility for governance of environmental topics falls under the purview of the Board of Directors of Ceylinco Life Insurance Limited. A dedicated ESG subcommittee has oversight of such topics at management level, with responsibilities cascading down to the various business units across the organisation.

The organisation is led by five overarching governance principles:

Accountability

Board oversight through the Board ESG Committee, and management oversight via the Management level ESG Sub-Committee

Clear Policy Direction

A formal ESG Policy guiding environmental priorities.

Broad-Based Integration

Environmental considerations are embedded into planning, procurement, and operational processes, supporting consistent implementation across functions.

Performance Oversight

Environmental priorities are integrated into budgeting and investment decisions, with ESG-related initiatives monitored through structured reporting and Board oversight.

Continuous Improvement

Governance structures, strategic priorities, and initiatives evolve as expectations rise.

SLFRS S1 & S2 ALIGNMENT

Ceylinco Life aligns its sustainability and climate-related disclosures with SLFRS S1 and S2, embedding governance oversight, risk assessment, strategic integration, and performance monitoring into its sustainability framework.

Refer pages 56-75 for detailed disclosures aligned with SLFRS S1 and S2 Standards.

Progress in 2025:

During the year, KPIs related to environmental sustainability were embedded across managerial levels, thereby integrating a sustainable workplace culture throughout operations.

Governing Policy:

ESG Policy

Oversight:

Board ESG Committee

Refer page 402-404 for details



"As environmental priorities become increasingly complex, strong governance is essential. Board-level oversight through our Board ESG Commitee and Sub- Committee, supported by a formal ESG Policy, ensures environmental responsibility is embedded into planning, procurement, and operations. This structure enables disciplined decision-making and sustained progress aligned with long- term resilience."

E. T. L. RANASINGHE

Managing Director/
Chief Executive Officer

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

DEMONSTRATING RESPONSIBLE GROWTH AND EXPANSION

Strategic Focus Area 01 — **Strengthening Environmental Governance**

CORE ACTIVITIES:

- Embedding environmental accountability into operational planning and approvals.
- Integrating environmental considerations into procurement, infrastructure, and facilities management decisions.
- Monitoring environmental performance through defined KPIs and management-level reviews.
- Escalating environmental risks, performance gaps, and improvement opportunities through established reporting channels.
- Using verified environmental data to inform continuous improvement and strategic prioritisation.

Impacted SDGs:





ACTIVITIES IN 2025

Maintaining Structured Oversight and Execution

Governance Oversight and Accountability

- Continued Board oversight via the Board ESG Sub-Committee oversight of environmental sustainability, providing strategic direction and accountability for the Company's environmental objectives.
- Ongoing governance coordination and monitoring through ESG Sub-Committee, ensuring effective translation of Board-level commitments into management action.

Operational Controls and Implementation

- Continued deployment of designated building supervisors to oversee site-level environmental controls, operational compliance, and adherence to approved standards across the Company's own buildings.
- Sustained cross-functional implementation through the Green Club, comprising departmental representatives across branches, responsible for driving environmental sustainability initiatives in line with defined internal guidelines.

Measurement, Assurance and Compliance

- Maintained adherence to ISO 14064-1:2018 and ISO 14064-3:2019, together with the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, to monitor emissions and identify opportunities for improvement in the journey towards carbon neutrality.
- Continued measurement of organisational GHG emissions by a certified third party, with independent audit and verification conducted by the Sri Lanka Climate Fund, strengthening data credibility and assurance.
- Strengthen sustainability reporting by aligning disclosures with SLFRS S1 and S2 standards and relevant GRI requirements, while progressively enhancing the assurance of our sustainability information to ensure accuracy, transparency, and stakeholder confidence.
- Ensured continued compliance with applicable environmental laws and regulations, with no reported incidents of non-compliance during the reporting period. Strengthening sustainability reporting by aligning disclosures with SLFRS S1 and S2 standards and relevant GRI requirements, while progressively enhancing the assurance of the company's sustainability information to ensure accuracy, transparency, and stakeholder confidence.



GOVERNANCE IN PRACTICE

Board ESG Committee

Strategic oversight of sustainability risks, performance and accountability

ESG Sub-Committee (Management Level)

Management coordination, review and monitoring of sustainability matters

Operational Implementation

Site-level monitoring through Building Supervisors and cross-functional coordination via the Green Club

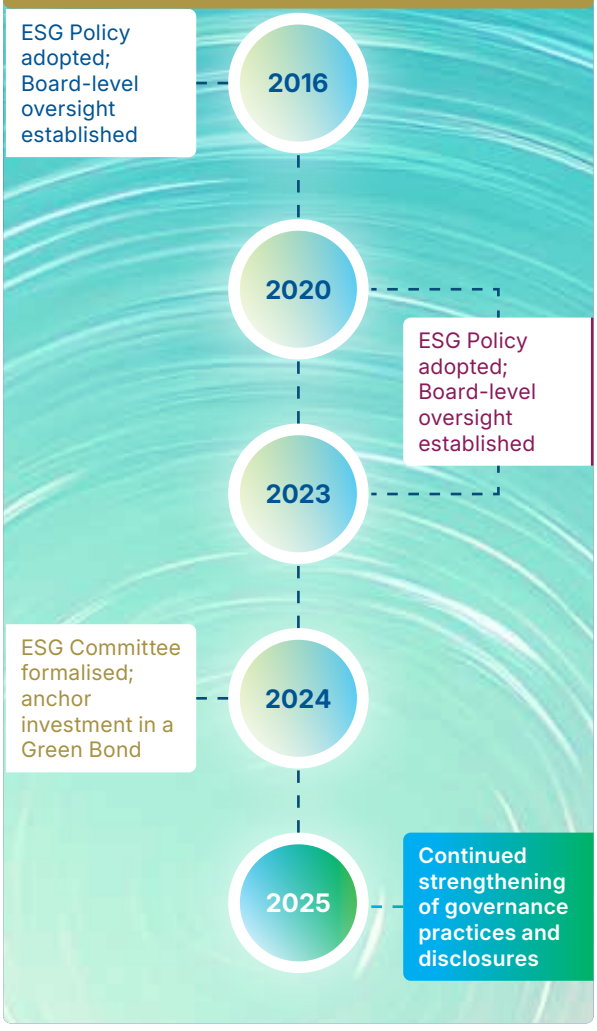
What this framework enables:

- Clear disclosure that remuneration is not linked to environmental targets, as outlined in the ESG Policy, ensuring transparency in how sustainability responsibilities are governed and incentivised.
- Consistent application of environmental standards across a decentralised footprint
- Reliable, assured environmental data to inform decisions
- Strong alignment between governance, risk management, and operations

Link to Remuneration

Environmental responsibilities are governed through oversight, monitoring and operational controls; however, environmental targets are not directly linked to executive remuneration structures.

GOVERNANCE EVOLUTION: Building Disciplined Oversight Over Time



REGULATORY COMPLIANCE AND CONTROLS

- All applicable environmental approvals and permits, including those issued by the Central Environmental Authority (CEA), are maintained for owned premises and relevant operations.
- Compliance is monitored through site-level controls and periodic reviews, with oversight cascading from management to the Board.
- No instances of non-compliance with environmental laws or permit conditions were reported during the reporting period.

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Enabling the Low-Carbon Transition**

CORE ACTIVITIES:

- Reducing greenhouse gas (GHG) emissions across the branch and office network.
- Transitioning to renewable energy solutions and low-emission backup systems.
- Improving energy efficiency through operational controls and behavioural change.
- Minimising reliance on fossil-fuel-based power generation.
- Monitoring and verifying emissions to support GHG emmissions reduction.

Impacted SDGs:



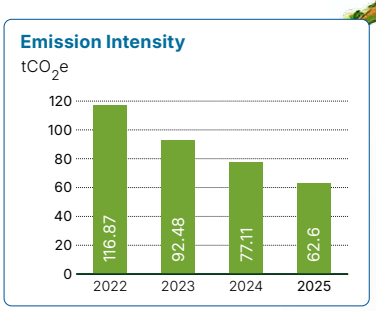
Detailed greenhouse gas emissions, energy performance data, and related monitoring disclosures are presented in the SLFRS S1 and SLFRS S2 sections (pages 56-75).
The independent verification certificate for the Company's carbon footprint is presented in this section.

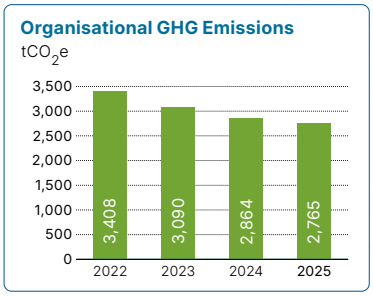
ACTIVITIES IN 2025

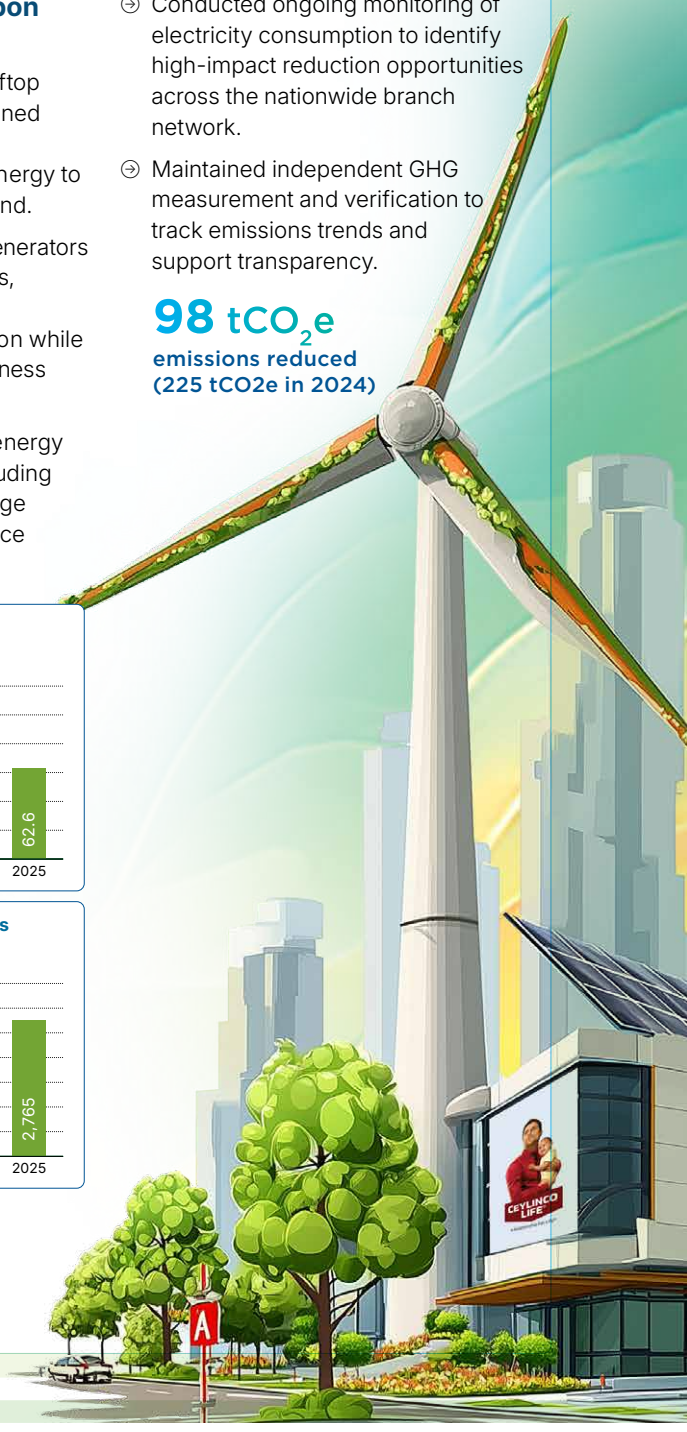
Strengthening Low-Carbon Operations

- Continued expansion of rooftop solar installations across owned premises, increasing the contribution of renewable energy to operational electricity demand.
- Replaced selected diesel generators with battery backup systems, reducing fuel consumption, emissions, and noise pollution while ensuring uninterrupted business operations.
- Implemented branch-level energy optimisation measures, including revised air-conditioning usage protocols and improved space utilisation.
- Conducted ongoing monitoring of electricity consumption to identify high-impact reduction opportunities across the nationwide branch network.
- Maintained independent GHG measurement and verification to track emissions trends and support transparency.

98 tCO_2e
emissions reduced (225 tCO2e in 2024)







Powering Continuity with Cleaner Energy

As a service-based organisation requiring uninterrupted connectivity across its island-wide branch network, Ceylinco Life has traditionally relied on diesel generators during power disruptions. During the year, the Company further accelerated its ongoing transition toward battery backup systems, replacing generators at 01 buildings, resulting in a total of 08 locations.

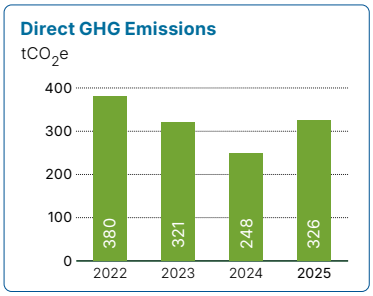
This shift delivers multiple benefits:

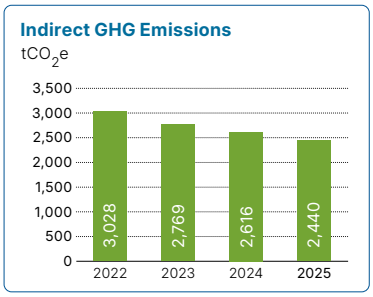
- Eliminates emissions associated with routine generator testing and operations
- Reduces fuel consumption and maintenance requirements.
- Provides a quieter, more reliable backup solution aligned with low-carbon objectives.

The transition represents a practical step toward cleaner energy resilience while maintaining service continuity for customers.

GHG COMPARISON (tCO2e)

Stand by Generators (Diesel)	23.55
Refrigerant Leakages	42.41
Fire Extinguishers (CO2)	0.37
Company-owned vehicles	181.27
LPG Usage	0.38
Employee commuting (Paid by the company)	77.44
Employee commuting (Not paid by the company)	1,745.56
Municipal Water	3.50
Waste disposal	8.90
Freight road transport	2.44
Business air travels	11.16
T&D loss	63.46
Grid-connected electricity	604.51
Total Emissions	**2,764.90**







GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Organization Level GHG statement developed by

Ceylinco Life Insurance Limited

Ceylinco Life Tower, 106, Havelock Road, Colombo 05, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No : SLCF/CFP/0496

Date of Issue : 05.03.2026

Period of Assessment : 01.01.2025 – 31.12.2025

Selected Boundary : Operationally controlled business operations of Ceylinco Life Insurance Limited (including head office, 124 branches island-wide, No.15 – Park Street and Holiday Bungalow at Nuwara Eliya)

Direct GHG Emissions : 326 tonnes of CO_2-equivalent

Indirect GHG Emissions : 2,440 tonnes of CO_2-equivalent

Total GHG Emissions : 2,766 tonnes of CO_2-equivalent

Scope 1 Direct GHG Emissions : 326 tonnes of CO_2 equivalent

Scope 2 Electricity Indirect GHG Emissions : 605 tonnes of CO_2 equivalent

Scope 3 Other Indirect GHG Emissions : 1,836 tonnes of CO_2 equivalent

ISO/IEC 17029 and ISO 14066 VVB 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Validity Period of the certificate: 05.03.2026 – 31.03.2027

Exclusions: GHG emissions from client/visitor transportation.

*Materiality threshold is below 5%. **GHG emissions have been reported in accordance with GHG Protocol

09

Buildings with battery backup (07 in 2024)

Rs. 9.7 Mn

Invested in battery backup (Rs. 3 Mn in 2024)

Refer pages 214-215 for more information on green buildings and sustainable infrastructure.

Integrating CRROs into Strategy and Decision-Making

Ceylinco Life has integrated climate-related risks and opportunities into strategic planning and operational decision-making, using emissions data, energy performance insights, capital allocation, investment decisions, and resilience measures.

This approach supports the assessment of potential financial implications, including impacts on:

- **Financial position,** including asset values and capital allocation,
- **Financial performance,** including revenues and operating costs,
- **Cash flows,** including investment requirements and funding needs,

while strengthening the Company's ability to respond to evolving climate-related risks and opportunities.

Further details on identified CRROs, associated strategies, and monitoring mechanisms are set out in the SLFRS S1 and SLFRS S2 disclosures (pages 56-75).

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Championing Resource Efficiency**

CORE ACTIVITIES:

- Reducing material consumption through reuse, refurbishment, and optimisation.
- Minimising waste generation across offices and branches.
- Improving efficiency in water and energy use.
- Embedding circular economy principles into refurbishments and relocations.
- Monitoring consumption to support continuous improvement.

Impacted SDGs:



ACTIVITIES IN 2025



Embedding Efficiency Across Operations

Ceylinco Life continues to embed circular resource-use principles across operations, building on initiatives introduced in prior years and extending their application through branch consolidations, refurbishments, and adaptive reuse of existing assets during the year.

Rethink

- Continued application of digital-first processes introduced in prior years to reduce paper use and streamline operations.
- Maintained initiatives such as Walking Customer eReceipts, SMS receipts, and internal prompts including "Think twice before you print."
- Continued use of the Innovation Hub to support incremental process
- improvements aligned with circular economy principles.

- **66,156** mobile application downloads
- **Rs. 3.3 Bn** in premiums collected via mobile platforms
- **30%** of customer benefit payments made via fund transfer

Refuse

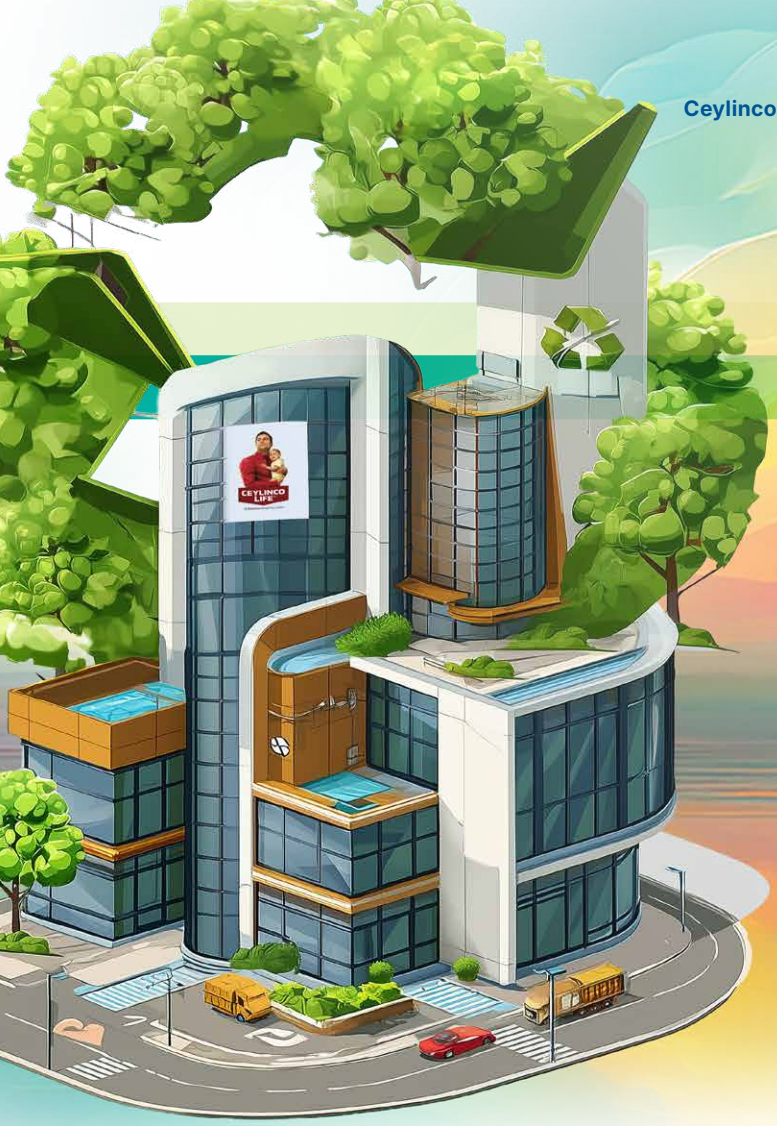
- Continued avoidance of single-use plastics by replacing plastic bottles with reusable glass alternatives across offices and branches.
- Discourage use of vertical blinds and sand blast stickers in the buildings

- **240** units of single-use plastic items avoided
- **2650** Sq feet keep plastic & polythene free windows/glasses

Reduce

- Ongoing digitisation of customer and internal processes to minimise paper usage across branches.
- Ongoing deployment of energy-efficient measures such as sensor lighting, efficient fittings, electrical capacitors, and revised air-conditioning protocols.
- Continued optimisation of space utilisation through branch consolidation and relocation into green buildings.
- Continued operation of rainwater harvesting and wastewater treatment systems to reduce freshwater demand and recover usable resources.

- **1 Mn** sheets of paper saved through digitisation
- **744,000** Ltrs reduction in water consumption
- **14** branches consolidated / rationalised
- **4.47 Mn** litres harvested conserved



Reuse

- Reused existing partitions, counters, and furniture during the refurbishment of the Jaffna customer area, avoiding new fit-outs.
- Reutilised unused internal space within the Negombo green building to support new company projects.
- Continued repurposing of usable components and materials during refurbishments and relocations.
- Refurbished Floors 1–6 of the Head Office using existing systems, wiring, partitions, and furniture, converting under-utilised areas into productive workspace within a green environment.

- **02** branches / approximately 7,000 sq.ft areas fitted using reused materials
- **Rs. 152.2 Mn** procurement cost avoided through reuse
- **06** floors / 27,000 sq.ft spaces refurbished using existing material

Repair

- Continued repair of damaged furniture, fittings, and equipment to extend asset life and prevent premature disposal.

- **Rs. 121.2 Mn** cost savings from repairs

Recycle

- Refurbished rooftop space at the Wellawatte green building, incorporating water-efficient design, fittings, and fixtures.
- Continued recycling of paper, e-waste, plastic, polythene, and rubber through accredited third-party recyclers.

- **68** tonnes estimated material use avoided
- **6563Kg** Total waste recycling

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

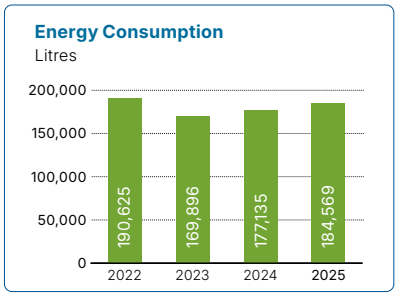
Strategic Focus Area 03 | **Championing Resource Efficiency**

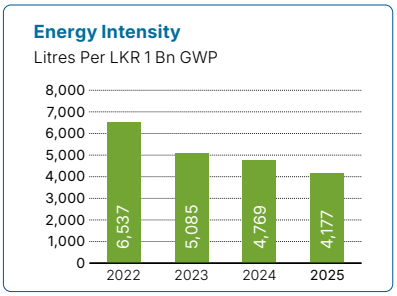
MEASURING PROGRESS

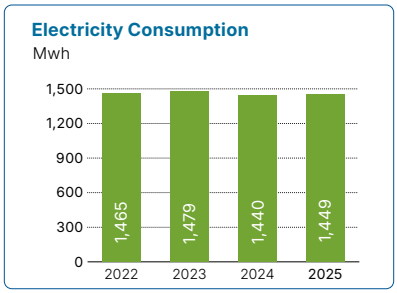
Energy Efficiency and Optimisation

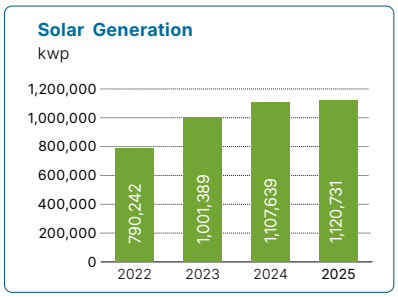
The Company improved energy efficiency by reducing overall energy demand through space optimisation, branch consolidation, and operational controls, complemented by energy-efficient systems and behavioural interventions. These measures reduce electricity consumption intensity across operations while supporting uninterrupted service delivery.

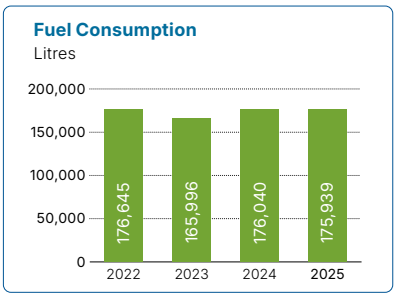
28%
increased No of Battery Backups

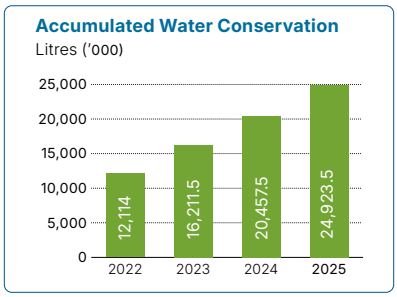












Energy Consumption

Grid Electricity
1,449 Mwh

Solar Energy
1,121 Mwh

Fuel
184,684 litres
Total

- **175,938 litres** — Fuel for vehicles
- **8,746 litres** — Fuel for Generators

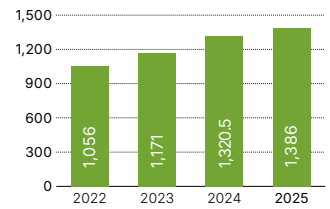
Trees saved
4,827

Refer Advancing Sustainable Infrastructure from pages 214-215 for more details on renewable energy integration and generation

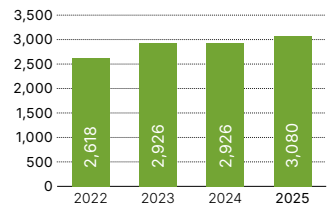
Water and Effluents

Ceylinco Life manages water resources responsibly by reducing freshwater demand through rainwater harvesting, wastewater treatment, and the installation of water-efficient fixtures within owned premises. Water use is monitored to improve efficiency and support responsible consumption across buildings and operations.

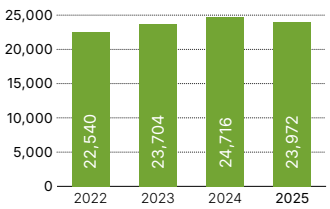
Water Recycling
Litres ('000)



Rainwater Harvesting
Litres ('000)



Water Consumption
Units



Water Sources

Pipe-borne water
106

Water Treatment Plant
11

Well Water
18

Recycled Water
20

Rainwater Harvesting
20

Rainwater Harvesting

3.08
Mn litres

Rs. 462,000
saved

Water Recycled

1.39
Mn litres

Rs. 207,900
saved

Rs. 1.9 Mn
invested

Refer About this Company from page 30 for more details on the rainwater harvesting footprint within the branch network.

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Championing Resource Efficiency**

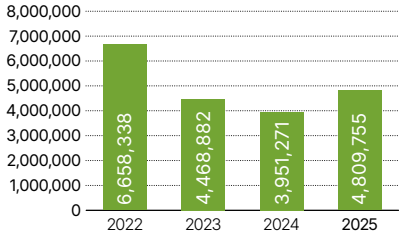
MEASURING PROGRESS CONTD.

Waste Management & Diversion

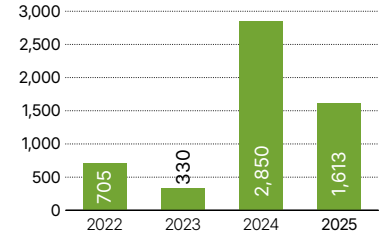
The Company minimises waste generation through circular practices and ensures responsible waste management across operations. Waste streams including paper, e-waste, plastics, and other operational waste are segregated and directed to authorised recyclers, with a focus on maximising diversion from disposal.

Waste Category	Waste Generated (kg)	Waste Diverted from Disposal (t)	Waste Recycled (t)	Waste to Landfill (t)	Remarks
Paper	4,950 Kg	-	4,950 Kg	-	Recycled via authorised recyclers
E-waste	1,613 Kg	-	1,613 Kg	-	Managed by accredited recyclers
Total	**6,563 Kg**	**-**	**6,563 Kg**	-	

A4 Converted Paper Consumption



E-waste



0
hazardous waste incidents reported (0 in 2024)





The annual e-waste drive by employees



Green branches equipped with clean energy









Internal awareness program on food wastage

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 04 | **Advancing Sustainable Infrastructure**

CORE ACTIVITIES:

- Engaging in sustainable, environmentally responsible construction and infrastructure development.
- Transforming existing owned buildings to meet green standards.
- Constructing new green buildings across the branch network.
- Consolidating branches to minimise environmental impact and resource use.
- Maintaining compliance with environmental laws and regulations.

Impacted SDGs:



CASE STUDY:

Raising the Bar: A New Standard in Sustainable Infrastructure

The Company improved energy efficiency by reducing overall energy demand through space optimisation, branch consolidation, and operational controls, complemented by energy-efficient systems and behavioural interventions. These measures reduce electricity consumption intensity across operations while supporting uninterrupted service delivery.

Where we started:

Ceylinco Life initiated its green building journey in 2014, adopting a replicable model that integrated energy efficiency, renewable energy, water management, and low site impact, first demonstrated at the Horana branch.

Where we stand today:

Since then, the Company has strengthened its sustainable infrastructure approach by collaborating with contractors and industry experts to refine efficient building design. Today, green buildings incorporate prefabricated construction methods and circular economy principles in sourcing.



- **2009** – Ceylinco Life launches its first green building in Kurunegala
- **2016** – The green building network grows to reach 10 branches
- **2018** – The Company's green buildings collectively contribute towards 257.5 kW of solar energy
- **2020** – Sustainable materials and processes are integrated into construction
- **2022** – A 100MW rooftop solar project launched at La Serena
- **2023** – The first pre-cast building was completed in Minuwangoda
- **2025** – The Company's total green building network reaches 32 buildings

Collective Impact to date

6,215 MWh
of solar energy generated

2,357 tCO_2e
of emissions reduced to date

Rs. 314.5 Mn
savings achieved to date

68 tonnes
material use avoided

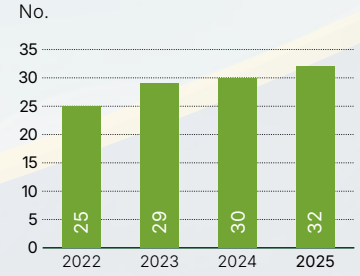
11
sewage treatment plant

20
rainwater harvesting initiatives

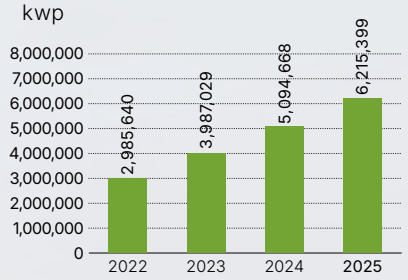
32
green buildings

26,769
trees saved through solar energy

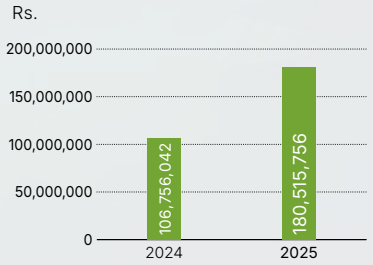
Green Buildings



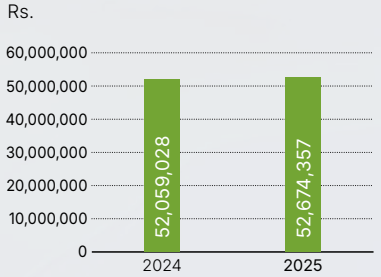
Accumulated Solar Generation



Improvement in Total Cost Savings



Cost Savings from Solar



ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 05 | **Influencing a Green Supply Chain**

CORE ACTIVITIES:

- Integrating environmental and ESG considerations into supplier registration, evaluation, and tendering processes.
- Applying documented, transparent procurement procedures across all supplier categories.
- Encouraging efficient resource utilisation and reduced emissions through supplier clustering, bulk procurement, and logistics optimisation.
- Strengthening supplier engagement through long-term relationships, performance reviews, and governance-led oversight.
- Advancing digitalisation across procurement processes to improve transparency, efficiency, and traceability.

Impacted SDGs:



How CLI Influences the Supply Chain

Governance & Procurement Controls → **Procurement Practices** → **Supplier Engagement**

Governance & Procurement Controls

How sustainability expectations are set and enforced

As a service-based organisation, environmental influence across the supply chain is exercised through procurement governance, supplier selection, and engagement rather than direct control over production processes.

Procurement is governed by documented policies and procedures, with oversight by a Procurement Evaluation Committee. Environmental and ESG-related criteria are embedded within supplier registration and evaluation processes, alongside price, quality, delivery capability, financial strength, and compliance considerations.

Key practices:

- Documented procurement policies and procedures
- Procurement Evaluation Committee oversight
- ESG considerations embedded in supplier evaluation

Procurement Practices

How influence is applied through day-to-day operations

Ceylinco Life applies procurement practices that promote indirect emissions reduction and resource efficiency across its supply chain. These practices focus on minimising logistics-related impacts, optimising resource use, and improving operational efficiency.

Key Practices:

- Geographic clustering of suppliers to reduce travel distances and fuel use
- Bulk procurement to minimise transport frequency and packaging waste
- Coordinated supplier coverage across nearby branches to optimise routing
- Digital procurement processes to reduce paper use and unnecessary travel

Spotlight: Digitalising Procurement

- Online supplier registration and ESG disclosures
- Digital quotation submissions and bid evaluations
- Improved transparency, traceability, and auditability of procurement decisions

Supplier Engagement

How relationships support continuous improvement

Environmental considerations are incorporated across the supplier lifecycle, from registration through ongoing engagement. Supplier ESG information is collected at onboarding, with periodic reviews, reference checks, and site visits conducted where necessary. Environmental performance is assessed alongside operational and financial factors when renewing or expanding supplier relationships.

Engagement Highlights

- ESG information collected at supplier onboarding
- Periodic supplier reviews and validation
- Long-term supplier relationships enabling progressive alignment

Construction & Green Building Supply Chain

Procurement related to construction and green buildings follows standardised engineering procurement processes, including formal tendering, contractor evaluation, and technical certification. During the year, additional qualified contractors were onboarded to strengthen resilience as the Company adapts to evolving construction practices, including precast construction.

Further details are provided under Advancing Sustainable Infrastructure from pages 214-215.

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Mobilising Collective Action**

CORE ACTIVITIES:

- Engaging employees across functions and branches to actively participate in environmental initiatives through structured programmes and volunteering opportunities.
- Partnering with stakeholders to manage waste responsibly, and protect natural habitats.
- Raising awareness on responsible consumption, waste segregation, and environmental protection through hands-on participation and outreach activities.
- Facilitating responsible collection and disposal of waste streams, including e-waste, through authorised partners to prevent environmental contamination.

STAKEHOLDER ENGAGEMENT AND AWARENESS

Ceylinco Life engages a broad range of stakeholder groups to build shared responsibility for environmental protection and translate sustainability commitments into collective action.



Impacted SDGs:

EMPLOYEES

Participating and Monitoring

- Employees continue to play an active role in environmental sustainability through participation in initiatives, branch-level monitoring, and volunteering.
- Cross-functional coordination through the Green Club supports awareness-building and day-to-day action across the branch network.
- Designated Building Supervisors oversee site-level environmental controls and compliance.

100 Green Club members

250 Employees participating in initiatives

34 Building Supervisors

90 Employees involved in electricity monitoring

COMMUNITY

Acting Together for Environment and Wellbeing

Community initiatives during the year focused on ecosystem protection, pollution prevention and environmental awareness. Environmental action was also integrated into community health camps, where vegetable seed distribution encouraged home gardening and supported household-level food security.

10 community initiatives conducted

2,000 participants engaged

2,673 seed packets distributed through health camps

POLICYHOLDERS

Adopting Responsible Consumption

Digital engagement with policyholders continued to expand during the year, supporting convenient service delivery while reducing reliance on paper-based processes. Customers are encouraged to adopt digital platforms as part of the Company's efforts to promote environmentally responsible behaviour.

66,156 active users of the customer app

SUPPLIERS

Collaborating for Sustainable Delivery

Ceylinco Life continues to collaborate with suppliers and contractors to support environmentally responsible project delivery, particularly in relation to green building construction and facility upgrades. These engagements strengthen sustainability outcomes while supporting supply chain resilience.

15 suppliers screened for environmental criteria

ENVIRONMENTAL SUSTAINABILITY

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Mobilising Collective Action**

FLAGSHIP INITIATIVE

Restoring Nature: The Rajawaka Forest Reserve Reforestation Journey

Ceylinco Life's Rajawaka reforestation initiative reflects a long-term commitment to ecosystem restoration and climate resilience. Designed as a multi-year project, the initiative brings together environmental expertise, community participation, and sustained investment to restore degraded forest land and strengthen biodiversity and water security.

Where we started:

Ceylinco Life initiated the Rajawaka Forest Reserve reforestation project in 2024, committing to restore degraded land in Balangoda through native tree planting with a focus on long-term ecological recovery rather than short-term interventions.

Where we stand today:

Since inception, the project has progressed steadily, with native species planted across designated areas and ongoing maintenance supporting survival and growth. The initiative has evolved into a structured restoration programme delivering biodiversity, watershed protection, and long-term carbon sequestration benefits, while engaging local communities in conservation awareness.

2024

Project launched with a commitment of Rs. **5.7** Mn and initially planted 5,000 plants.

Planting continues towards long-term target Ongoing monitoring and maintenance embedded

2025

Progress:

05
acres under restoration

2000
native trees planted to date successfully growing to date

- Improved biodiversity and habitat quality
- Enhanced catchment protection and water security
- Long-term carbon sequestration benefits







Highlights from the Rajawaka Forest reforestation project

Beach Clean-up Programmes

During the year, employee-led beach clean-up programmes were carried out in collaboration with external partners to collect and responsibly dispose of marine debris. These initiatives help prevent waste from entering the ocean, protect coastal ecosystems, and raise awareness on plastic pollution and responsible waste disposal among participants and surrounding communities.

02
programmes conducted

80+
volunteers participated

1,450 Kg
of waste collected



Beach clean-up programmes in Galle and Batticaloa

Looking Ahead

Environmental sustainability continues to evolve alongside changing climate realities, regulatory expectations, and stakeholder priorities. In this context, Ceylinco Life's focus is on strengthening resilience, improving efficiency, and extending positive environmental impact over time.

The Landscape Going Forward

- Increasing focus on climate resilience and low-carbon operations across all sectors
- Growing expectations for transparent, consistent, and assured environmental disclosures
- Continued expansion of renewable energy and resource-efficient infrastructure
- Greater emphasis on circular economy practices and waste reduction
- Rising importance of ecosystem restoration and nature-based solutions
- Stronger collaboration across organisations, communities, and partners

ENVIRONMENTAL SUSTAINABILITY

ENVIRONMENTAL SUSTAINABILITY – THE JOURNEY CONTINUES...

The following outlines the Company's environmental journey ahead and the priorities shaping progress over time.

Immediate Priorities

- Strengthening environmental governance, monitoring systems, and transparency in sustainability disclosures.
- Improving emissions management, renewable energy adoption, and resource efficiency across operations.
- Expanding sustainable infrastructure while strengthening environmental considerations in procurement and stakeholder engagement.

Building Momentum

- Embedding climate and environmental considerations more deeply into enterprise strategy, investment decisions, and operational practices.
- Integrating circular economy principles, innovative technologies, and supplier alignment to enhance environmental performance.
- Scaling collaborative programmes and partnerships that deliver measurable environmental impact.

Future Ambitions

- Advancing towards resilient, low-carbon operations supported by circular resource use and sustainable infrastructure.
- Progressing towards net-zero aligned business practices and strengthened climate resilience.
- Creating long-term environmental value through responsible supply chains, ecosystem stewardship, and collective action.

Refer ESG Integration and Purpose-Driven Strategy (page 141) for more information on priorities and targets in the short, medium, and long-term.

Family Savari Reward Beneficiaries

2025	2024
1,060	1,060

Total Pranama Scholarship Beneficiarie

2025	2024
128	152

Cost Of CSR Projects

Rs. 29.4 Bn

Promotions

2025	2024
118	114

Salaries, Bonus & Incentives

2025	2024
Rs. 2.4 Bn	Rs. 2.5 Bn



Employee Retention Rate

2025	2024
87%	64%

Apps download

2025	2024
12,726	12,134

Training Hours per Employee

2025	2024
20.2	19.87

Training Hours Per Sales Agents

2025	2024
27.54	21.20

Female Representation In Sales Force

2025	2024
56%	54%

MDRT Qualifiers

2025	2024
277	313

SOCIAL RESPONSIBILITY



GUIDING SOCIAL RESPONSIBILITY WITH PURPOSE

Ceylinco Life remains committed to protecting wellbeing, empowering individuals, and expanding access to essential services. Through responsible insurance practices, employee development, inclusive distribution networks, responsible supplier partnerships, and community engagement, the Company continues to create meaningful social value while strengthening trust across its stakeholder ecosystem.

THE NORTH STAR

- Protecting wellbeing, empowering lives, and enabling access and inclusion

A longstanding promise that guides how Ceylinco Life creates social value across customer relationships, employee development, sales force capability, supplier partnerships, and community resilience.

GUIDING PRINCIPLES

- Protection
- Empowerment
- Inclusion

These principles guide how the Company translates social responsibility into action through trusted relationships, people development, responsible partnerships, and inclusive access.

OUTCOMES

- Trusted Relationships
- Empowered People
- Inclusive Access
- Responsible Partnerships
- Resilient Communities

Measurable outcomes reflecting the Company's efforts to strengthen protection, develop capability, expand access, and build lasting social resilience.

Rs. 31.07 Bn
policyholder benefits paid
(Rs. 25.05 Bn in 2024)

708
employees supported
(729 in 2024)

56.12%
female representation in sales force
(53.98% in 2024)

1,606
local suppliers engaged
(1,684 in 2024)

Rs. 30.90 Mn
invested in employee training
(Rs. 20.78 Mn in 2024)

2,907
community beneficiaries reached
(2,609 in 2024)

SOCIAL RESPONSIBILITY IN FOCUS

Key focus areas that enable the achievement of the North Star principles and outcomes.



Strengthening Policyholder Relationships

Strengthening long-term trust through responsible insurance practices, transparent communication, efficient claims settlement, and continuous enhancement of customer experience across digital and physical engagement channels.

Refer pages 227-242 for details

Elevating People Performance and Excellence

Building a high-performing and inclusive workforce through talent development, leadership continuity, employee wellbeing initiatives, and a culture that promotes integrity, accountability, and professional growth.

Refer pages 243-278 for details





Empowering a Future-Fit Sales Force

Strengthening the Company's nationwide advisory network by investing in capability development, ethical sales practices, digital enablement, and structured career pathways that support sustainable performance and customer trust.

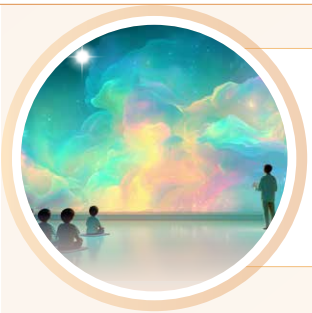
Refer pages 279-292 for details

Nurturing a Responsible and Resilient Supply Chain

Promoting responsible procurement and strong supplier partnerships through transparent sourcing practices, structured vendor governance, and initiatives that strengthen operational reliability and long-term supply chain resilience.

Refer pages 293-306 for details





Building Resilient Communities

Supporting community wellbeing through initiatives focused on health protection, education and awareness, and improved access to essential services, particularly for vulnerable and underserved groups across Sri Lanka.

Refer pages 307-318 for details

SOCIAL RESPONSIBILITY

STRATEGIC CONTEXT

GUIDED BY INCLUSION, EMPOWERMENT, PROTECTION, AND SHARED VALUE

Stakeholder Expectations

- Fair, transparent, and responsible insurance practices that protect policyholder interests.
- Inclusive access to protection and financial security across diverse customer segments.
- Ethical employment practices, employee wellbeing, and opportunities for professional development.
- Responsible supplier partnerships and transparent procurement practices.
- Meaningful community engagement that contributes to social wellbeing and resilience.

Operating Landscape

Core Challenges

- Increasing demand for accessible financial protection and long-term savings solutions.
- Rapid digital transformation shaping how customers interact with insurers.
- Growing expectations around employee wellbeing, diversity, and inclusive workplaces.
- Expanding advisory networks requiring continuous training, governance, and ethical oversight.
- Greater emphasis on responsible supply chains and corporate contributions to social development

Capitals: FC SC HC IC

Key Stakeholders:

S

- Strong brand trust and long-standing leadership in Sri Lanka's life insurance industry.
- Nationwide distribution network enabling wide access to protection solutions.
- Established sales force supported by structured training and performance frameworks.
- Commitment to employee development, wellbeing, and inclusive workplace practices.
- Long-term relationships with suppliers and partners supporting operational continuity.
- Active community engagement initiatives strengthening social impact and trust.

W

- Uneven levels of financial literacy and awareness among segments of the population.
- Increasing need for continuous upskilling across employees and advisors.
- Dependence on traditional distribution channels in certain regions.
- Limited visibility of social impact outcomes across some stakeholder initiatives.
- Supplier readiness gaps in governance, sustainability, and digital integration.

O

- Expanding digital engagement platforms to improve accessibility and customer experience.
- Growing demand for financial protection and retirement planning solutions.
- Strengthening inclusive employment practices and leadership development pathways.
- Enhancing advisory professionalism through digital tools and capability programmes.
- Building stronger partnerships with communities and institutions to expand social impact.

T

- Economic volatility affecting customer affordability and long-term savings behaviour.
- Regulatory and compliance expectations increasing operational complexity.
- Intensifying competition across insurance distribution channels.
- Talent retention challenges within highly competitive financial services sectors.
- Evolving customer expectations for transparency, accessibility, and service responsiveness.

Material Topics

M2 M6 M7 M8 M9 M11

Risks and Opportunities

OR SR RR REP DR



SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

SUSTAINING LEADERSHIP THROUGH TRUST, ACCESSIBILITY AND ENDURING ENGAGEMENT

Ceylinco Life's policyholder strategy is anchored in long-term trust, accessibility, and responsible engagement. In a competitive and evolving insurance landscape, the Company continued to strengthen brand leadership, enhance customer experience governance, and expand inclusive access to protection solutions.

Policyholder initiatives during the year were deliberately aligned with sustaining market leadership, deepening customer relationships, and reinforcing the Company's position as Sri Lanka's most trusted life insurer.

Alignment to the Social Responsibility North Star

PROTECTING WELL-BEING

Providing financial security, strengthening protection awareness, promoting responsible needsbased selling, and reinforcing transparency in customer communication.

EMPOWERING LIVES

Delivering tangible value beyond policy maturity through loyalty programmes, education initiatives, and curated life-stage solutions.

ENABLING ACCESS AND INCLUSION

Expanding geographic and digital reach while ensuring multilingual, accessible engagement across diverse customer segments.

Rs. 31.07 Bn
Customer Benefit Payments
(Rs. 25.05 Bn in 2024)

19.45%
Market Share
(20.26% in 2024))

762,657
Policies in Force
(793,132 in 2024)

SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRENGTHENING POLICYHOLDER RELATIONSHIPS IN FOCUS

Key focus areas shaping Ceylinco Life's commitment to long-term policyholder value and protection.



Responding to People's Evolving Needs

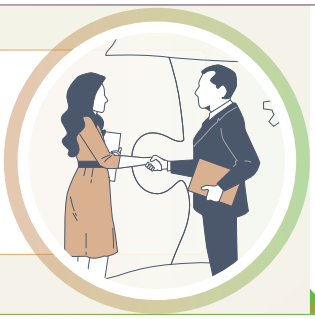
Ensuring protection solutions remain aligned with changing demographic patterns, health trends, and affordability realities through disciplined underwriting and responsible product governance, balancing customer relevance with long-term portfolio sustainability.

Refer pages 230-233 for details

Deepening Policyholder Relationships and Trust

Strengthening customer confidence through structured governance, transparent communication, and relationship-led engagement that reinforces loyalty, accountability, and long-term trust.

Refer pages 234-237 for details





Digital Accessibility, Enablement & Data Protection

Supporting seamless customer interactions through simplified processes and secure digital channels, underpinned by robust data protection, cybersecurity safeguards, and a steadfast commitment to confidentiality.

Refer pages 238-242 for details

LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

HOW POLICYHOLDER INTERESTS ARE GUIDED AND DELIVERED

Policyholder protection is guided by structured governance, disciplined underwriting, and clear regulatory alignment to ensure fairness, accountability, and sustainability.

Identification of Needs

The Company continuously evaluates demographic, health, and economic trends to ensure protection solutions remain relevant and responsive to changing life-stage realities.

Review and Oversight

Products, underwriting standards, and customer-facing materials are subject to structured internal review processes to ensure suitability, transparency, and alignment with regulatory expectations.

Implementation and Monitoring

Customer engagement, retention, and grievance handling processes are monitored through defined service standards and feedback mechanisms to maintain service quality and responsiveness.

Policyholder outcomes are tracked using service indicators, retention metrics, and customer satisfaction measures, reinforcing transparency and continuous improvement.

Key indicators include:

1. NPS
2. Customer Retention rate
3. Customer Satisfaction Score
4. Customer Effort Score
5. Honesty Index

Compliance and Ethical Conduct

The Company upholds responsible marketing practices, ensuring all customer communications and product disclosures are clear, balanced, and compliant with regulatory standards.

During the year, Ceylinco Life adhered to all regulations and guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). No regulatory sanctions or material non-compliance incidents were recorded in relation to customer protection or marketing practices.

Governing Policy:

Human Resource Policies, Data Protection Policies, Whistleblower Policy and ESG policy

Responsibility:

Board ESG Committe

Refer page 402-404 for details



"Safeguarding policyholders requires more than product delivery it demands responsibility, transparency, and long-term commitment. Our focus is on ensuring that every interaction, every policy, and every promise reflects fairness, discipline, and care. By aligning protection solutions with evolving needs and upholding the highest governance standards, we reinforce trust that endures beyond the policy term."

R. Renganathan -
Executive Chairman

SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRATEGIC ACTIONS

ENHANCING POLICYHOLDER OUTCOMES THROUGH TARGETED INITIATIVES

Strategic Focus Area 01 | **Responding to People's Evolving Needs**

CORE ACTIVITIES:

- Assessing demographic, health, and economic trends to keep protection solutions relevant and accessible.
- Strengthening life-stage aligned offerings, including retirement, long-term care, and critical illness coverage.
- Refining underwriting practices based on emerging experience trends to ensure fairness and sustainability.
- Upholding needs-based selling and disciplined risk oversight to safeguard long-term policyholder value.

Impacted SDGs:



ACTIVITIES IN 2025

In an evolving social and economic landscape, Ceylinco Life's approach to policyholder protection is anchored in accessibility, protection adequacy, and disciplined risk governance. During the year, the Company strengthened its alignment between emerging demographic patterns, affordability realities, and underwriting oversight ensuring that protection solutions remain relevant while preserving long-term portfolio resilience.

UNDERSTANDING A CHANGING SRI LANKA

Sri Lanka's demographic profile continues to shift, with ageing population trends, evolving health risks, and changing life-stage priorities influencing protection needs. At the same time, affordability pressures and economic uncertainty have reshaped customer expectations around savings, retirement readiness, and medical coverage.

In response, the Company reinforced its focus on:

- Retirement and pension readiness
- Long-term care positioning
- Critical illness and major medical coverage
- Accessible premium structures for emerging segments

This ensured that product solutions did not merely align with market demand but also were designed to protect long-term societal needs.

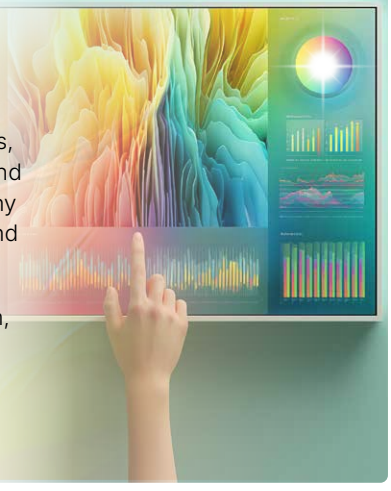
Emerging Customer Trends

- Ageing population trajectory
- Growth in retirement focused solutions
- Shift toward protection and medical coverage
- Affordability-focused premium structures

DATA-DRIVEN INSIGHTS INTO POLICYHOLDER NEEDS

Ceylinco Life applies structured data analytics to deepen its understanding of policyholder behaviour and protection priorities. By analysing experience trends, lapse patterns, affordability indicators, and customer engagement data, the Company identifies shifts in coverage adequacy and life-stage requirements.

These insights inform product calibration, premium structuring, underwriting refinements, and outreach strategies strengthening responsiveness without compromising portfolio stability.



A COMPREHENSIVE RANGE OF PROTECTION SOLUTIONS

Ceylinco Life offers a diversified portfolio of life insurance solutions designed to address protection, savings, retirement, and long-term financial security needs across different life stages. This breadth enables the Company to serve diverse customer segments catering to young families to business entities and retirees alike, while maintaining disciplined underwriting and sustainable portfolio management.

Expanding Inclusive Access to Protection

Recognising disparities in access to financial protection, Ceylinco Life continued to strengthen inclusive solutions designed to bridge affordability gaps and extend coverage to underserved and emerging segments. This includes calibrated microinsurance offerings and structured outreach that align protection benefits with income realities and life-stage needs.

By integrating inclusive protection within its broader product governance framework, the Company ensures that accessibility does not compromise underwriting discipline or long-term portfolio sustainability. This balanced approach supports wider financial resilience while preserving technical integrity.

Product Portfolio Overview

- Individual Life
- Group Life
- Pension & Retirement
- Critical Illness & Medical
- Investment-Linked Solutions
- Microinsurance & Inclusive Protection
- Riders & Supplementary Benefits

STRENGTHENING PROTECTION ADEQUACY

Beyond accessibility, continued emphasis was placed on ensuring protection adequacy. Enhancements to benefit structures and coverage positioning were undertaken to address potential underinsurance risks, evolving healthcare cost realities, and the changing lifestyles and protection needs of customers across different life stages.

Through disciplined product governance and periodic review of benefit relevance, the Company seeks to ensure that policies remain aligned with customers' evolving financial responsibilities and risk exposures. Timely policy reviews and benefit recalibration support meaningful financial protection when it matters most reinforcing value, sustainability, and long-term policyholder security.

Protection Focus Areas in 2025

- Retirement positioning
- Critical illness coverage
- Medical and high-value protection
- Long-term sustainability lens

SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Responding to People's Evolving Needs**

UNDERWRITING LEADERSHIP THROUGH RESPONSIBLE DISCIPLINE

A defining feature of Ceylinco Life's approach remains its disciplined and structurally robust underwriting framework.

During the year, underwriting standards were reviewed in light of emerging and current experience trends, ensuring that risk assumptions remained aligned with evolving demographic and health realities. This ongoing assessment supports fairness in pricing, customer affordability, and portfolio stability.

Structured needs-based selling practices were reinforced to ensure product suitability and informed customer understanding, strengthening protection adequacy and reducing future dispute risk.

Together, these measures reflect a data-informed, governance-led underwriting philosophy one that prioritises long-term policyholder value and technical resilience. This disciplined architecture has enabled Ceylinco Life to maintain consistency and credibility through evolving regulatory and market cycles.

Responsible Underwriting Framework

- Trend Analysis & Experience Review
- Risk-Based Pricing Discipline
- Needs-Based Selling Validation
- Portfolio Sustainability Oversight

STRENGTHENING UNDERWRITING AND CUSTOMER GOVERNANCE

Ceylinco Life continues to reinforce its underwriting and customer protection architecture through forward-looking discipline and structured governance enhancements, ensuring fairness, transparency, and long-term portfolio resilience.

Anticipatory Practices

Over the years, the Company has embedded several structured verification and governance mechanisms ahead of heightened regulatory and industry focus. These measures reflect a culture of foresight in customer protection, documentation integrity, and underwriting oversight strengthening resilience in a changing operating environment.

2012 — Early Adoption of Structured Tele-Underwriting Protocols

Structured tele-underwriting and customer verification protocols were formalised within the underwriting framework prior to broader industry standardisation, strengthening disclosure validation and documentation control.

Value Added:
Strengthened informed consent, improved underwriting traceability, and enhanced governance integrity positioning the Company to adapt smoothly to evolving consumer protection standards.

2023 and 2024 — Digital onboarding: eKYC & remote signatures

Electronic Know-Your-Customer (eKYC) procedures and remote signature capabilities were embedded to strengthen identity verification, streamline onboarding workflows, and reduce reliance on physical documentation.

Value Added:
Enhanced compliance robustness and customer convenience while enabling responsible engagement with overseas and expatriate segments. These capabilities supported accessible expansion without compromising underwriting discipline.

2025 — Strengthened Disclosure Validation Controls

Structured validation mechanisms were reinforced to ensure clarity of benefit communication, exclusion disclosure, and documentation accuracy during the onboarding process.

Value Added:
Reduced ambiguity in customer understanding, strengthened transparency, and enhanced defensibility in long-duration policy contracts.

Governance Enhancements

Alongside anticipatory measures, the Company continued to strengthen its underwriting and customer governance architecture.

Reinforced Needs-Based Selling Validation

Structured suitability assessments were further strengthened to align product features with customer life-stage requirements and protection needs.

2025

Value Added:
Reduced mis-selling risk, enhanced transparency, and supported informed customer decision-making.

Structured Complaint Monitoring & Escalation Framework

A formal ticket-based grievance management system with defined escalation pathways was operationalised to standardise complaint handling and monitoring.

2018

Value Added:
Ensured timely resolution, strengthened accountability, and reinforced policyholder protection standards.

Policy Conservation Governance Framework

Dedicated retention oversight mechanisms were institutionalised, including structured lapse monitoring and conservation processes.

2024 and 2025

Value Added:
Shifted focus toward lifecycle value preservation, supporting portfolio stability and sustained policyholder continuity.

Digitisation of Disclosure & Underwriting Documentation

Product disclosures and underwriting documentation were digitised to standardise record management and strengthen document control.

2022

Value Added:
Improved operational consistency, enhanced audit readiness, and safeguarded long-term contract integrity within a multi-decade life insurance framework.

Periodic Experience-Based Assumption Reviews

Underwriting assumptions continue to be reassessed against emerging morbidity and mortality trends.

2023-Present

Value Added:
Supports fair pricing, responsiveness to evolving health realities, and long-term portfolio sustainability.

Formalised Customer Charter & Service Commitments

The Company formalised a Customer Charter outlining defined service standards, disclosure commitments, grievance pathways, and turnaround benchmarks across the policy lifecycle.

2025

Value Added:
Enhanced transparency and accountability, reinforced customer confidence, and strengthened alignment with regulatory expectations relating to consumer protection and fair treatment.

SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Deepening Policyholder Relationships and Trust**

CORE ACTIVITIES:

- Strengthening long-term loyalty through structured engagement and recognition programmes.
- Promoting financial literacy and category awareness through national and youth-focused outreach initiatives.
- Upholding responsible marketing and transparent communication aligned with regulatory expectations.
- Enhancing service responsiveness through defined SLA benchmarks and structured grievance monitoring.
- Reinforcing accountability through customer feedback analysis and continuous service improvement.
- Ceylico Life ensures all insurance products comply with regulatory guidelines and are regularly reviewed.
- Product information is communicated clearly in Sinhala, Tamil, and English for wide customer accessibility.

Impacted SDGs:



ACTIVITIES IN 2025

Ceylinco Life recognises that long-term insurance relationships are built on confidence, clarity, and consistent service delivery. Beyond product relevance, the Company continues to strengthen loyalty, transparency, and responsiveness across the policy lifecycle reinforcing trust as a strategic differentiator in a multi-decade contractual relationship.

RECOGNISING LOYALTY AND LONG-TERM COMMITMENT

Ceylinco Life continued to deepen relationships through structured loyalty initiatives that recognise sustained policyholder commitment and reinforce long-term engagement.

Family Savari

The Family Savari programme remains a flagship loyalty initiative designed to recognise and reward long-standing policyholders through curated experiences that acknowledge sustained commitment.

By connecting loyalty with tangible recognition, the programme strengthens engagement and supports long-term policyholder continuity.



Ceylinco Life Family Savari 18 tour to Malaysia

Family Savari – A Distinctive Loyalty Experience

Spanning over 19 years, Family Savari reflects one of the most sustained loyalty recognition platforms within Sri Lanka's life insurance landscape. Through curated overseas recognition journeys and milestone celebrations, the programme extends beyond conventional industry practice embodying the Company's North Star promise of guiding families through every stage of life. By transforming long-term protection into shared experiences, Family Savari reinforces trust that endures across years and often generations.

Tours to over
15+ destinations

Rs. 90 Mn
Worth of gold and other rewards disbursed

11,500+
Families

38,000+
Beneficiaries

PRANAMA SCHOLARSHIPS

The Pranama Scholarship Programme is designed to support the educational advancement of children of policyholders, reinforcing long-term relationship value through meaningful, future-focused assistance. The programme recognises academic achievement and provides structured financial support to help families manage educational expenses.

By linking protection with educational opportunity, Pranama extends the Company's commitment beyond policy benefits strengthening intergenerational trust and continuity.

Types of Scholarships Offered

The programme typically supports students across multiple educational milestones, including:

- **Primary and Secondary Education Scholarships**

Financial assistance awarded to students demonstrating academic merit at school level.

- **Advanced Level and Higher Education Achievement Scholarships**

Recognition and financial support for high-performing students at the G.C.E. Advanced Level and University.

- **Special Recognition Awards**

Merit-based awards for outstanding achievements in extra curricular activities such as sports, aesthetic and inventions.

Rs. 240 Mn
Total value disbursed

3,466
Total scholarships awarded

Ceylinco Life Cancer Fund

2013

Through the Ceylinco Life Cancer Fund, policyholders receive financial support for radiation therapy at the Ceylinco Cancer Treatment Centre, thereby easing the burden during critical health situations. This initiative is yet another testament to the Company's commitment to safeguarding customer well-being by providing meaningful assistance in times of need.

Total number of policyholders who benefited from the Cancer Fund in 2025

21

Total value of funds disbursed in 2025.

Rs. 4.42 Mn





The 24th Ceylinco Life Pranama Scholarships event at the B.M.I.C.H.



SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Deepening Policyholder Relationships and Trust**

BUILDING FINANCIAL AWARENESS AND REGIONAL ENGAGEMENT

Ceylinco Life broadened its awareness footprint through targeted media partnerships and regional engagement initiatives designed to reach diverse and evolving audience segments, including youth and emerging customer groups.

HEALTH AWARENESS:

Public health awareness initiatives including digital well-being campaigns complemented the Company's policyholder engagement strategy by reinforcing preventive health literacy and responsible protection behaviour.

See Community Section, Pages 307-318

RETIREMENT PLANNING:

To strengthen retirement literacy, the Retirement Planning Townstorming programme was amplified through a strategic radio partnership, extending campaign reach and enhancing interactive engagement across key districts.

YOUTH ENGAGEMENT:

Dedicated youth engagement and awareness initiatives further supported financial literacy among emerging segments, promoting early awareness of long-term protection, savings discipline, and responsible financial decision-making.

REGIONAL ENGAGEMENTS:

Seasonal outreach during the Jaffna Nallur festival further deepened regional engagement within Northern and Eastern communities, including diaspora audiences, through structured interaction platforms and community-focused activations.

Collectively, these initiatives reflect a multi-channel awareness strategy integrating regional presence, youth engagement, media collaboration, and structured outreach to strengthen financial understanding and long-term protection readiness.

Data-Driven Insights

To enhance targeting precision, campaign planning and segment prioritisation were supported through Tableau-driven analytics. Periodic assessments were reviewed during weekly sales meetings and monthly strategic planning forums, enabling outreach strategies to align with identified protection gaps and evolving customer behaviour trends.

Protection Awareness & Regional Outreach

10 Days
Retirement Planning Mega Townstorming Programme
20 Locations

50
Additional Townstorming Programmes

10,000
People engaged

Jaffna Nallur Festival Townstorming

3 Days
On-Ground Engagement Activation at Nallur Zone

1 month
Life Insurance Week Campaign

Youth & Emerging Segment Engagement

6 events
Youth-focused sponsorship activations

2.6 Mn
of youth reach and awareness
reach via events and digital promotions



Life Insurance Week 2025



Fathers' Day Campaign on Social Media



Promotion at the Nallur Festival, Jaffna.

RESPONSIBLE MARKETING AND TRANSPARENT COMMUNICATION

Ceylinco Life continues to uphold responsible marketing practices, ensuring that promotional materials, product disclosures, and policy communications remain clear, balanced, and aligned with regulatory expectations. Structured disclosure validation processes support clarity of benefits and exclusions, reinforcing informed customer decision-making and reducing ambiguity in long-duration contracts.

No regulatory sanctions or material noncompliance incidents were recorded in relation to customer protection or marketing practices during the year.

STRENGTHENING SERVICE RESPONSIVENESS AND ACCOUNTABILITY

Service responsiveness remains fundamental to sustaining long-term policyholder trust. As interactions increasingly span physical and digital touchpoints, Ceylinco Life continues to reinforce structured service governance to ensure consistency, timeliness, and transparency across the policy lifecycle. During the year, monitoring mechanisms and accountability frameworks were further strengthened to enhance visibility over resolution performance, trend patterns, and service outcomes. This disciplined oversight supports continuous improvement while reinforcing customer confidence in the Company's responsiveness and care standards.

Multi-Channel Accessibility

- Nationwide branch network
- Dedicated call centre support
- Digital servicing platforms across the policy lifecycle

Multi-Channel Accessibility

- Formal Service Level Agreement (SLA) benchmarks
- Defined response timelines for inquiries and servicing requests
- Structured complaint handling protocols

Monitoring & Performance Visibility

- Internal resolution performance tracking
- Trend analysis of complaint categories
- Escalation oversight mechanisms

Continuous Improvement Discipline

- Periodic review of customer feedback insights
- Cross-functional accountability across distribution and support teams
- Service refinement based on emerging patterns

Key Customer Metrics

78%
Customer satisfaction score

85.49%
Customer retention rate



SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Digital Accessibility, Enablement & Data Protection**

CORE ACTIVITIES:

- Enhancing digital service platforms to improve policyholder accessibility and interaction convenience
- Streamlining internal and sales processes to reduce turnaround times and improve service responsiveness
- Strengthening eKYC and remote verification protocols to support secure and efficient onboarding
- Digitising documentation workflows to enhance consistency, traceability, and audit readiness
- Reinforcing cybersecurity controls, access governance, and monitoring frameworks to protect customer data
- Conducting periodic system reviews and upgrades to maintain platform stability and resilience
- Integrating digital solutions that support operational efficiency and responsible resource usage

Impacted SDGs:





ACTIVITIES IN 2025

As customer expectations evolve toward greater speed, accessibility, and transparency, Ceylinco Life continues to strengthen digitally enabled customer interactions across the policy lifecycle. Digital enablement is applied as a disciplined extension of the Company's service model enhancing accessibility, improving responsiveness, and reinforcing structured governance controls. Digital advancement is therefore anchored in accountability, resilience, and long-term policyholder trust.

2012 – Sri Lanka's First Online Life Insurance Plan

The introduction of Sri Lanka's first Online Life Insurance Plan marked a structural shift in accessible protection delivery. It expanded life insurance beyond conventional branch-led distribution and established a digitally enabled pathway for customer engagement.

This pioneering initiative enabled:

- Structured online proposal initiation
- Digitally supported underwriting and documentation
- Early adoption of e-policy issuance
- Reduced dependency on physical paperwork
- Expanded access for geographically dispersed customers

This milestone laid the foundation for today's digitally integrated customer journey reinforcing Ceylinco Life's position as an early mover in responsible digital access within Sri Lanka's life insurance sector.



CUSTOMER CONVENIENCE & SEAMLESS LIFECYCLE COVERAGE

Ceylinco Life continues to embed digital capability across key stages of the policy journey, ensuring that customers can initiate, manage, and service policies through accessible, structured channels. This end-to-end coverage reduces friction, enhances transparency, and strengthens continuity of cover.

Digital Initiation & Structured Onboarding

- Instant quotation and illustration access
- Online proposal submission with structured digital capture
- Digitised Insurance Product Information Documents (IPIDs)
- Reduced manual documentation and improved turnaround

Premium Administration & Payment Continuity

- Multi-channel digital payment options
- Strengthened digital payment reliability
- Faster confirmations and reduced interruption risk

Ongoing Policy Servicing & Selfdirected Access

- Customer Mobile App and Web Portal functionality
- Digital service request tracking
- SMS and email servicing notifications

Long-Term Record Preservation & Retrieval Integrity

- Secure digital storage of policy documentation
- Structured retrieval across multi-decade contracts
- Improved documentation continuity supporting claims defensibility

CUSTOMER TOUCHPOINTS & ENGAGEMENT REACH

Digital accessibility is supported through a blended ecosystem of physical and digital engagement channels. These channels are utilised to strengthen accessibility across regions and customer segments, supporting consistent engagement throughout the policy lifecycle.



SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

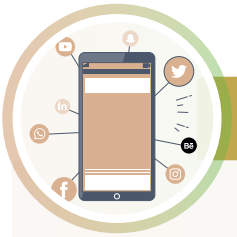
STRATEGIC ACTIONS

Strategic Focus Area 03 | **Digital Accessibility, Enablement & Data Protection**



Complaints and Service Requests

- **371** Total complaints addressed
- **34,877** Total service requests processed
- **12,720** Total inquiries handled by all
- **102,897** Total queries handled by contact centre



Maintaining an Online Presence

- **24,403** WhatsApp customer interactions
- **165,000** visitor to website
- **2025 - 66,156** active mobile app users
- **2025 - 12,726** app downloads
- **5,455** Digital service requests processed

DIGITAL TRANSFORMATION IN 2025

During 2025, Ceylinco Life continued to strengthen digitally enabled customer interactions across the policy lifecycle. Enhancements focused on improving accessibility, streamlining servicing processes, and reinforcing data protection and system resilience ensuring that digital convenience is supported by structured governance and long-term trust.

Primary Initiative	2025 Activities	Value Added to Policyholders
Enhancement of e-Submission & Digital Proposal Capture	Streamlined digital onboarding workflows and reduced manual documentation dependency	Faster proposal processing, improved documentation accuracy, and clearer onboarding experience
Digitised Insurance Product Information Documents (IPIDs)	Structured digital disclosure access at point of sale	Strengthened transparency and informed customer consent
Strengthening of Digital Payment Channels	Improved reliability and monitoring of multi-channel digital premium payments	Reduced payment friction and enhanced continuity of cover
Expansion of Mobile App & Web Portal Servicing Features	Improved self-service functionality and visibility of policy servicing requests	Greater customer control and convenience across the policy lifecycle
Digital Service Request Tracking & Notifications	Structured tracking of customer requests with SMS/email alerts	Improved service predictability and responsiveness
WhatsApp-Based Customer Interaction	Broadened digital access channel for queries and servicing support	Easier real-time engagement and expanded accessibility
Call Centre Monitoring & SLA Visibility Enhancements	Strengthened oversight of response timelines and resolution performance	Improved accountability and service reliability
Secure Digital Document Storage Enhancements	Improved structured storage and retrieval of long-term policy records	Preserved documentation integrity across multi-decade contracts
Strengthened Data Privacy Governance Controls	Reinforced access management and structured oversight of customer data use	Enhanced confidentiality and responsible handling of personal information
Cybersecurity Monitoring & Resilience Measures	Continued monitoring, incident readiness, and platform stability oversight	Reduced service disruption risk and reinforced digital trust

Digital enablement initiatives also support broader resource efficiency objectives by reducing reliance on physical documentation and manual processes. Further details on environmental impact are provided in the Environment section of this Report.

CUSTOMER PRIVACY & RESPONSIBLE DATA STEWARDSHIP

Safeguarding customer information remains integral to maintaining long-term trust. Personal data is managed within structured governance frameworks designed to protect confidentiality, ensure responsible use, and maintain integrity across digital and physical channels.

During 2025, data governance oversight was further strengthened through enhanced monitoring, access reviews, and reinforcement of defined data handling protocols.

There were no substantiated complaints concerning breaches of customer privacy or loss of customer data during the year.

Customer data protection is supported through:

- Controlled system access protocols
- Defined data handling and retention practices
- Secure storage of policy documentation
- Periodic access validation and review mechanisms
- Structured governance oversight

CYBERSECURITY & DIGITAL SERVICE RESILIENCE

Cybersecurity governance remains integrated within the Company's enterprise risk management framework, reflecting its critical role in safeguarding customer trust.

See Corporate Governance, Pages 319-376

Digital convenience is reinforced by strengthened cybersecurity controls and resilience measures across customer-facing platforms. During the year, the Company further enhanced its cybersecurity posture through a range of initiatives implemented to proactively mitigate digital risk exposure and safeguard uninterrupted customer access to services. These measures reduce operational disruption risk and reinforce customer confidence in digital engagement channels.

0

Material cyber incidents affecting customers

Ceylinco Life continues to maintain a mature security and governance framework, evidenced by the absence of significant customer-impacting cyber incidents, consistently high uptime across critical platforms, the regular execution of disaster-recovery exercises, and comprehensive security assessments. Collectively, these measures reinforce the organisation's strong operational resilience.

LOOKING AHEAD

Policyholder expectations continue to evolve alongside demographic shifts, affordability pressures, digital adoption, and rising expectations for transparency and service responsiveness. In this context, Ceylinco Life's focus remains on strengthening longterm protection relevance, service continuity, and digitally enabled engagement while ensuring disciplined underwriting, responsible governance, and sustained policyholder value.

The Company's approach will continue to balance accessibility with protection adequacy, innovation with risk oversight, and convenience with accountability.

The Landscape Going Forward

- Increasing demand for affordable, life-stage-aligned protection solutions
- Growing emphasis on retirement readiness and long-term financial security
- Rising customer expectations for digital convenience and real-time servicing
- Heightened sensitivity to transparency, disclosure clarity, and fair treatment
- Greater focus on data protection, privacy governance, and cybersecurity resilience
- Continued importance of disciplined underwriting to safeguard portfolio sustainability

SOCIAL RESPONSIBILITY

STRENGTHENING POLICYHOLDER RELATIONSHIPS

STRENGTHENING POLICYHOLDER RELATIONSHIPS – THE JOURNEY CONTINUES...

The following outlines the Company's customer-focused journey ahead and the priorities shaping progress over time.

Immediate Priorities

- Expanding access channels and targeted campaigns to address emerging retirement, health protection, and long-term financial security needs.
- Strengthening insurance advisor capabilities through specialised training to better support customers' evolving life-stage requirements.
- Enhancing digital accessibility and service responsiveness while strengthening data protection and secure onboarding processes.

Building Momentum

- Expanding life-stage-aligned protection solutions while refining underwriting practices based on emerging demographic and health trends.
- Broadening policyholder engagement through national outreach initiatives that promote financial awareness and strengthen community connections.
- Upgrading digital architecture and strengthening access governance frameworks to enhance operational resilience and service consistency.

Future Ambitions

- Establishing the Company as a leading provider of life-stage and retirement-focused protection solutions aligned with evolving customer needs.
- Strengthening long-term policyholder relationships through lifelong engagement platforms, transparent service standards, and trusted partnerships.
- Advancing towards a fully integrated digital ecosystem delivering seamless, secure, and intuitive policyholder experiences.

Refer ESG Integration and Purpose-Driven Strategy (page 142) for more information on priorities and targets in the short, medium, and long-term.

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE



INVESTING IN TALENT TO ENABLE LONG-TERM VALUE CREATION

Ceylinco Life's performance and long-term value creation are driven by the strength and stability of its people. In a competitive and evolving environment, the Company continues to prioritise talent retention, leadership continuity, capability development and inclusive workplace practices. Human capital strategies are anchored in performance excellence, employee engagement and strong governance, ensuring sustainable growth supported by a skilled and accountable workforce. During the year, succession pipelines were strengthened, digital learning platforms expanded, and well-being and diversity initiatives reinforced further embedding a culture of merit, integrity and trust across the organisation.

Alignment to the Social Responsibility North Star

PROTECTING WELL-BEING	EMPOWERING LIVES	ENABLING ACCESS AND INCLUSION
Supporting physical, mental, and workplace wellbeing, including safety and stability during periods of disruption.	Building capability through learning, development, and career progression.	Ensuring fair access to opportunities, resources, and support across the workforce.

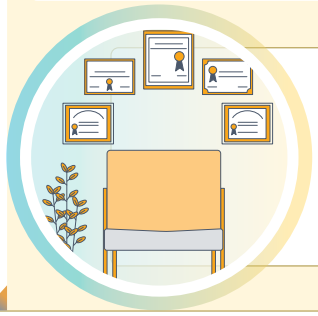
708	13.36%	Rs. 30.9 Mn
Total Employees (729 in 2024)	Attrition Rate (14.2% in 2024)	Invested in training (Rs. 20.78 Mn in 2024)

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE – IN FOCUS

Key focus areas shaping Ceylinco Life's workforce and knowledge resources.



Maintaining a Diverse, Equitable and Inclusive Workplace

The Company continues to strengthen inclusive workplace practices through policy-led governance, equitable progression and merit-based opportunity. Diversity and inclusion initiatives are embedded within recruitment, promotion and leadership development processes, ensuring broad-based representation and fair access to career advancement.

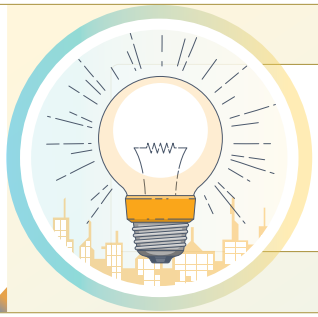
Refer pages 246-255 for details

Strengthening Talent Stability and Leadership Continuity

The Company focuses on maintaining strong workforce stability, prioritising sustained retention levels and continued leadership progression across key roles. Clear career pathways and internal mobility supported continuity of service and institutional knowledge across the nationwide network.

Refer pages 256-261 for details





Advancing Capability Through Continuous Learning

Employee capability was further enhanced through expanded learning opportunities and leadership development initiatives. Focused investment in skill development strengthened technical expertise, management readiness and cross-functional resilience.

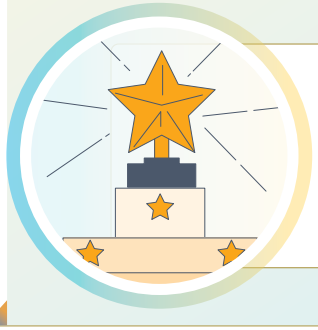
Refer pages 262-265 for details

Enhancing Employee Well-being and Engagement

Employee well-being remained a strategic priority, supported by physical and mental health initiatives and structured engagement platforms. Workforce advocacy levels remained positive, reflecting strong alignment, trust and organisational commitment.

Refer pages 266-271 for details





Rewards, Remuneration and Performance Governance

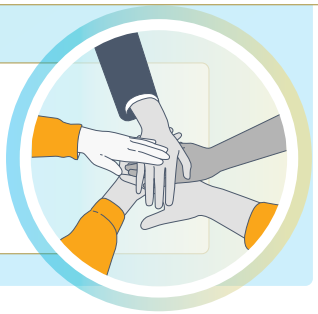
The Company maintains a performance-driven remuneration framework aligned with strategic priorities and long-term value creation. Through structured evaluations, market-aligned compensation and performance-linked incentives, the framework reinforces meritocracy, accountability and financial discipline across the organisation.

Refer pages 272-275 for details

Strengthening Governance and Workplace Accountability

A strong culture of accountability and fairness was sustained through established policies, governance oversight and employee awareness initiatives. The Company continues to uphold high standards of professional conduct across all levels.

Refer pages 276-277 for details



LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

HOW PEOPLE EXCELLENCE IS GUIDED AND STRENGTHENED

Human capital governance is guided through defined remuneration principles, documented HR policies and labour-compliance safeguards that promote fairness, consistency and ethical employment practices across the organisation.

Remuneration Governance and Equity

Remuneration practices are guided by clear principles that align compensation with skills, experience, role expectations and performance. Pay structures are benchmarked against relevant market standards and positioned competitively to ensure internal equity, fairness and talent retention.

Policy Framework and Workplace Accountability

Recruitment, performance management, employee conduct and grievance handling are governed by documented HR policies and established review processes. Confidential reporting channels and defined escalation procedures reinforce transparency and consistent application of workplace standards.

Labour Safeguards and Responsible Employment

Employment practices incorporate appropriate due diligence to ensure compliance with applicable labour laws and ethical standards. The Company maintains zero tolerance for forced labour, child labour and discrimination, and upholds freedom of association and employees' rights within the workplace.

Workforce governance and compliance matters are monitored through defined review processes and management oversight to ensure employment decisions remain fair, compliant and aligned with organisational values.

Compliance and Ethical Conduct

Human capital governance is supported by structured remuneration principles, role-based grading frameworks and defined performance evaluation processes that promote internal equity and transparency. Periodic compensation reviews and appraisal moderation ensure alignment between performance outcomes and reward decisions. Workforce conduct, grievance trends and retention indicators are monitored to safeguard fairness and organisational stability, while established employment standards uphold ethical practices and employee rights across all operations.

Governing Policy:

Human Resources Policy Framework & Code of Conduct

Oversight :

Board Remuneration Committee

Board ESG Committee

Refer pages 388-389 for details



"At Ceylinco Life, our people are central to sustained performance and long-term value creation. We are committed to fostering a culture anchored in accountability, meritocracy and mutual respect where talent is developed, leadership is strengthened and ethical conduct guides decision-making. By investing in capability, stability and inclusive workplace practices, we ensure that our workforce remains a source of competitive strength and resilience."

Thushara Ranasinghe

Managing Director / Chief Executive Officer

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

EMBEDDING RESPONSIBLE PROCUREMENT AND QUALITY ASSURANCE

Strategic Focus Area 01 — **Maintaining a Diverse, Equitable and Inclusive Workplace**



CORE ACTIVITIES:

- Embedding diversity and equity principles within recruitment, promotion and leadership development processes.
- Formalising governance oversight through the Policy on Diversity, Inclusivity and Equity.
- Promoting equitable internal progression through merit-based promotion frameworks.
- Strengthening female representation within leadership and managerial pathways.
- Maintaining confidential reporting and grievance mechanisms to safeguard psychological safety and respectful workplace conduct.
- Monitoring diversity metrics and promotion ratios to support transparent and accountable workforce practices.

Impacted SDGs:



ACTIVITIES IN 2025

Ceylinco Life maintains a broad and structured workforce across leadership and operational categories, reflecting a stable national employment base. The geographic distribution of employees reflects the Company's strong island-wide footprint, supporting inclusive access to employment opportunities across provinces and operational levels.

EMPLOYEE

Ceylinco Life Insurance has only full time employees under contract & permanent categories.

Category			Total
Director	-	6	6
General Manager	1	5	6
Deputy General Manager	1	7	8
Assistant General Manager	2	18	20
Senior Manager	2	20	22
Manager	6	23	29
Assistant Manager	16	28	44
Branch Head	3	45	48
Career Sales	3	41	44
Executive	121	345	466
Staff	-	15	15
Total	**155**	**553**	**708**

Employment Type			Total
Contract	3	10	13
Permanent	151	530	681
Special Contract	1	13	14
Total	**155**	**553**	**708**



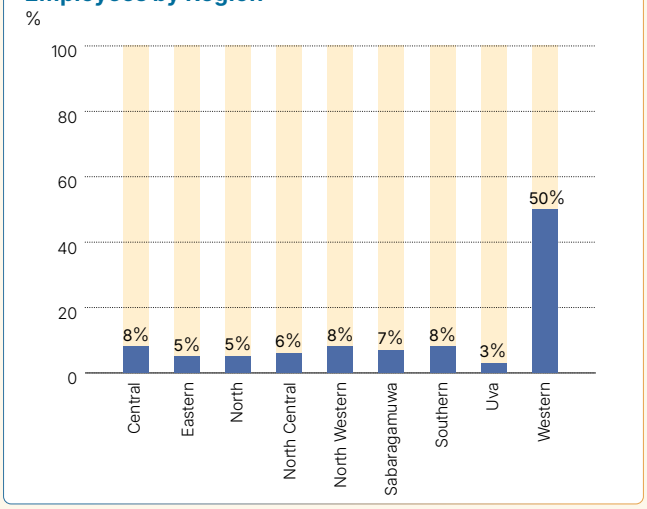
SOCIAL RESPONSIBILITY

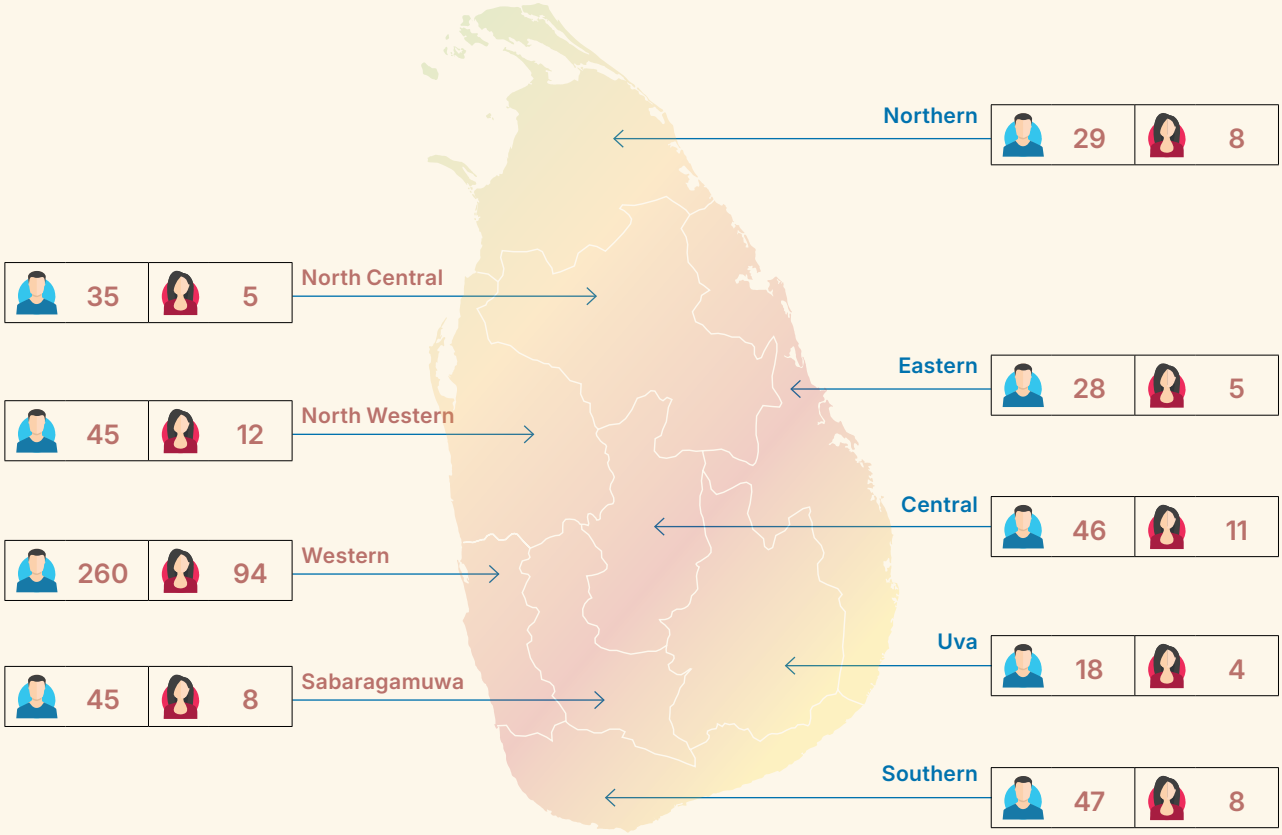
ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 01 — Maintaining a Diverse, Equitable and Inclusive Workplace

Province	Total
Central	57
Eastern	33
North	37
North Central	40
North Western	57
Sabaragamuwa	53
Southern	55
Uva	22
Western	354
Total	708





WORKFORCE GENDER DISTRIBUTION

Gender representation remains present across executive, managerial and senior leadership levels. A marginal shift in female workforce participation was observed during the year, reflecting recruitment patterns and natural attrition movements.

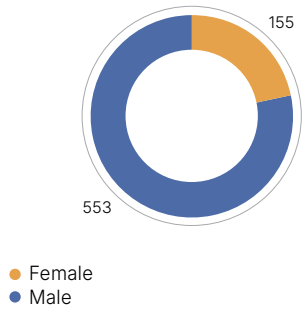


155
Female Employees
(22% of total workforce)
(22% in 2024)

553
Male Employees
(78% of total workforce)
(78% in 2024)

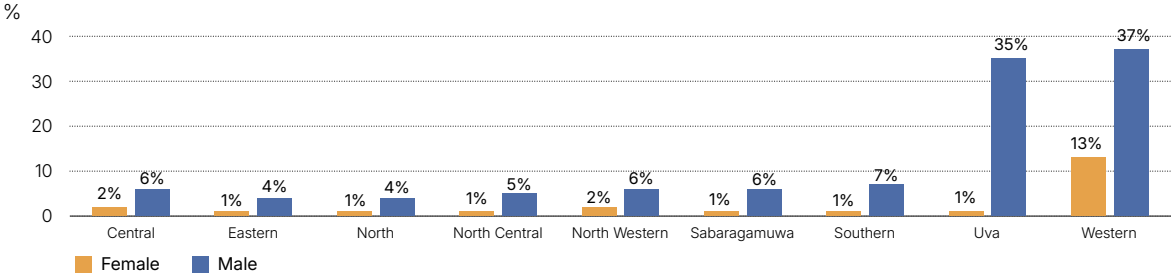
Employees by Gender

No.



Employment Type			Total
Central	11	46	57
Eastern	5	28	33
North	8	29	37
North Central	5	35	40
North Western	12	45	57
Sabaragamuwa	8	45	53
Southern	8	47	55
Uva	4	18	22
Western	94	260	354
Total	**155**	**553**	**708**

Employees by Gender and Region



Regional analysis presents gender representation across metropolitan and regional locations as at year-end. Variations across regions reflect changes in workforce composition during the reporting period.

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

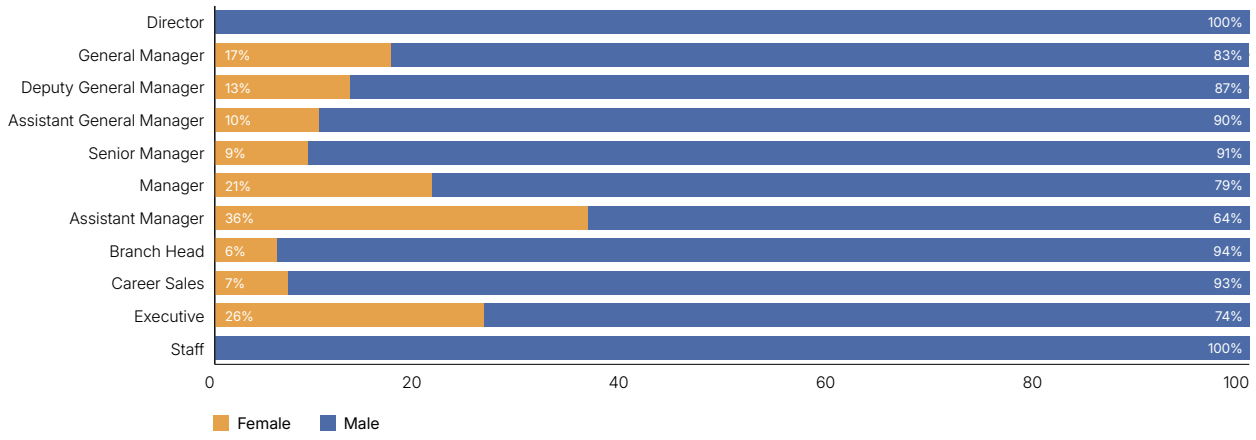
Strategic Focus Area 01 | **Maintaining a Diverse, Equitable and Inclusive Workplace**

WORKFORCE GENDER DISTRIBUTION CONTD.

Province	Contract		Contract Total	Permanent		Permanent Total	Special Contract		Special Contract Total	Total
Central	1	-	1	10	46	56	-	-	-	57
Eastern	-	-	-	5	28	33	-	-	-	33
North	-	1	1	8	28	36	-	-	-	37
North Central	-	-	-	5	35	40	-	-	-	40
North Western	-	-	-	12	44	56	-	1	1	57
Sabaragamuwa	-	-	-	8	44	52	-	1	1	53
Southern	-	1	1	8	46	54	-	-	-	55
Uva	-	-	-	4	18	22	-	-	-	22
Western	2	8	10	91	241	332	1	11	12	354
Total	**3**	**10**	**13**	**151**	**530**	**681**	**1**	**13**	**14**	**708**

Employees by Category and Gender

%



The table outlines gender distribution across executive, managerial and senior leadership categories as at year-end. Movements during the year reflect changes in overall workforce composition.

INCLUSIVE AND MERIT-BASED RECRUITMENT

Recruitment remained a key strategic priority during the year amid ongoing skills scarcity and heightened competition within the insurance sector. Hiring decisions continued to be guided by defined competency criteria, experience requirements and rolespecific expectations, reinforcing a merit-based and Performance Driven recruitment framework.

Female recruits represented 48% of total new hires (2024: 57%).

Regional and category-based recruitment patterns were aligned with operational requirements and branch-level talent needs across the Company's island-wide network, ensuring workforce growth remained proportionate to business demand while maintaining inclusive access to employment opportunities.



48%
Female Recruits
(57% in 2024)

52%
Male Recruits
(43% in 2024)

Recruitment by Employee Category and Age

Employee Category	18-25		26-35		36-45		46-55		55<		Total
Director	-	-	-	-	-	-	-	-	-	-	-
General Manager	-	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	-	-	-	-	-	-	-	-	-	-	-
Assistant General Manager	-	-	-	-	-	1	-	-	-	-	1
Senior Manager	-	-	-	-	-	1	-	-	-	-	1
Manager	-	-	-	-	1	1	-	1	-	1	4
Assistant Manager	-	-	1	2	1	2	-	2	-	-	8
Branch Head	-	-	-	1	-	3	-	3	-	1	8
Career Sales	-	-	-	-	-	-	-	-	-	-	-
Executive	23	9	10	10	-	-	-	-	-	1	53
Staff	-	-	-	-	-	-	-	-	-	-	-
Total	**23**	**9**	**11**	**13**	**2**	**8**	**-**	**6**	**-**	**3**	**75**

SOCIAL RESPONSIBILITY

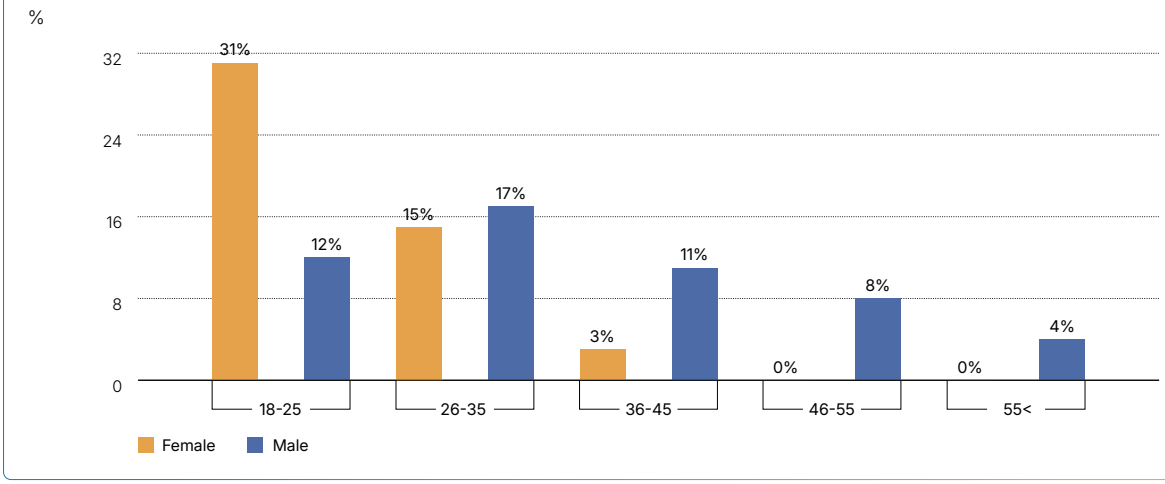
ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Maintaining a Diverse, Equitable and Inclusive Workplace**

INCLUSIVE AND MERIT-BASED RECRUITMENT CONTD.

Recruits by Gender and Age

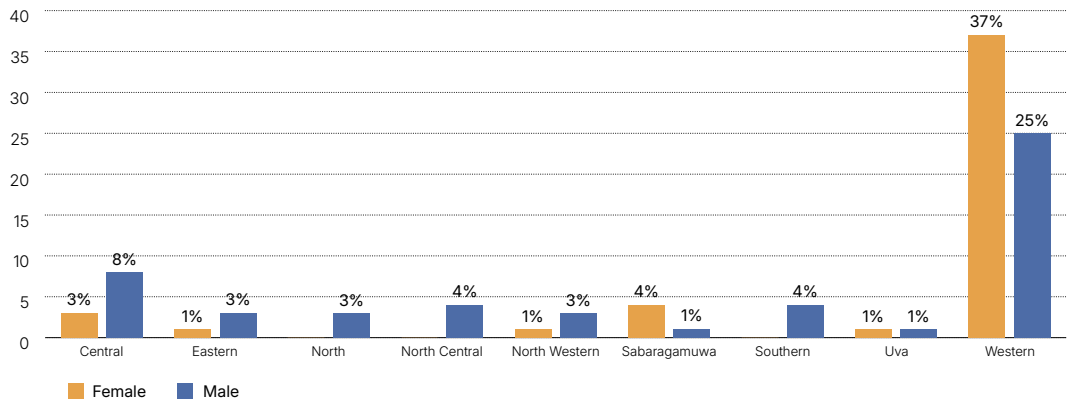




Recruitment by Employee Category and Region

Employee Category	Central		Eastern		North		North Central		North Western		Sabaragamuwa		Southern		Uva		Western		Total
Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Senior Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3	4
Assistant Manager	-	1	-	-	-	-	-	-	-	-	1	-	-	2	-	-	1	3	8
Branch Head	-	2	-	1	-	1	-	2	-	1	-	-	-	-	-	1	-	-	8
Career Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive	2	3	1	1	-	1	-	1	1	1	2	1	-	1	1	-	26	11	53
Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2	6	1	2		2		3	1	2	3	1		3	1	1	28	19	75

Recruitment by Region and Gender



SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

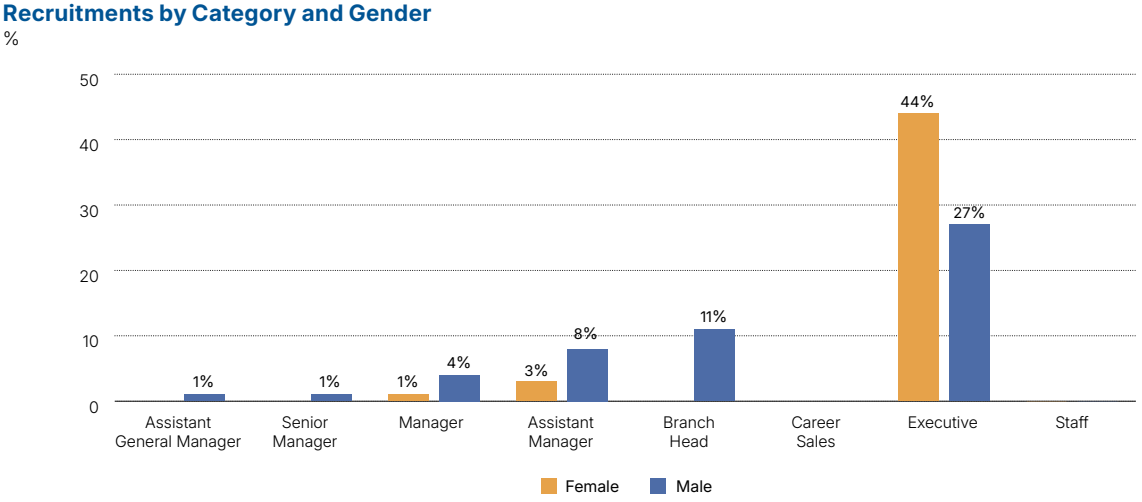
STRATEGIC ACTIONS

Strategic Focus Area 01 | **Maintaining a Diverse, Equitable and Inclusive Workplace**

INCLUSIVE AND MERIT-BASED RECRUITMENT CONTD.

Recruitment by Employee Category and Gender

Recruitments by Category and Gender



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.

EQUITABLE PROMOTION PRACTICES

Promotion decisions continued to be guided by structured performance evaluations, competency benchmarks and defined career pathways, reinforcing a merit-based progression framework.

During the year, the number of promotions as a percentage of the gender base stands at 18% and 16% for females and males respectively. This trend reflects strengthened female participation within advancement pathways and supports broader leadership representation across levels.

14:45

Female:male promotion ratio (29:85 in 2024)



POLICY FRAMEWORK SUPPORTING DIVERSITY AND INCLUSION

Diversity and inclusion are embedded within a structured governance framework that establishes clear behavioural standards, reporting protocols and accountability mechanisms across the organisation. The following policies and support channels reinforce equitable opportunity, workplace safety and ethical conduct:

Policy / Mechanism	Purpose	What It Enables
Diversity, Inclusivity and Equity Policy	Establishes principles of equal opportunity in recruitment, promotion and development.	Ensures merit-based progression, reduces bias and supports equitable representation across roles.
Prevention of Sexual Harassment Policy	Defines zero-tolerance standards for inappropriate conduct and outlines formal reporting and investigation procedures.	Promotes a safe and respectful workplace environment.
Whistleblowing Policy	Provides confidential channels to report misconduct or unethical behaviour.	Protects employees from retaliation and reinforces accountability.
Liya Saviya Confidential Reporting Mechanism	Dedicated support channel for female employees and sales representatives to raise concerns discreetly.	Strengthens psychological safety and provides targeted support for women within the workforce.
Log Your Concern Mechanism	A confidential platform where employees can report any issues they face, ranging from workplace challenges to suggestions for improvement	initiative will be instrumental in building a more cohesive and responsive organization

No incidents of discrimination were reported during the year.

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Strengthening Talent Stability and Leadership Continuity**

CORE ACTIVITIES:

- Formalising structured succession planning across critical and leadership roles.
- Identifying and developing departmental successors to strengthen continuity readiness.
- Delivering targeted leadership development programmes to build internal capability.
- Reducing dependency risks through cross-skilling and talent pipeline mapping.
- Aligning performance management and promotion pathways to leadership potential and organisational needs.
- Maintaining workforce stability through competitive, performancelinked remuneration practices.

Impacted SDGs:



CASE STUDY:

Building Leadership Depth: Strengthening Talent Stability and Continuity

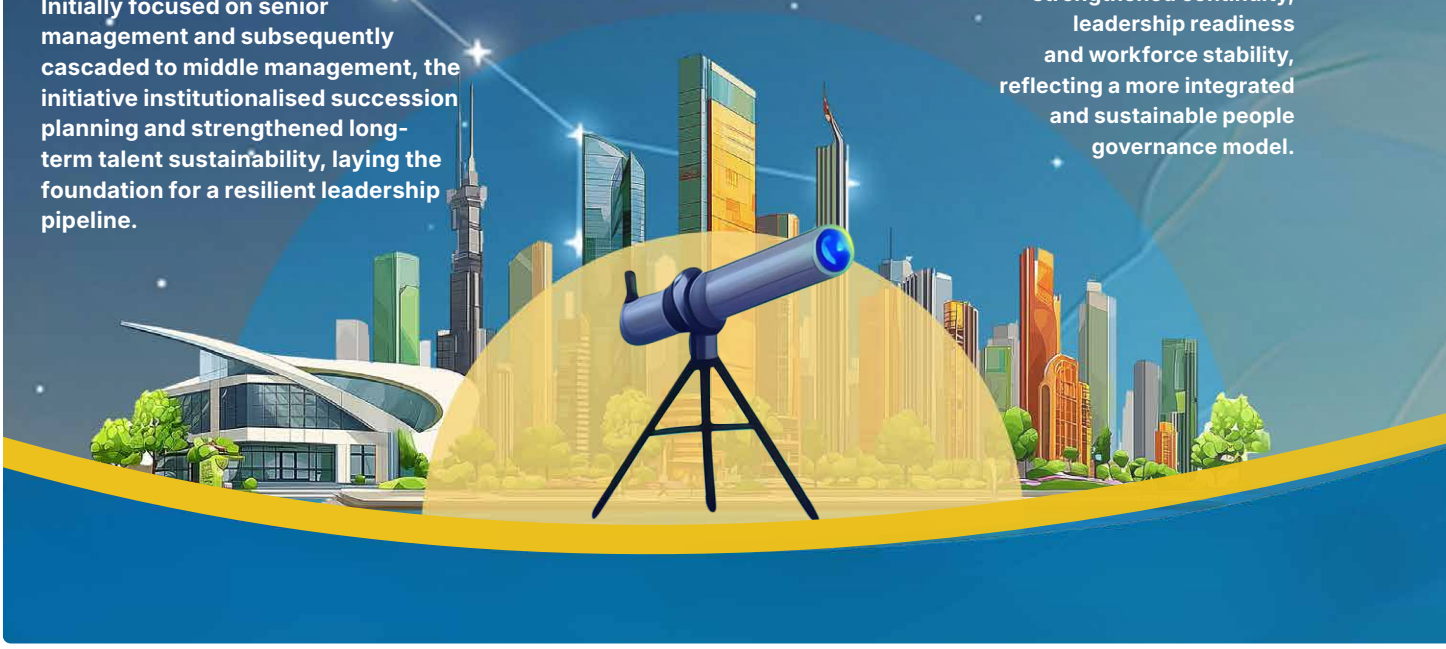
Ceylinco Life's approach to leadership and talent continuity reflects a deliberate shift from programme-based development to a structured and governance-led people framework. Over time, leadership capability building has evolved into a disciplined succession ecosystem aligned with longterm organisational resilience.

Where we started:

The organisation's leadership development journey gained strategic emphasis in 2016, when a structured and formalised approach was introduced through targeted Leadership Development Workshops. Initially focused on senior management and subsequently cascaded to middle management, the initiative institutionalised succession planning and strengthened long-term talent sustainability, laying the foundation for a resilient leadership pipeline.

Where we stand today:

Leadership development is now embedded within a structured succession framework. Formalised talent mapping and successor identification have strengthened continuity, leadership readiness and workforce stability, reflecting a more integrated and sustainable people governance model.



ACTIVITIES IN 2025

Sustained leadership continuity remains central to organisational stability and long-term value creation. During the year, amid ongoing talent shortages, the Company strengthened succession visibility, advanced leadership pipeline development and reinforced merit-based internal progression, ensuring critical roles remain supported by capable and future-ready talent.

Succession Visibility and Critical Role Coverage

Succession planning was further structured through departmental successor identification aligned with Training Needs Analysis inputs. Critical roles were mapped and targeted development pathways implemented to reduce dependency risks and strengthen continuity readiness.

Leadership Pipeline Development

Leadership capability was strengthened through continued development workshops and an accelerated programme identifying approximately 27 high potential employees for focused leadership progression.

Merit-Based Internal Progression

Performance-linked promotion practices reinforced internal mobility, with 118 promotions recorded across categories, supporting leadership depth across executive and managerial levels. Internal mobility across departments further strengthened succession depth, enabling capability diversification and reducing concentration risk in critical roles.

Workforce Stability and Retention

Competitive, performance-linked remuneration practices continued to support retention and workforce stability across categories. Attrition was maintained at 13.36%, below industry benchmarks, while the Company sustained an average employee tenure of 15 years, reflecting strong institutional stability.

118
Promotions
(114 in 2024)

13.36%
Attrition Rate
(14.20% in 2024)

15.33% years
Average Employee Tenure
(15.17% in 2024)

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 02 **Strengthening Talent Stability and Leadership Continuity**

Promotions by Employee Category and Province

Employee Category	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	Total
Director	-	-	-	-	-	-	-	-	1	1
General Manager	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	-	-	-	-	-	-	-	-	3	3
Assistant General Manager	-	1	-	1	1	-	-	-	1	4
Senior Manager	-	-	-	-	-	-	-	1	3	4
Manager	1	-	-	-	-	-	1	-	4	6
Assistant Manager	-	-	-	-	1	-	-	-	3	4
Branch Head	-	-	-	-	-	-	-	-	-	-
Career Sales	-	-	-	-	-	-	-	-	-	-
Executive	5	6	3	11	7	11	5	5	43	96
Staff	-	-	-	-	-	-	-	-	-	-
Total	**6**	**7**	**3**	**12**	**9**	**11**	**6**	**6**	**58**	**118**

Workforce Stability

The effectiveness of the Company's remuneration and performance governance framework is reflected in sustained workforce retention levels during the year. Competitive compensation, performance-linked incentives and structured career pathways continued to support employee commitment and long-term engagement.

Attrition and turnover metrics were monitored closely, enabling management to assess trends, identify risk areas and align reward structures with workforce expectations.

Promotions by Category and Gender

Employee Category	Female Promotions	Female Cadre	As a % of Cardre	Male Promotions	Male Cadre	As a % of Cardre	Total
Director	-	-	-	1	6	17%	1
General Manager	-	1	-	-	5	-	-
Deputy General Manager	1	1	100%	2	7	29%	3
Assistant General Manager	-	2	-	4	18	22%	4
Senior Manager	-	2	-	4	20	20%	4
Manager	2	6	33%	4	23	17%	6
Assistant Manager	1	16	6%	3	28	11%	4
Branch Head	-	3	-	-	45	-	-
Career Sales	-	3	-	-	41	-	-
Executive	24	121	20%	72	345	21%	96
Staff	-	-	-	-	15	-	-
Total	**28**	**155**		**90**	**553**		**118**

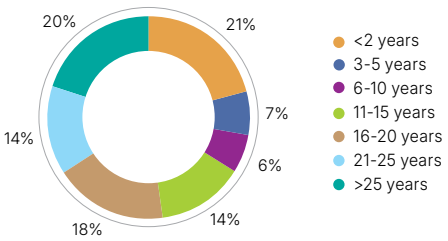
Service Period by Employee Category and Gender

As of December 31, 2025, 67% of the total workforce (708 employees) had been with the Company for more than 10 years.This continued milestone reflects the organisation's strong culture, structured career development pathways and sustained commitment to employee well-being, reinforcing its position as an employer of choice within the industry.

Employee Category	<2 years		<2 years Total	3-5 years		3-5 Total	6-10		6-10 Total	11-15		11-15 Total	16-20		16-20 Total	21-25		21-25 Total	'25<		'25< Total	Total
Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		1	1	-	5	5	6
General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1	2	-	3	3	6
Deputy General Manager	-	-	-	1	-	1	-	-	-	-	2	2	-	-	-	-	1	1	-	4	4	8
Assistant General Manager	-	2	2	1	1	2	1	-	1	-	4	4	-	2	2	-	3	3	-	6	6	20
Senior Manager	-	1	1	-	-	-	-	3	3	1	1	2	1	2	3	-	6	6	-	7	7	22
Assistant Manager	4	6	10	3	3	6	1	1	2	5	2	7	1	7	8	-	4	4	2	5	7	44
Manager	2	6	8	-	-	-	-	2	2	1	6	7	1	3	4	2	2	4	-	4	4	29
Branch Head	1	9	10	-	1	1	-	1	1	1	1	2	1	17	18	-	10	10	-	6	6	48
Career Sales	-	-	-	-	-	-	-	-	-	2	5	7	1	15	16	-	10	10	-	11	11	44
Executive	63	54	117	17	20	37	5	23	28	16	51	67	2	71	73	1	57	58	17	69	86	466
Staff	-	2	2	-	1	1	-	2	2	-	2	2	-	4	4	-	1	1	-	3	3	15
Total	**70**	**80**	**150**	**22**	**26**	**48**	**7**	**32**	**39**	**26**	**74**	**100**	**7**	**122**	**129**	**4**	**96**	**100**	**19**	**123**	**142**	**708**

Employees by Service Period

%



SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

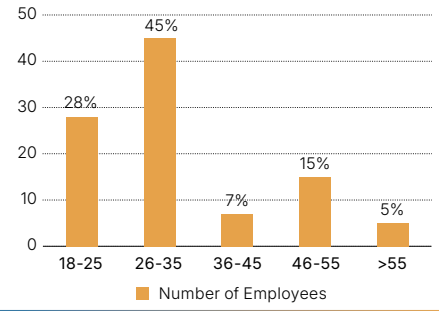
STRATEGIC ACTIONS

Strategic Focus Area 02 | **Strengthening Talent Stability and Leadership Continuity**

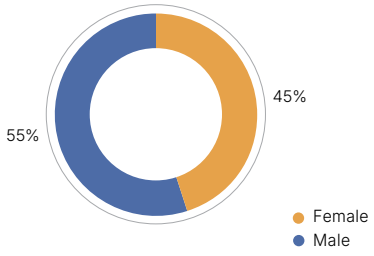
Turnover by Category, Age and Gender

Employee Category	18-25		Total	26-35		Total	36-45		Total	46-55		Total	55<		Total	Total
Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-	2
Assistant General Manager	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	1
Senior Manager	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	1
Manager	-	-	-	-	1	1	-	-	-	-	1	1	-	1	1	3
Assistant Manager	-	-	-	-	2	2	1	1	2	1	-	1		1	1	6
Branch Head	-	-	-	-	1	1	-	1	1	-	1	1	-	-	-	3
Career Sales	-	-	-	-	-	-	-	-	-	-	4	4	-	-	-	4
Executive	21	6	27	19	20	39	1	3	4	-	3	3	-	3	3	76
Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	21	6	27	19	24	43	2	5	7	1	13	14	-	5	5	96

Turnover by Age



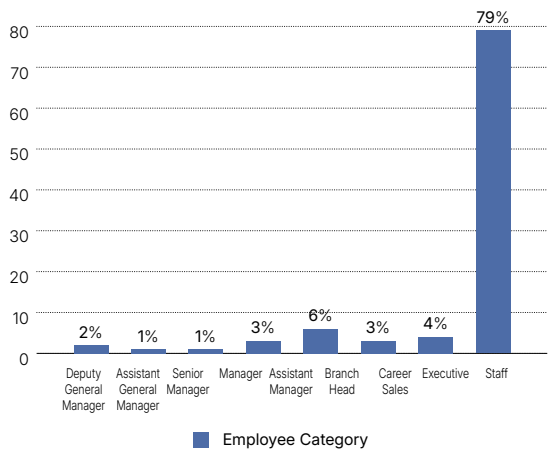
Turnover by Gender



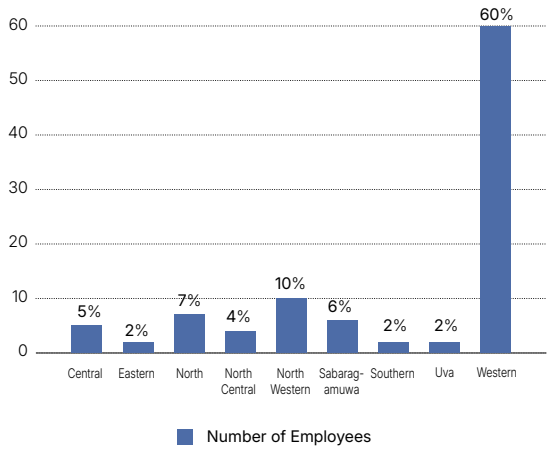
Turnover by Category, Region and Gender

Employee Category	Central		Eastern		North		North Central		North Western		Sabaragamuwa		Southern		Uva		Western		Total
Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2
Assistant General Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Senior Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Assistant Manager	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	1	3
Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	2	3	6
Branch Head	-	-	-	-	-	2		1	-	-	-	-	-	-	-	-	-	-	3
Career Sales	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	2	4
Executive	1	4	-	1	2	2	-	3	2	7	3	2	-	1	1	1	32	14	76
Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1**	**4**	**-**	**2**	**2**	**5**	**-**	**4**	**2**	**8**	**3**	**3**	**-**	**2**	**1**	**1**	**34**	**24**	**96**

Turnover by Category



Turnover by Region



SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Advancing Capability Through Continuous Learning**

CORE ACTIVITIES:

- Conducting annual Training Needs Analysis (TNA) to identify competency gaps.
- Delivering technical, compliance, managerial and behavioural training programmes.
- Expanding digital learning through an upgraded Learning Management System (LMS).
- Monitoring training hours and participation levels across categories.
- Conducting certified safety and emergency preparedness programmes.
- Integrating sustainability and governance awareness into training curricula.

Impacted SDGs:



ACTIVITIES IN 2025

LEARNING AND DEVELOPMENT

Employee capability development during the year was driven by structured training investment, diversified programme delivery and strengthened digital learning access across operational and managerial categories.

Targeted Development Focus

Training interventions were aligned with identified competency gaps through the annual Training Needs Analysis process, ensuring learning resources were directed toward high-impact technical and managerial skill areas.



Learning Investment at a Glance

Structured learning interventions were delivered across technical, managerial, compliance and behavioural domains, ensuring broad-based access to development opportunities across the nationwide workforce. Training participation remained proportionate to workforce composition, reflecting equitable access to learning and development opportunities across categories.

14,319
Total Training Hours Delivered
(14,482 in 2024)

20.2
Average Hours per Employee
(19.87 in 2024)

Rs. 30.9 Mn
Invested in L&D
(Rs. 20.78 Mn in 2024)

Programme Portfolio Mix

Technical & Functional

Strengthening operational and role-specific expertise across departments.

Managerial & Leadership

Enhancing supervisory capability and decision-making effectiveness.

Sustainability & ESG Awareness

Strengthening environmental responsibility, climate literacy and responsible business practices

Compliance & Governance Security

Reinforcing regulatory awareness and ethical conduct standards.

Safety & Well-being

Promoting emergency preparedness and workplace resilience.



Training Types by Gender

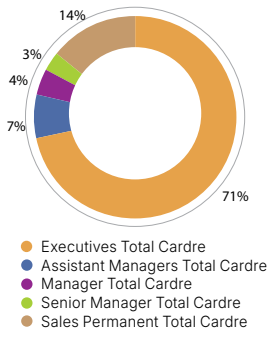
Training type wise summary			Total
Total Training hours	3,866.02	10,453.04	14,319.06
Total Cardre	155	553	708
Total Functional training hours	3,514.82	10,093.94	13,608.76
Total Soft Skill training hours	351.2	335.1	686.30
Total Workshop & Seminar hours	0	24	24.00
Average Functional training hours	22.68	18.25	19.22
Average Soft Skill training hours	2.27	0.61	0.97
Average Workshop & Seminar hours	0.00	0.04	0.03

Training Hrs by Gender

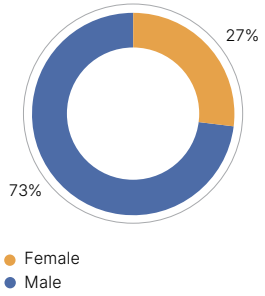
Sum of Total Training Hours per Employee

Training type wise summary			Total
Total Hrs	3,866.02	10,453.04	14,319.06
Total Cadre	155	553	708
Average Hrs	24.9	18.9	20.2

Average Training by Category



Training by Gender



SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Advancing Capability Through Continuous Learning**

174
Training Programmes Conducted
(221 in 2024)



10,453
Training hours
(11,049 in 2024)

3,866
Training hours
(3,433 in 2024)

73%
of total training hours
(76% in 2024)

27%
of total training hours
(24% in 2024)





Leadership Development Programme

Blended Learning and Delivery Model

Capability development during the year was delivered through a blended learning model, integrating digital platforms with structured in-person programmes to optimise accessibility, engagement and learning depth.

Digital Delivery

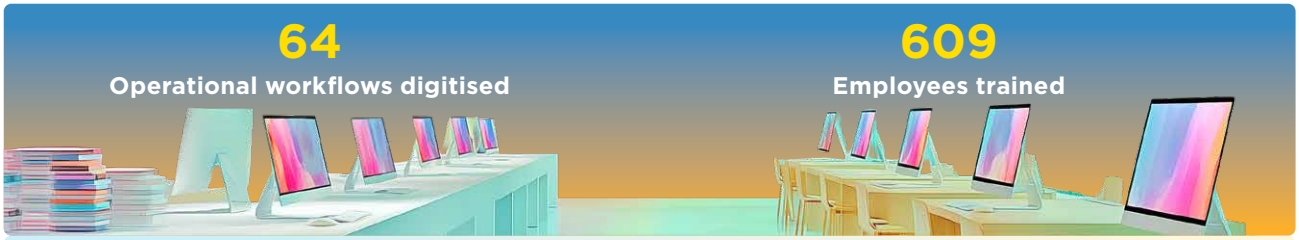
- Upgraded Learning Management System (LMS)
- Modular, short-form e-learning content
- Self-paced compliance and technical modules
- Centralised participation and completion tracking
- Flexible access across the nationwide branch network

In-Person & Facilitated Learning

- Leadership and managerial workshops
- Technical skill development sessions
- Safety and emergency preparedness training
- Interactive and case-based learning formats

DIGITAL ENABLEMENT AND PROCESS TRANSFORMATION

Employee capability development during the year was driven by structured training investment, diversified programme delivery and strengthened digital learning access across operational and managerial categories.



Digitalisation Training Programme

Structured training sessions were delivered to branch staff to accelerate digital adoption.

Focus Areas:

- Effective utilisation of core digital platforms
- Compliance and regulatory awareness
- Process standardisation and documentation discipline
- Productivity enhancement through digital tools

Outcome:

Strengthened digital confidence and improved consistency across operational and sales teams.

From Manual Coordination to Digital Control

Key operational processes historically reliant on email-based workflows and informal approvals, were migrated to WorkHub, a centralised digital workflow platform.

Focus Areas:

- 150+ workflows digitised
- IT Help Desk migrated
- Administration Help Desk migrated
- Standardised logging, tracking and escalation

Impact:

- Real-time management visibility
- Reduced manual intervention
- Faster turnaround times
- Clear audit trails and accountability

Digital Enablement of Learning

The Learning Management System (LMS) was expanded and integrated to support structured and continuous learning.

Capabilities Strengthened:

- Regulatory and compliance training
- Sales force capability development
- Digital onboarding modules
- Self-directed learning pathways
- Completion and performance tracking

Impact:

Enhanced governance, scalable training delivery and a stronger learning-centric culture.

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 04 | **Enhancing Employee Well-being and Engagement**

CORE ACTIVITIES:

- Promoting physical and mental health through structured health initiatives and awareness programmes.
- Maintaining Health and Safety Committees to oversee workplace standards and compliance.
- Partnering with external professionals to provide confidential counselling services.
- Upholding freedom of association and collective bargaining rights.
- Facilitating structured employee engagement, idea-sharing and open communication platforms.
- Operating formal grievance handling and whistleblowing mechanisms.
- Strengthening employee advocacy through transparent escalation pathways to management.

Impacted SDGs:



ACTIVITIES IN 2025

Employee well-being and engagement remain central to the Company's people philosophy. A structured framework encompassing physical health, psychological support, workplace safety and employee voice mechanisms reinforces a culture of trust, transparency and mutual accountability across the organisation's nationwide operations.

Safeguarding Physical and Mental Health

Employee well-being is supported through structured committee oversight and a formal Health & Safety Policy framework aligned with national regulatory standards.

Governance and Policy Framework

Health and Safety Committee

The Health and Safety Committee oversees all workplace health and safety matters across the organisation.

Responsibilities:

- Monitoring safe working environments across Head Office and branch locations
- Reviewing health and safety risks and implementing corrective actions
- Overseeing periodic Health & Safety audits
- Ensuring compliance with national regulations
- Driving continuous improvement in safety standards



Special Health Camp organized for the staff

Health & Safety Policy

The Company's Health & Safety Policy is accessible via the intranet, and formalises the Company's commitment towards embedding accountability, consultation and prevention into daily operations.

Focus Areas:

- Maintaining a safe working environment
- Ensuring safe systems of work
- Providing necessary information, instructions, training and supervision
- Consulting and co-operating with employees on health and safety matters
- Continually improving safety performance through effective management
- Taking prompt and appropriate action in response to workplace complaints



Health & Preventive Initiatives

During the year, preventive and awareness-based programmes were implemented under the guidance of the Health & Safety Committee and aligned with the Company's Health & Safety Policy framework.

- Company-wide Health Camps, including eye testing
- Certified First Aid and Fire Safety training programmes
- Implementation of audit recommendations across locations

These initiatives supported early intervention, emergency preparedness and overall workplace resilience.

01
Camp conducted
(01 in 2024)

117
Employees participated
(125 in 2024)

56
Employees participated in safety and preparedeness training
(62 in 2024)

Zero
Workplace accidents recorded
(Zero in 2024)

Workplace Safety Performance

As a result of the aforementioned structured preventive measures and ongoing oversight mechanisms, workplace safety was further strengthened across the organisation.

Operating as a service-oriented entity within controlled office environments, occupational hazard exposure remains limited, and resultantly no workplace accidents were recorded during the year.









Special Health Camp , Fire Training and First Aid Training for the staff

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 04 — Enhancing Employee Well-being and Engagement

Medical & Insurance Support

Structured benefit schemes continued to provide financial and healthcare security to permanent employees and eligible family members, including:

- Company Life Insurance Cover
- Additional Comprehensive Life Cover
- Health Insurance Cover
- Contributory Medical Fund and emergency assistance schemes

Together, these mechanisms reflect a preventive, governance-led and care-oriented approach to workforce well-being, embedding accountability and structured oversight within employee health management.

Benefit / Scheme	Criteria & Availability	2025	2024	2023
Company Life Insurance Cover	Offered to all employees, free of charge	Rs. 15.90 Mn	Rs. 11.25 Mn	Rs. 17 Mn
Additional Comprehensive Life Cover	Offered at a concessionary rate to employees & family members	Rs. 15.90 Mn	Rs. 22.6 Mn	Rs. 26 Mn
Ceylinco Life Health Insurance Cover	Free for Associates; concessionary rate for family members	Rs. 56.22 Mn	Rs. 63.3 Mn	Rs. 43.2 Mn
Contributory Medical Fund	Reimbursement of OPD bills	Rs. 30.54 Mn	Rs. 34 Mn	Rs. 32.5 Mn
Critical Illness Retirement Cover	For Associates above 30 years at concessionary rate	Nil	Nil	Nil
Death Donations	For immediate or close family members	Rs. 1.55 Mn	Rs. 1.6 Mn	Rs. 2.5 Mn
07 Days Sick Leave	Available to all Associates	3,570 Days	3,421 Days	3,445 Days
Allowance for Basic Medical Check-ups	Rs. 10,000 for employees above 40 years (No. of employees)	203	128	111

Confidential Counselling & Mental Health Support

Psychological well-being continued to be supported through structured governance frameworks and independent support channels aligned with the Company's broader employee well-being policies.

Professional counselling services were made available to employees through qualified counsellors.

- Sessions offered in both online and physical formats across locations
- The first two counselling sessions fully borne by the Company
- Direct booking with counsellors to preserve privacy
- Strict confidentiality maintained, with no disclosure of session details to the Company

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The Company formally recognises and upholds employees' right to freedom of association and collective bargaining, reinforcing structured and transparent labour relations. The following mechanisms ensure structured representation, constructive dialogue and balanced labour relations across the organisation, while maintaining compliance and mutual accountability.

Union Representation Framework

All permanent employees automatically become members of the Ceylinco Life Employees' Union

- The Union safeguards the fundamental right to organise and represent employee interests
- Union leaders are authorised to raise matters at the highest organisational level where necessary

Structured Dialogue & Industrial Relations

- Quarterly engagement meetings held with union representatives
- Formal consultation processes on workplace matters affecting employees
- Adherence to applicable labour legislation and recognised industrial relations practices

OPEN COMMUNICATION AND EMPLOYEE VOICE

Employee voice is embedded within the Company's governance culture through accessible, multi-channel communication platforms that promote transparency and responsiveness. Employees are empowered to escalate grievances, suggestions and operational concerns directly to management, reinforcing accountability, timely resolution and organisational trust.

Any amendments to the Company's policies, procedures or operational practices are communicated with adequate notice and formally published on the intranet to ensure transparency, accessibility and informed compliance.

Direct Engagement Channels

- Open-door policy across management levels
- "Log Your Concern" platform enabling direct communication with Human Resources
- Structured grievance handling procedures
- Whistleblowing mechanisms supporting confidential reporting

Organisational Communication & Participation

- Regular internal emails and employee newsletters
- Corporate communication platforms and intranet updates
- Idea-generation initiatives encouraging innovation and staff participation

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 04 | **Enhancing Employee Well-being and Engagement**

EMPLOYEE PLURALISM

Ceylinco Life continues to embed pluralism as a defining element of its corporate culture. The Company's commitment to diversity, inclusion and mutual respect is reflected in the traditions, celebrations and employee-led initiatives that bring together individuals from diverse cultural, religious and regional backgrounds.

During the year, the Company continued to honour Sri Lanka's rich heritage through Awurudu celebrations, reinforcing shared cultural identity, and Bhakthi Gee, reflecting spiritual inclusivity and collective reflection. The Staff Get-Together and Christmas Carols once again fostered unity and strengthened interpersonal connections across the organisation.

Employee empowerment remained integral to this pluralistic culture. The ongoing activities of the Ceylinco Life Toastmasters Club supported leadership and communication development, while International Women's Day celebrations reaffirmed the Company's commitment to gender inclusion and recognition of women's contributions across operational and leadership levels.

ENGAGEMENT INITIATIVES IN 2025

Through these collective efforts, Ceylinco Life continues to nurture a workplace culture grounded in respect, inclusivity and shared identity. By sustaining pluralism as an active organisational value, the Company strengthens collaboration, innovation and long-term cohesion across its nationwide operations.

- New Year First Working Day celebration
- Avurudhu festival
- International Women's day celebrations
- Poson Bakthi Gee
- Staff Annual get-together
- Sports meet
- Christmas Carols
- Green Club Initiatives



Poson Bathi Gee



Christmas Carols



International Women's day celebrations



Ceylinco Life Toastmasters 12th Installation



FAMBOND 2025 organized by the Employees Union of Ceylinco Life



Ceylinco Life Sports Festival 2025

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 05

Rewards, Remuneration and Performance Governance

CORE ACTIVITIES:

- Maintaining competitive, market-aligned remuneration structures
- Ensuring gender-neutral base salary determination aligned with skills, experience and role expectations
- Implementing structured performance appraisal systems, including 180-degree evaluations
- Aligning bonuses and increments to KPI-based performance outcomes
- Monitoring internal pay equity across categories and levels
- Providing comprehensive insurance, medical and emergency benefit schemes
- Reviewing salary and benefit structures to reflect economic conditions and cost-of-living adjustments
- Maintaining HRIS-integrated performance tracking for standardised governance

Impacted SDGs:





ACTIVITIES IN 2025

Ceylinco Life maintains a structured, performance-linked remuneration framework designed to promote fairness, accountability and financial security across the organisation.

Performance-Linked Rewards

- Bonus structure aligned with individual performance ratings
- Bi-annual evaluations embedded within HRIS
- Clear linkage between contribution and reward

Market-Aligned Compensation

- Salaries benchmarked to industry standards
- Periodic review of pay and benefits structures
- Competitive positioning within the insurance sector

Gender-Neutral Entry Pay

- Entry-level salaries determined by skills, experience and role expectations
- No gender-based differentiation
- Standardised salary bands across categories

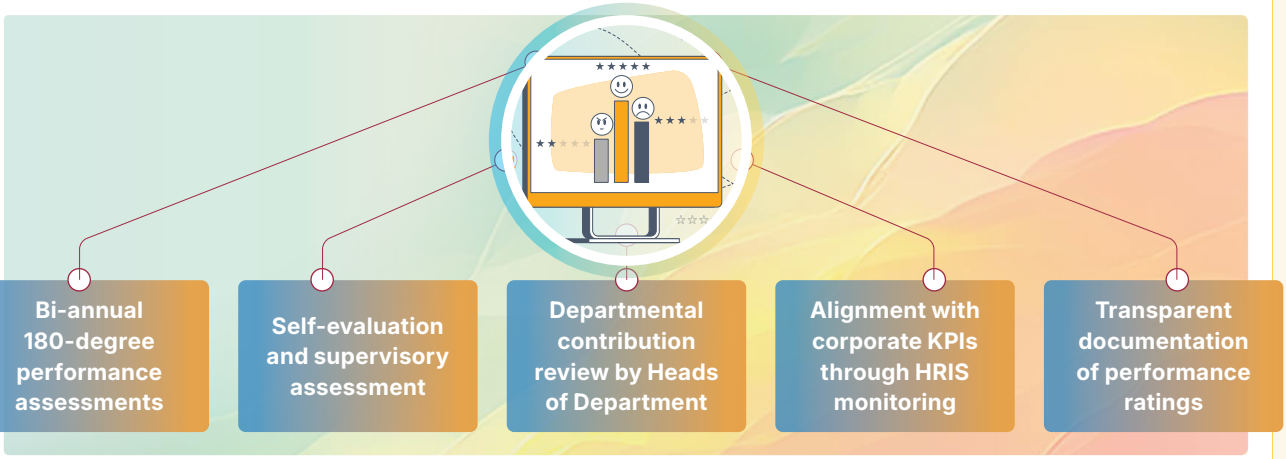
Financial Security Commitment

- Entry-level salaries are positioned above the government minimum wage and are applicable to both male and female employees
- Structured increments aligned with career progression
- Transparent documentation of remuneration decisions

Performance Governance Framework

The Company's remuneration and promotion decisions are guided by a structured evaluation process. This structured framework ensures rewards are directly linked to contribution, organisational objectives and long-term sustainability.

During the reporting period, 100% of employees participated in regular performance evaluations and career development reviews.



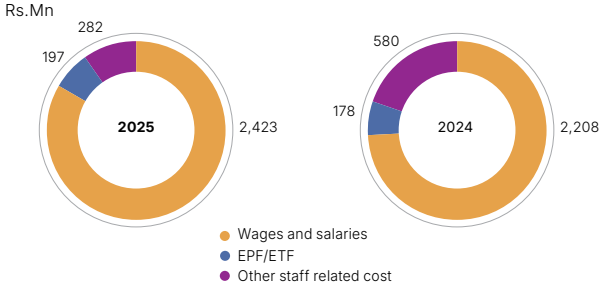
Gender Pay Equity

The category-wise ratio of basic salary between men and women demonstrates alignment across levels, reflecting role-based compensation rather than gender-based differentiation.

Salary Wise Analysis - 2025

Category			M:F
Director	-	100%	1:00
Senior Manager	12.48%	87.52%	1:0.14
Manager	19.48%	80.52%	1:0.24
Assistant Manager	39.74%	60.26%	1:0.66
Branch Head	6.26%	93.74%	1:0.07
Career Sales	9.39%	90.61%	1:0.10
Executive	19.48%	80.52%	1:0.24

Employee Benefits Expenses



SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 05 | **Rewards, Remuneration and Performance Governance**

Staff Cost and Investment in Human Capital

The Company continues to invest significantly in its workforce through wages, employer contributions and gratuity obligations, reflecting sustained commitment to employee financial security.

Description	2025	2024	2023	2022
Wages, Salary and Other Benefits	2,692,779	2,510,507	2,275,797	2,059,124
Employer EPF Contribution	157,696	142,395	131,278	122,868
Employer ETF Contribution	39,424	35,599	32,820	30,717
Gratuity Contribution	684,841	166,715	652,314	533,798
Total	3,574,740	2,855,215	3,092,208	2,746,508

Benefits Extended to the Workforce

Comprehensive benefit schemes provide structured financial protection to employees and eligible family members, reinforcing economic stability beyond base remuneration.

Details of the Company's medical and health benefit schemes are outlined on page 268 of this Report.

Additional financial protection and support benefits are summarised below:

Financial assistance was provided to 33 employees in the permanent cadre who were affected by the floods that occurred in December 2025. In addition, special leave was granted to a total of 105 employees to support them during this period.

Parental Leave

The Company provides structured parental leave entitlements in line with statutory requirements and internal policy provisions, supporting employees during significant family milestones while promoting work-life balance and financial security. Currently, parental leave is applicable only to female employees. During the year, employees who availed parental leave demonstrated a return-to-work rate of 100% and retention rate of 71% reflecting continued workforce engagement and organisational support during transitional periods.

Details of return to work and retention after parental leave							
No of employees entitled for Parental leave	No of employees who took Parental leave in 2025 (A)	No of employees who took Parental leave in 2024 and due to return in 2025 (B)	No of employees who took Parental leave in 2025 and Returning due in 2026 ('C)	No of employees (Returning due in 2025) (A+B-C)	No of employees Returned to work	No of employees Not Returned to work	Returned to work in previous year (2024) & Retained after 12 months
155	3	1	1	3	3	0	5

Return to work rate	Returned to work	3	100%
	Returning due in 2025	3	
Retention Rate 12 months period	Retained after 12 months	5	71%
	Returned to work in previous year (2024)	7	

Awards and Recognition

Performance excellence and contribution are formally recognised through structured internal awards and recognition programmes, reinforcing a culture of merit, achievement and motivation.



Recognition for achievers at the Toastmasters Ceremony, Annual Quiz Competition and felicitating members of staff who went beyond the call of duty at the Customer Service Month celebrations

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

STRATEGIC ACTIONS

Strategic Focus Area 06 | **Strengthening Governance and Workplace Accountability**

CORE ACTIVITIES:

- Enforcing ethical conduct and anti-corruption standards across all operations
- Strengthening financial crime prevention through AML/ CFT controls and employee training
- Upholding fair labour practices and lawful recruitment procedures
- Safeguarding information through structured data protection and access controls
- Fostering a culture of social and environmental responsiblity

Impacted SDGs:



ACTIVITIES IN 2025

The Company reinforces a culture of accountability through a structured governance architecture anchored in ethical conduct, regulatory compliance and disciplined risk management. Formal policy frameworks, mandatory awareness initiatives and defined oversight mechanisms safeguard professional standards and strengthen operational integrity across all levels.

During the reporting period, the Company was not subject to any legal actions related to anti-competitive behavior, anti-trust, or monopoly practices.

Child Labour and Forced Labour

The Company maintains zero tolerance for child labour, forced labour or involuntary employment practices. Recruitment and employment processes are aligned with applicable national labour legislation and internal governance controls. Pre-employment verification, documentation checks and contractual safeguards are implemented to prevent unlawful labour practices. No incidents relating to child or forced labour were identified during the reporting period.

- Zero tolerance policy
- Pre-employment verification controls
- Labour law–aligned recruitment
- No reported incidents in 2025

Governance Framework in Action

Ethical Conduct and Integrity

The Anti-Corruption and Bribery Policy defines clear standards prohibiting improper conduct and establishes procedures to address deviations from established processes. This safeguards organisational integrity and reduces fraud and misconduct risk across operations.

Financial Crime Prevention

The Prevention of Money Laundering and Terrorist Financing Policy establishes controls to detect, prevent and report financial crime. Mandatory employee training and policy acknowledgment strengthen vigilance, regulatory compliance and financial risk governance.

Fair Labour and Employment Practices

Lawful recruitment procedures, labour law adherence and structured employment documentation ensure ethical workforce practices and protection of employee rights.

Data Protection and Information Security

The Data Protection Policy establishes organisation-wide safeguards including structured data classification, controlled access protocols and responsible information management. These measures protect stakeholder confidentiality and reduce operational and reputational risk.

Independent Reporting and Oversight

Whistleblowing mechanisms, grievance procedures and escalation pathways provide structured channels for reporting concerns without fear of retaliation, reinforcing transparency and accountable decision-making.



Employee Commitment to Sustainability and Community Responsibility

The Company encourages employees to actively support sustainability initiatives and community engagement programmes, reinforcing a culture of shared responsibility and social impact across the organisation. Further details on employee-led sustainability and community responsibility initiatives are presented on pages 307-318 of this Report.

LOOKING AHEAD

Human capital priorities continue to evolve alongside shifting workforce expectations, technological transformation, regulatory developments and changing societal dynamics. In this context, Ceylinco Life's focus remains on strengthening organisational capability, enhancing workforce resilience and deepening employee engagement to sustain long-term performance.

The Landscape Going Forward

- Increasing emphasis on digital capability, automation literacy and technologyenabled productivity
- Greater focus on leadership depth, internal mobility and structured career pathways
- Strengthened expectations around workplace well-being, mental health and psychological safety
- Continued advancement of diversity, equity and inclusive representation across levels
- Heightened governance expectations relating to conduct, compliance and ethical workforce practices
- Expanding integration of sustainability awareness and community responsibility within employee development frameworks

SOCIAL RESPONSIBILITY

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE

ELEVATING PEOPLE PERFORMANCE AND EXCELLENCE - THE JOURNEY CONTINUES...

The following outlines the Company's customer-focused journey ahead and the priorities shaping progress over time.

Immediate Priorities

- Strengthening a supportive workplace environment that promotes employee engagement, stability, and organisational belonging.
- Expanding initiatives that support employee health, safety, and overall well-being across the workforce.
- Enhancing learning, leadership development, and early succession planning to build internal capability and future-ready talent.

Building Momentum

- Deepening employee well-being programmes while strengthening workplace safety and health management practices.
- Broadening structured development pathways and learning opportunities that support long-term career growth.
- Advancing inclusive workplace practices by strengthening diversity, equity, and fair opportunity across the organisation.

Future Ambitions

- Becoming an employer of choice supported by strong employee engagement, talent retention, and a positive workplace culture.
- Sustaining a workplace environment that prioritises holistic well-being, safety, and long-term employee development.
- Strengthening diversity and inclusion while building a resilient and future-ready workforce.

Refer ESG Integration and Purpose-Driven Strategy (page 144) for more information on employee-related priorities and targets in the short, medium, and long-term.

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE



SUSTAINING EXCELLENCE ACROSS THE NETWORK THAT DRIVES GROWTH

As the key touchpoint between the organisation and its potential and current policyholders, the Ceylinco Life Sales Force is the primary driver of organisational sales and market presence across the island. Recognising this, the Company places strong emphasis on supporting, developing, and retaining its sales professionals ensuring they are equipped to deliver performance, and build lasting customer trust.

Through structured training, clear career pathways, performance support systems, and a strong ethical framework, the Company invests in the wellbeing and capability of its advisors. This commitment strengthens productivity, professionalism, and long-term career sustainability creating shared value for the Sales Force, the organisation, and the communities they serve.

Alignment to the Social Responsibility North Star

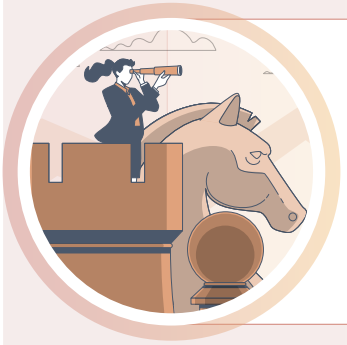
PROTECTING WELL-BEING	EMPOWERING LIVES	ENABLING ACCESS AND INCLUSION
Ethical engagement, stability, and trust.	Capacity building, responsible business, and digital empowerment.	Equal access to opportunities and growth.
3.72% Growth in sales cadre	**56.12%** Female representation in sales force (53.98% in 2024)	**2,673** Sales agents (2,577 in 2024)

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

EMPOWERING A FUTURE-FIT SALES FORCE - IN FOCUS

Key focus areas shaping Ceylinco Life's contribution towards communities across Sri Lanka.



Driving Performance, Customer Confidence, and Market Leadership

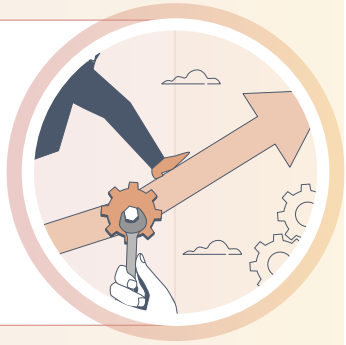
Strengthening nationwide reach through a highly visible and performance-driven sales network that serves as the primary engine of organisational growth. By combining disciplined execution with responsible advisory practices, the Sales Force supports new business growth, portfolio quality, persistency, and sustained customer trust reinforcing market leadership year after year.

Refer pages 282-285 for details

Building Capability, Productivity, and Integrity

Investing in the development, digital enablement, and wellbeing of sales professionals to enhance productivity and long-term resilience. Through structured training, performance support systems, technology integration, and comprehensive welfare and recognition frameworks, the Company equips its nationwide sales network to adapt, grow, and deliver value sustainably.

Refer pages 286-292 for details



LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

HOW SALES FORCE EXCELLENCE IS GUIDED AND SUSTAINED

Sales Force operations are supported through a structured framework that balances performance discipline, capability development, and responsible advisory practices ensuring sustainable growth across regions.

Performance Oversight

Clear targets, structured review mechanisms, and recognition frameworks reinforce accountability and consistent delivery across the nationwide sales network.

Capability and Enablement

Ongoing training, digital tools, and professional development programmes strengthen productivity, adaptability, and long-term career sustainability.

Ethical Conduct and Customer Trust

Responsible selling practices are embedded through adherence to the Code of Conduct, product suitability standards, compliance training, and performance-linked integrity measures, including the Honesty Index.

Sales performance and conduct are monitored through defined KPIs, customer feedback indicators, retention trends, and compliance reviews to ensure growth remains responsible and sustainable.

Key indicators include:

- New business growth and portfolio quality
- MDRT and NAFLIA achievements
- Agent retention and tenure trends
- Training participation and digital adoption
- Customer feedback metrics (including NPS where applicable)
- Honesty Index score and ethical performance benchmarks

Compliance and Ethical Conduct

Sales operations are governed by established internal controls and oversight mechanisms to ensure transparency, regulatory compliance, and data protection.

Governing Policy:

Code of Conduct

Responsibility:

Board ESG Committee

Refer pages 402-404 for details



"Our Sales Force is the driving force behind Ceylinco Life's nationwide reach and market leadership. We remain committed to equipping our agents with the tools, training, recognition, and support they need to succeed in a dynamic environment. By balancing performance discipline with professional integrity and long-term career sustainability, we ensure that growth is responsible, resilient, and built on trust."

Samitha Hemachandra-
Executive Director / Chief Operating Officer

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Driving Performance, Customer Confidence and Market Leadership**

CORE ACTIVITIES:

- Strengthening nationwide market reach through structured target alignment and disciplined execution.
- Leveraging brand leadership and recognition to reinforce customer confidence.
- Aligning product strategies with evolving economic conditions.
- Enhancing portfolio quality, persistency, and long-term customer relationships.
- Reinforcing accountability through structured performance reviews across regions.

Impacted SDGs:



ACTIVITIES IN 2025

THE PRIMARY ENGINE OF REVENUE AND TRUST

The Sales Force remains the Company's principal growth driver, contributing approximately 99.34% of total revenue / gross written premium during the year. As the most visible and geographically embedded network, its performance directly influences market share, profitability, and long-term brand strength. In a year shaped by economic volatility, product strategies were realigned toward stable and predictable endowment and retirement solutions, reinforcing customer assurance in uncertain conditions.

99.34%
Contribution to GWP
(99.29% in 2024)

PERFORMANCE EXCELLENCE REINFORCING MARKET LEADERSHIP

Structured KPIs, regular branch and national performance reviews, and executive-level oversight ensured disciplined execution and consistent delivery across the nationwide network.

Performance excellence was further reinforced through a structured recognition framework that celebrates achievement at multiple levels from internal performance milestones to nationally and internationally benchmarked advisory standards.

The following recognition platforms and achievements reflect both the strength of the Sales Force and the professional standards that underpin customer confidence:

Driving and Monitoring Excellence

- Clear, performance linked KPIs
- Regular branch and national reviews
- Executive oversight and accountability
- Recognition of sustained excellence

Sales Excellence Highlights:

260
Agents recognised at the 2025 Annual Awards

164
Agents recognised at the 2025 Mid-Year Awards

277
MDRT Qualifiers in 2025

14
NAFLIA awards in 2025

Recognition Platform	Primary Focus	Significance to Stakeholders
Annual Awards Ceremony	Sustained full-year performance across advisory and leadership levels.	Stability, consistency, and long-term performance strength across the network.
Mid-Year Awards Ceremony	Performance momentum and target discipline within the first half of the year.	Active performance monitoring and agility in execution.
MDRT (Million Dollar Round Table)	Qualification against internationally defined productivity and professional benchmarks.	Alignment with global standards of financial advisory excellence.
NAFLIA Awards	Industry peer recognition of advisory skill, leadership, and contribution within Sri Lanka.	Recognised expertise and leadership within the local insurance profession.













Achievers at the Annual Awards, Mid Year Awards and High Flyers events of the company in 2025

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Driving Performance, Customer Confidence and Market Leadership**

Guided by Our North Star: Sales Leadership Across Generations

Ceylinco Life's sales force delivered exceptional performance at the National Forum for Life Insurance Advisors (NAFLIA) 2025, securing 14 awards at the industry's flagship annual event organised by the Insurance Association of Sri Lanka. The Company dominated the 'Large Scale Company' category, winning most of the top honours, with multiple representatives emerging as National Award winners across all industry tiers, competing against peers from large, medium and small insurers.

Determined through the industry's annual sales competition, NAFLIA awards represent one of the most respected benchmarks of professional excellence in Sri Lanka's life insurance sector. The Company's strong showing reflects the depth, discipline and competitive strength of its advisor network spanning advisors, supervisors and branch leadership.

This achievement builds on a proud legacy of sales distinction. In 1993, Ceylinco Life produced Sri Lanka's first Million Dollar Round Table (MDRT) qualifier, establishing an international benchmark for sales excellence. Today, that same culture of professionalism, performance and ethical standards continues to guide a new generation of achievers reaffirming a sales force consistently aligned to its North Star.

2025 North Star Achievers



The top performers in the Sales Advisor, Sales Supervisor and Branch Head levels (Non-Bancassurance) at the annual NAFLIA event.

Sales Advisor (Non-Bancassurance)

- **A. S. Hettiarachchi –** Winner & National Award
- **A. I. P. Manjula –** Runner-Up & National Recognition
- **Y. L. A. M. C. Yakandawala –** Second Runner-Up & National Recognition

Sales Supervisor (Non-Bancassurance)

- **R. P. Edirisinghe –** Winner & National Award

Branch Head (Non-Bancassurance)

- **S. Dharshan –** Winner & National Award
- **R. P. L. Dhammika –** Second Runner-Up & National Bronze

Fast Starter Awards

- **B. Vanathy** – Runner-Up
- **S. Kanchana** – Second Runner-Up

Customer Advocacy and Brand Confidence

Beyond revenue generation, the Sales Force plays a critical role in strengthening customer confidence. Through disciplined advisory practices, adherence to product suitability standards, and sustained post-sales engagement, advisors serve as trusted representatives of the Company across communities.

Structured training and continuous professional development reinforce these standards, ensuring consistency, transparency, and service quality across the nationwide network. By aligning performance with service excellence and long-term relationship management, the Sales Force translates customer advocacy into sustainable organisational growth.

Customer trust is reflected in measurable satisfaction indicators, including:

78%
Net Promoter Score (NPS)

Refer page 290 for further details on responsible and standards and ethical conduct.

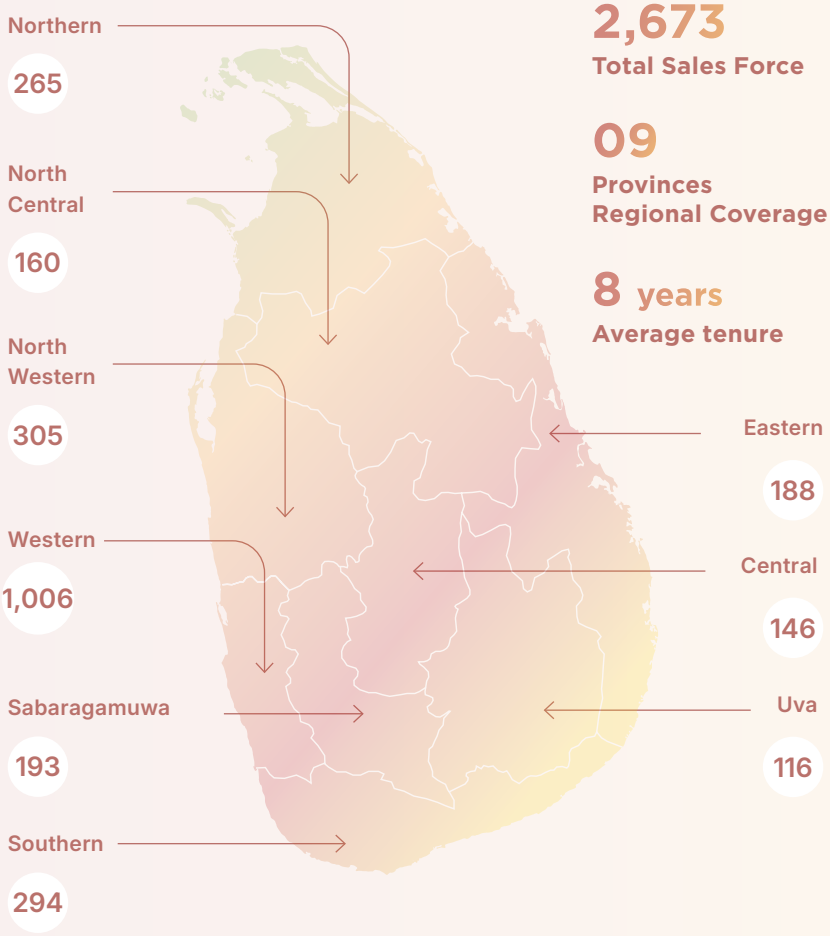
Nationwide Presence and Relationship Strength

Operating through a multi-tiered structure of officers, supervisors, and branch heads, the Sales Force maintains deep regional reach and long-standing customer relationships across Sri Lanka. Merit-based progression and increasing diversity across regions and gender strengthen relatability, community alignment, and sustained engagement.

The scale and stability of the Sales Force underpin continuity in customer relationships, portfolio persistency, and sustained brand confidence across regions, as indicated below.

Refer pages 288-289 for further details on diversity and inclusion within the sales force.

SALES AGENTS BY PROVINCE



2,673
Total Sales Force

09
Provinces Regional Coverage

8 years
Average tenure

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Building Capability, Productivity, and Integrity**

CORE ACTIVITIES:

- Delivering structured training through blended learning platforms, digital learning modules via Learning Mangement System (LMS) and mentorship programmes.
- Expanding digital enablement through e-proposals, CRM integration, and mobile servicing tools.
- Supporting financial stability and career sustainability through structured incentives and welfare schemes.
- Embedding responsible advisory practices, product suitability standards, and compliance training.
- Strengthening sustainability integration through paperless servicing and reduced travel.

Impacted SDGs:



ACTIVITIES IN 2025

STRENGTHENING THE FOUNDATION BEHIND PERFORMANCE

Sustained sales performance is underpinned by structured capability development, ethical advisory standards, inclusive talent practices, and performance-linked incentive frameworks. During the year, the Company continued to invest in systems and structures that enhance productivity while reinforcing long-term professionalism and customer trust.

SALES CAPABILITY AND DIGITAL MATURITY

A blended learning framework and structured digital enablement approach strengthened advisory capability, regulatory awareness, and operational efficiency across the nationwide network. These elements operate within an integrated capability framework designed to reinforce learning, application, monitoring, and continuous improvement.

Digital tools including e-proposals, CRM systems, and mobile applications enhanced efficiency, reduced paper usage, and supported remote engagement aligning productivity improvements with sustainability objectives.

2,673
Training Participants

88.98 hrs
Online Training Participation

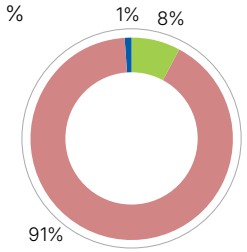
27.54 hrs
Average Training Hours

100%
Compliance Training Completion

100%
E-Proposals Adoption

81%
Tablet-Enabled Advisors

Training Hours by Type of Training



Capability Development Cycle

Sales capability is strengthened through a structured and continuous development cycle:

Learn	Apply	Monitor	Improve
Blended learning tools and platforms	Field engagement and digital tools	KPIs and regular reviews	Feedback and development plans

Core Development Programmes

- Structured classroom sessions
- Virtual coaching and webinars
- Compliance and ethical selling training
- Product and solution-based advisory training
- Performance-linked development programmes
- Digital modules via Learning Mangement System (LMS)
- Mentorship programmes
- Personal Data Protection awareness sessions
- CRM and digital platform training
- Ongoing regulatory update briefings

Training Category	Training Programme	Number of Participants	Training Hours
Leadership	SMART Trainers Training	78	1,872
	Future Leaders Training (Online)	54	216
	Leadership Training (LDR)	847	3,388
	Leadership Academy - PSY	64	256
Organizational	2 Hours with Devaan	36	72
	Advanced Skills Training (ADS)	2,680	10,720
	Orientation Programme	352	2,816
	Basic Skills Training (BSK)	629	2,516
	CFMC	85	510
	Cross Road Training	77	308
	Life Master	143	572
	Low Performers Training	42	168
	Pre Contract Training	643	32,150
	Sales Refresher Training	3,211	12,844
	HOB Training Programme - PSY	189	756
	Management Training	22	88
	Skills Sharpening Training	406	3,248
	Special Training by Mr. Nalaka Hewam	47	376
Product	CRO Product Training	191	764

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Building Capability, Productivity, and Integrity**

Digital Enablement in Action

Building on the structured capability framework, the Company continues to expand the practical application of digital tools across the advisory lifecycle enhancing customer convenience, strengthening operational discipline, and enabling advisors to perform efficiently in both physical and virtual environments.

Driving Digital Adoption

During 2025, a structured Digitalisation Training Programme was implemented across the sales force to strengthen effective utilisation of core digital platforms. Covering Sales Officers, CROs and branch teams, the programme enhanced system proficiency, compliance awareness and productivity, reinforcing a culture of digital confidence and consistent technology-enabled service delivery.

Sales Web Enhancements	Improved usability, real-time policy access and performance optimisation, enabling faster customer response and clearer articulation of policy benefits.
E-Proposals and Digital Policy Processing	Improved usability, real-time policy access and performance optimisation, enabling faster customer response and clearer articulation of policy benefits.
Tablet and Mobile Enablement	Allows advisors to complete proposals, servicing, and follow-ups remotely, contributing to less travel and improved convenience. Further strengthened during 2025 through a structured Tablet Upgrade Programme, standardising devices across the sales force to ensure improved system performance, security and compatibility with evolving applications.
Virtual Advisory Channels	Using virtual platforms such as Teams and Zoom, supporting hybrid engagement for both full-time and part-time agents.
APP-Based Referral Features	Supporting the generation of technology-enabled lead opportunities through policyholder networks.

Inclusive Growth and Workforce Diversity

The Sales Force reflects strong diversity across regions and gender, supported by merit-based recruitment, structured mentoring pathways, and transparent recognition mechanisms. Notably, a majority of the Sales Force comprises women, highlighting the Company's role in advancing female participation and economic empowerment within the insurance sector.

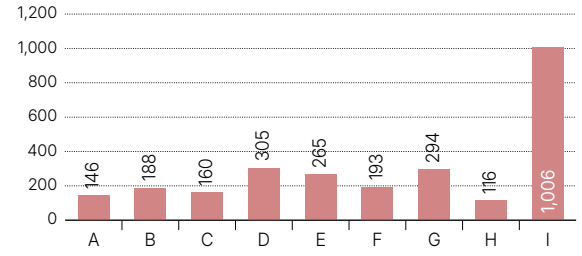
Leadership progression remains performance-driven, with representation continuing to strengthen across geographic and demographic segments, reinforcing inclusivity while maintaining high professional standards.

Supporting Initiatives:

- Merit-based recruitment framework
- Structured mentorship pathways for new entrants
- Leadership identification programmes
- Transparent promotion criteria linked to performance metrics
- Regional recruitment drives

Province Wise Active Sales Force

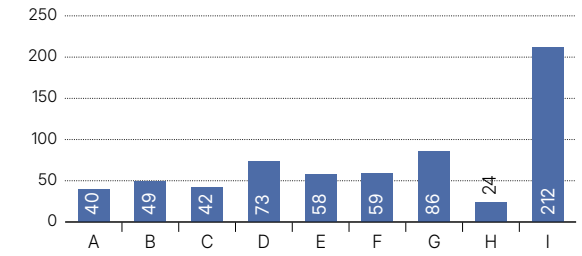
No.



	Province	Training Programme
A	Central	146
B	Eastern	188
C	North Central	160
D	North Western	305
E	Northern	265
F	Sabaragamuwa	193
G	Southern	294
H	Uva	116
I	Western	1,006
	Total	2,673

Recruitment by Province Active Sales Officers

No.



	Province	Active Sales Officers as at 31-12-2025
A	Central	40
B	Eastern	49
C	North Central	42
D	North Western	73
E	Northern	58
F	Sabaragamuwa	59
G	Southern	86
H	Uva	24
I	Western	212
	Total	643

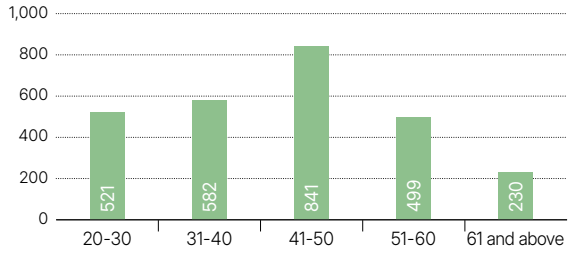


56.12%
Female Representation
(54% in 2024)

43.88%
Male representation
(46% in 2024)

Age Distribution

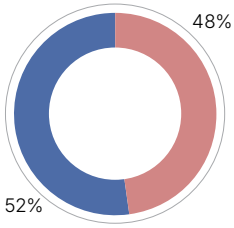
No.



Age	Number
20-30	521
31-40	582
41-50	841
51-60	499
61 and above	230
Total	2,673

Promotion by Gender

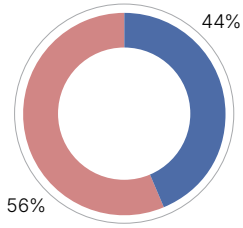
%



Male	25
Female	23
Total	48

Gender Distribution

%



Male	1,173
Female	1,500
Total	2,673

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Building Capability, Productivity, and Integrity**

Performance-Based Remuneration and Financial Stability

Compensation frameworks are aligned with clearly defined performance metrics, ensuring transparency and direct linkage between productivity and rewards. Key Performance Indicators (KPIs) and sales data are used to assess performance and identify areas for improvement, with remuneration directly tied to measurable outcomes.

High performers are recognised through three flagship events conducted during the year, namely, the Annual Award Ceremony, Mid- Year Award Ceremony, and High Flyer Event, with rewards including local and overseas tours, cash prizes, and curated recognition packages.

This structured incentive model supports financial stability, reinforces motivation, and promotes sustained high performance across the Sales Force.

Remuneration Structure:

- Commission-based earnings
- Performance incentives and grants
- Competition-based rewards
- Allowances and insurance coverage

Responsible Advisory Standards and Ethical Conduct

Ethical advisory standards are embedded through the Sales Code of Conduct, regulatory compliance training, and a structured product suitability framework requiring documented needs analysis prior to recommendation. Integrity is reinforced through performance-linked monitoring mechanisms, including the Honesty Index, with confirmed breaches impacting KPIs and rewards.

Customer Advisory Journey

- Needs Analysis
- Goal Assessment
- Product Recommendation
- Clear Disclosure
- Documented Consent

Governance Reinforcement Framework

- Compliance Training
- Written Testing
- Monitoring & KPI Linkage
- Investigation & Action

Governance Controls

- Mandatory Code of Conduct sign-off
- Compliance with IRCSL Code of Ethics
- AML, Anti-Corruption & Data Protection testing
- Structured monitoring and investigation mechanisms
- Zero-tolerance fraud policy

Anti-Corruption and Bribery policy , Whistle Blower policy and Gift policy are uploaded to the company's intranet for the reference and awareness of all employees. In addition to this, new recruits to the company are educated on the above policies during the induction process. Accordingly, all 75 employees on boarded during 2025 (10.6% of the total employees) were given awareness on the said policies.

Key Integrity Indicators

- Commission-based earnings
- Performance incentives and grants
- Competition-based rewards
- Allowances and insurance coverage

Complaints relating to sales force conduct are reviewed through the Company's structured customer grievance framework, with confirmed findings linked to performance evaluation and disciplinary processes.

Refer page 285 for further details on customer feedback and complaint resolution.

Sales Engagement and Well-being

The Company maintains structured engagement platforms and grievance channels to support transparency, collaboration, and psychological safety across the Sales Force. Regular branch-level interactions, planning sessions, recognition events, and engagement forums strengthen communication and team cohesion.

Advisors are provided with multiple avenues to raise concerns, ensuring issues are addressed fairly and confidentially.



Engagement Platforms

Initiatives that reinforce belonging, morale, and professional camaraderie.

- Daily branch meetings
- Monthly planning sessions
- Award ceremonies and recognition events
- Annual general meetings with the union
- Sports and social events
- Virtual festive and teambuilding initiatives

Grievance and Support Mechanisms

Mechanisms that promote transparency, fairness, and responsiveness across the advisory network.

- Agent Care Call Centre for direct issue reporting
- Multi-level escalation access (Agency Heads to Senior Management)
- Dedicated support programme for women ("Liya Saviya")
- Business Intelligence review of agent-related concerns
- Structured internal monitoring and periodic reporting

LOOKING AHEAD

The role of the Sales Force continues to evolve in response to changing customer expectations, technological advancement, regulatory developments, and workforce dynamics. In this context, Ceylinco Life's focus remains on strengthening professional capability, reinforcing advisory integrity, enhancing digital enablement, and supporting long-term career sustainability across the nationwide network.

The Landscape Going Forward

- Increasing emphasis on digitally enabled advisory and hybrid engagement models
- Growing expectations for transparency, suitability, and ethical sales conduct
- Continued investment in structured capability development and leadership pathways
- Greater focus on diversity, inclusion, and female economic participation
- Rising importance of data protection, compliance discipline, and performance accountability
- Stronger collaboration across regions to support knowledge-sharing and consistent service standards

SOCIAL RESPONSIBILITY

EMPOWERING A FUTURE-FIT SALES FORCE

EMPOWERING A FUTURE-FIT SALES FORCE – THE JOURNEY CONTINUES...

The following outlines the Company's sales force development pathway and the priorities shaping progress over time.

Immediate Priorities

- Strengthening performance discipline and sales execution through structured performance management and portfolio quality oversight.
- Sharpening the focus on protection, retirement, and long-term financial security solutions to enhance customer confidence.
- Expanding digital enablement and professional standards to support more responsive and technology-enabled advisory services.

Building Momentum

- Building a data-driven sales ecosystem supported by enhanced customer insights, CRM capabilities, and analytics-based performance management.
- Developing leadership depth within the sales organisation through structured career pathways and capability development initiatives.
- Strengthening customer engagement and retention through enhanced advisory capabilities and relationship management practices.

Future Ambitions

- Establishing a technology-enabled advisory network supported by predictive analytics and advanced lead generation capabilities.
- Positioning the sales force as a trusted, multi-generational advisory partner supporting customers across different life stages.
- Sustaining market leadership through continuous capability development, ethical advisory practices, and a strong performance culture.

Refer ESG Integration and Purpose-Driven Strategy (page 143) for more information on priorities and targets in the short, medium, and long-term.

ROADMAP AT A GLANCE

Short-term Priorities

- Strengthen performance discipline and portfolio resilience
- Sharpen product focus around protection and long-term security
- Accelerate digital enablement and professional standards

Medium-term Priorities

- Build an insights-led, data-driven sales ecosystem
- Develop leadership depth and structured performance pathways
- Deepen customer trust and engagement across regions

Long-term Priorities

- Establish a predictive, technology-enabled advisory network
- Position the Sales Force as a trusted multi-generational partner
- Sustain market leadership through continuous capability evolution

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

ENABLING OPERATIONAL STRENGTH THROUGH RESPONSIBLE PARTNERSHIPS

Ceylinco Life's operational continuity and nationwide presence are supported by a diverse network of suppliers and business partners. To safeguard quality and reliability, procurement activities are guided by structured evaluation processes that balance financials tability, operational capability, and ESG considerations. Transparent tendering, documented oversight, and long-standing supplier relationships reinforce continuity and trust across the value chain.

During the year, the Company strengthened contractor diversification, advanced digital procurement systems, and continued to integrate responsible sourcing considerations enhancing resilience amid evolving economic and sustainability expectations.

Alignment to the Social Responsibility North Star

PROTECTING WELL-BEING

Responsible, ethical practices and a commitment to quality that safeguards people and partners.

EMPOWERING LIVES

Strengthening supplier capability and responsible business practices.

ENABLING ACCESS AND INCLUSION

Transparent and inclusive procurement that promotes fair opportunity.

1,606	15	646
Local suppliers (1,684 in 2024)	International suppliers (11 in 2024)	New Suppliers (713 in 2024)

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN – IN FOCUS

Key focus areas shaping Ceylinco Life's supplier and business partner ecosystem across Sri Lanka.



Advancing Sustainable, Ethical, and Inclusive Sourcing

Through structured onboarding, transparent tendering, and ESG-integrated registration processes, the Company promotes ethical conduct, fair participation, and long-term partnership continuity, while supporting regional supplier engagement and SME inclusion.

Refer pages 296-301 for details

Ensuring Quality, Reliability, and Long-Term Trust

The Company focuses on maintaining strong workforce stability, prioritising sustained retention levels and continued leadership progression across key roles. Clear career pathways and internal mobility supported continuity of service and institutional knowledge across the nationwide network.

Refer page 302-303 for details





Enhancing Digital Efficiency and Operational Discipline

Modernising procurement through digital registration and bidding platforms, virtual engagement, and optimised sourcing practices to improve transparency, efficiency, and traceability.

Refer page 304-306 for details

LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

HOW RESPONSIBLE SOURCING IS GUIDED AND STRENGTHENED

Supply chain operations are supported through a structured procurement framework that balances quality assurance, financial prudence, ESG integration, and operational efficiency ensuring continuity and reliability across the Company's nationwide network.

Procurement Oversight and Transparency

Structured supplier registration, committee-based evaluations, and transparent tendering processes reinforce fairness, accountability, and consistency across procurement categories.

Quality Assurance and Risk Management

Technical verification, consultant oversight, financial screening, and defined evaluation mechanisms ensure that suppliers meet required standards prior to contract award and payment release.

Responsible and Sustainable Sourcing

ESG-related disclosures, periodic supplier reviews, and growing digital integration promote responsible business practices and long-term alignment with sustainability expectations.

Supply performance and supplier engagement are monitored through defined evaluation criteria, periodic reviews, reference checks, and quality verification processes to ensure procurement decisions remain responsible, resilient, and value-driven.

Key indicators include:

- Financial Stability
- Range of product / service and the capabilities
- Information Security & Cybersecurity
- Environmental, Social and Governance (ESG)
- Supply Chain & Operational Risk
- Client References

Compliance and Ethical Conduct

Procurement activities are governed by documented policies and oversight mechanisms to ensure transparency, regulatory compliance, and ethical engagement. Supplier registration includes conflict-of-interest screening and ESG-related disclosures. No material violations of child labour, forced labour or human rights were identified during the reporting period.

Governing Policy:

Procurement Policy & Code of Conduct

Responsibility:

Board ESG Committee

Refer page 402-404 for details



"Ceylinco Life's supply network is built on trust, discipline, and long-term partnership. We remain committed to strengthening transparent procurement processes, reinforcing quality standards, and advancing responsible sourcing practices. By balancing operational efficiency with ESG considerations and supplier capability development, we ensure that our value chain remains resilient, accountable, and aligned with our sustainability ambitions."

Palitha Jayawradena

Senior Executive Director / Chief Financial Officer

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

EMBEDDING RESPONSIBLE PROCUREMENT AND QUALITY ASSURANCE

Strategic Focus Area 01 | **Advancing Sustainable, Ethical, and Inclusive Sourcing**

CORE ACTIVITIES:

- Embedding ESG-related disclosures within supplier registration frameworks
- Ensuring transparent, committee-based evaluation and tendering processes
- Promoting fair participation through equal-opportunity bidding
- Supporting regional supplier engagement and SME inclusion
- Strengthening supplier screening, reference checks, and compliance review

Impacted SDGs:



ACTIVITIES IN 2025

EMBEDDING INCLUSIVE PROCUREMENT

Ceylinco Life's procurement framework is anchored in disciplined governance and inclusive economic participation, supporting both operational continuity and equitable access to opportunity. By extending opportunities across regions and supplier segments, the Company strengthens domestic enterprise development while upholding transparent and disciplined sourcing practices.

Nationwide Economic Participation

Engaging suppliers across districts supports regional enterprise development and contributes to employment generation within local communities.

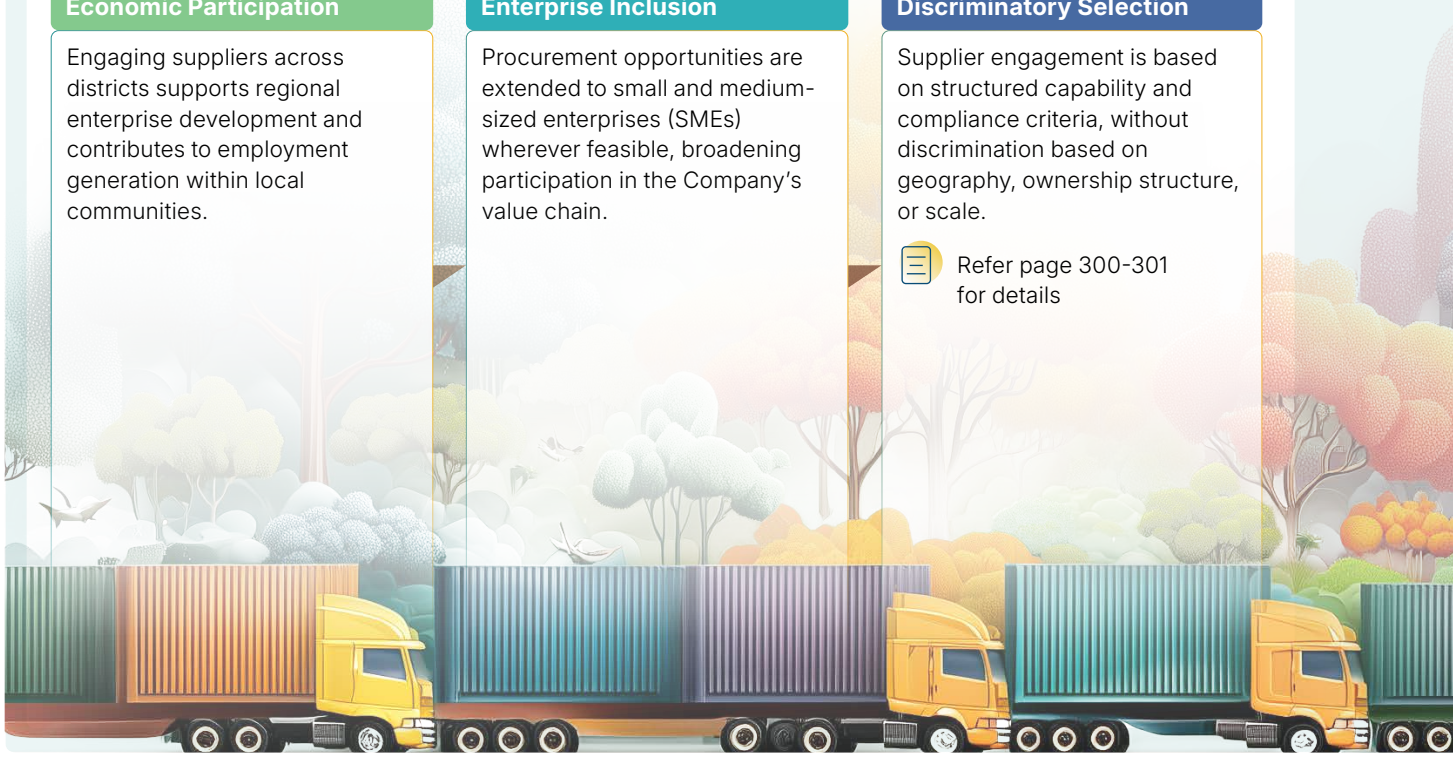
SME & Local Enterprise Inclusion

Procurement opportunities are extended to small and medium-sized enterprises (SMEs) wherever feasible, broadening participation in the Company's value chain.

Transparent & Non-Discriminatory Selection

Supplier engagement is based on structured capability and compliance criteria, without discrimination based on geography, ownership structure, or scale.

Refer page 300-301 for details



Ceylinco Life's Supplier Ecosystem and Composition

Ceylinco Life's supplier and business partner ecosystem supports its nationwide operations across a diverse range of service categories. The network includes:

- Banking and Financial Institutions
- Labs and Hospitals
- Suppliers of Complimentary Items
- Office Furniture and Air Conditioner Suppliers
- Insurance & Security
- Actuarial Consultants
- Bancassurance Partners
- Utility Services
- Building Lessors
- IT Services
- Telecommunication Service Providers
- Janitorial Services
- Building contractors
- Advertising and Media Agencies
- Reinsurance Partners
- Consultants and Auditors
- Equipment Suppliers
- Vehicle Management Services
- Stationery and Printing Suppliers
- Maintenance Services
- Transport and Courier Services
- Travel Agents



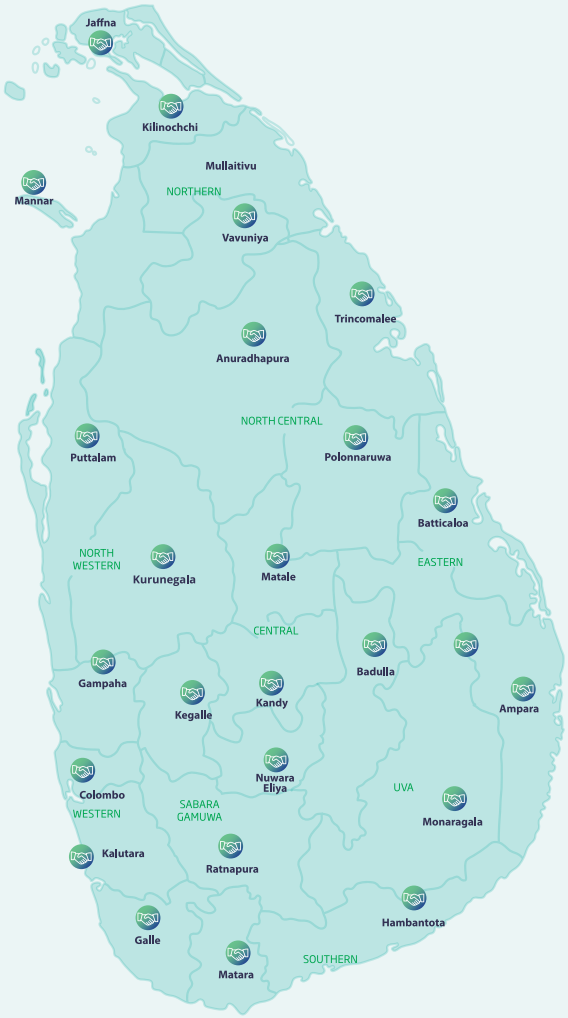
SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

Strategic Focus Area 01 — Advancing Sustainable, Ethical, and Inclusive Sourcing

Central	**97**
Kandy	55
Nuwara Eliya	23
Matale	19
Eastern	**75**
Ampara	25
Batticaloa	35
Trincomalee	15
North Central	**84**
Anuradhapura	59
Polonnaruwa	25
North Western	**132**
Kurunegala	96
Puttalam	36
Northern	**95**
Jaffna	75
Vavuniya	6
Kilinochchi	7
Mannar	7
Sabaragamuwa	**105**
Ratnapura	62
Kegalle	43
Southern	**170**
Galle	57
Hambantota	58
Matara	55
Uva	**70**
Badulla	42
Monaragala	28
Western	**778**
Colombo	633
Gampaha	98
Kalutara	47



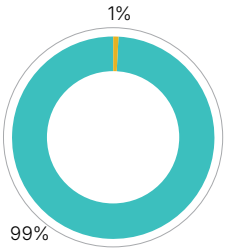
This diversified supplier base supports operational continuity across regions while enabling access to specialised expertise where required.

Local suppliers form the majority of the ecosystem, reflecting strong domestic participation across operational categories. International partnerships are engaged selectively for specialised services such as reinsurance, actuarial consulting, and technology solutions.

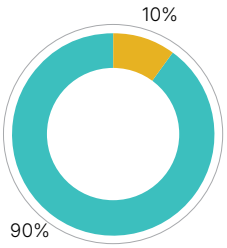
Refer page 303 for details on strategic partnerships.

Supplier Composition Snapshot

Local vs International Supplier Count



Local vs International Procurement Spend



Rs. 2 Bn

Local procurement spend

(Rs. 2,069 Mn in 2024)

Rs. 215 Mn

International procurement spend

(Rs. 202 Mn in 2024)

Business Partners & Institutional Relationships

Ceylinco Life's institutional partnerships reinforce risk discipline, technical rigour, industry alignment, and regulatory compliance strengthening governance integrity across its operating framework.

Risk & Technical Capacity

Reinsurance Partnerships

The Company's reinsurers provide additional assurance against high-value risks, strengthening underwriting capacity and enabling prudent risk transfer. These partnerships support capital resilience and sustainable business expansion.

Actuarial Collaboration – Willis Towers Watson India Pvt Ltd

For over three decades, Ceylinco Life's internal actuarial team has collaborated with Willis Towers Watson India Pvt Ltd., a globally recognised actuarial consulting firm. While ongoing actuarial functions are managed internally, independent year-end actuarial valuations are conducted externally, with the designated actuary formally signing off on valuation results.

This blended structure strengthens valuation integrity, reinforces technical rigour, and enhances financial transparency across the Company's reporting framework.

Strategic Contribution:

Enhances underwriting stability, valuation integrity, and financial transparency.

Industry & Professional Alignment

Insurance Association of Sri Lanka (IASL)

Active membership and participation across sub-committees contribute to industry dialogue and policy formulation.

Sri Lanka Insurance Institute (SLII)

Membership supports professional development, technical education, and sector-wide skill advancement.

Strategic Contribution:

Strengthens industry collaboration, professional standards, and sector leadership.

Regulatory Engagement & Compliance

Ceylinco Life maintains structured engagement with key regulatory institutions, including:

- Financial Intelligence Unit – Central Bank of Sri Lanka
- Insurance Regulatory Commission of Sri Lanka
- Department of Inland Revenue
- Sri Lanka Accounting & Auditing Standards Monitoring Board

These engagements reinforce regulatory alignment, fiscal discipline, and financial reporting integrity across operations.

Strategic Contribution:

Reinforces compliance, transparency, and governance discipline.

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Advancing Sustainable, Ethical, and Inclusive Sourcing**

STRENGTHENING RESPONSIBLE SOURCING PRACTICES

Ceylinco Life's approach to responsible sourcing has evolved through deliberate strengthening of governance, ethical safeguards, and sustainability integration across its supplier ecosystem. Over time, procurement oversight has progressed from foundational compliance to a structured ESG-aligned supplier framework that reinforces transparency, accountability, and long-term resilience.

Procurement decisions balance ESG considerations, financial stability, cost-efficiency, and operational capability ensuring supplier partnerships support both business continuity and sustainability expectations.

Procurement Governance & Equal Opportunity

Supplier engagement is centrally managed through a structured registration and evaluation framework overseen by the Procurement Evaluation Committee.

All approved suppliers are maintained within a controlled corporate database to ensure traceability and documented oversight.

Transparent and Competitive Bidding Practices

- Equal opportunity bidding across registered categories
- Minimum of two suppliers per category to reduce concentration risk
- Contracts awarded against predefined capability and compliance standards
- Documented evaluation criteria applied consistently across tenders
- Committee-based review to ensure objective decision-making
- Clear segregation of duties within the procurement process
- Competitive quotations benchmarked against market standards
- Formal documentation retained to ensure audit traceability

Sustainability Assessment Criteria

- ESG Considerations
- Financial Stability
- Cost Efficiency
- Operational Capability
- Quality of Output

Supplier Assurance Process

Supplier relationships are governed through a structured model, outlined below:

01 Structured Onboarding

Formal supplier onboarding supported by documented corporate, financial, and compliance disclosures prior to approval and database registration.

02 Risk & Capability Assessment

Evaluation of operational readiness, financial stability, technical competence, and compliance status to ensure suppliers meet predefined eligibility standards.



03 Independent Oversight

Committee-based review and evaluation to reinforce objectivity, transparency, and governance discipline in procurement decisions.

04 Continuous Monitoring

Periodic validation, performance review, and compliance verification are applied throughout the supplier engagement cycle.

ESG Integration in Supplier Engagement

Ceylinco Life's supplier governance framework has progressively evolved to incorporate defined environmental, social, and ethical considerations within its sourcing processes. ESG-related expectations are embedded within supplier registration, evaluation, and ongoing monitoring, reinforcing alignment with the Company's sustainability commitments.

Suppliers are required to adhere to the Company's Code of Conduct and applicable Anti- Bribery and Anti-Corruption policies, and to comply with all relevant labour, statutory, and regulatory requirements.

15

Suppliers assessed for social impacts in 2025

Grievance Handling & Whistleblowing Mechanisms

The Company's whistleblowing framework extends to supplier and third-party engagements, providing structured channels to report concerns relating to unethical conduct, fraud, corruption, human rights violations, or regulatory non-compliance. No material whistleblowing complaints relating to supplier misconduct were reported during the year.

Key safeguards include:

- Confidential reporting channels
- Protection against retaliation
- Governance-level oversight of reported matters
- Defined escalation procedures

ESG & Social Screening in 2025

During the year, supplier assessments incorporated defined ESG criteria covering:

- Compliance with labour laws and human rights standards
- Screening for child labour and forced labour risks
- Anti-bribery, corruption, and conflictof- interest safeguards
- Environmental regulatory compliance and responsible sourcing practices

Highlights of 2025

- 15 suppliers, representing 1% of the supplier base, were assessed against defined ESG-related criteria
- No instances of forced labour, child labour, or human rights violations were identified within the supply chain
- No suppliers were identified for having negative environmental or social impacts during the year.

Environmental considerations are increasingly integrated into supplier engagement and procurement decision-making.

Refer Greening the Supply Chain in the Environmental Sustainability Pillar – pages 216-217 for more information.

ESG Integration Journey – Suppliers & Business Partners

Ceylinco Life's supplier governance framework has evolved from foundational compliance oversight to structured ESG integration embedded within procurement evaluation and monitoring processes.

2016 – Sustainability Foundations
Adoption of GRI-aligned reporting extended sustainability expectations to supplier relationships.

2020 – Strengthened Ethical Safeguards
Whistleblowing mechanisms, anti-bribery controls, and compliance frameworks were reinforced across partner networks.

2022 – Formal ESG Alignment
Supplier ethical compliance requirements were embedded within the ESG Policy and procurement criteria.

2024 – Governance Code Alignment
Supplier oversight strengthened in alignment with national governance codes and enhanced board-level supervision.

TODAY – Structured ESG Screening Model
Supplier evaluation processes matured into a defined ESG-integrated assessment framework incorporating social, ethical, and environmental criteria.

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Ensuring Quality, Reliability, and Long-Term Trust**

CORE ACTIVITIES:

- Technical and operational capability evaluation prior to supplier approval
- Multi-level tender review supported by specialist consultants where required
- Performance validation prior to payment release in relevant categories
- Ongoing supplier performance monitoring and review
- Structured engagement to strengthen supplier capability where required

Impacted SDGs:



ACTIVITIES IN 2025

Ceylinco Life's supplier ecosystem is managed to ensure that service delivery standards remain consistent, reliable, and aligned with operational expectations. Quality assurance mechanisms are embedded across supplier selection, performance validation, and ongoing engagement reinforcing long-term trust and operational resilience.

QUALITY ASSURANCE FRAMEWORK

Quality standards are upheld through a combination of structured evaluation, technical oversight, and continuous validation mechanisms that take place across the engagement cycle.

Quality Assurance Framework

Quality standards are upheld through a combination of structured evaluation, technical oversight, and continuous validation mechanisms that take place across the engagement cycle.

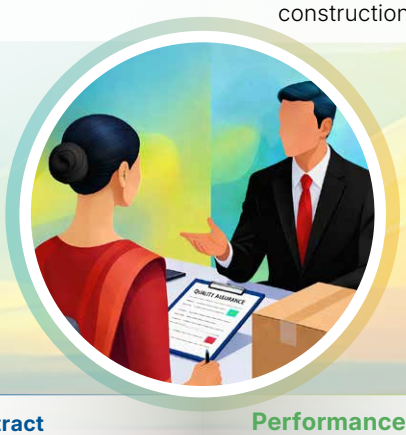
01 Pre-Engagement Technical Review

Supplier competencies are assessed through documentation review, certifications, and where relevant, site visits or virtual assessments. For specialised areas such as construction, external consultants and advisory bodies evaluate technical qualifications and regulatory compliance.

02 Capability & Regulatory Verification

Suppliers are evaluated for:

- Organisational capability and workforce competence
- Technological and operational capacity
- Adherence to industry-specific regulatory standards
- Compliance with sector-specific authorities (e.g., CEA for construction, where applicable)



04 Tender & Contract Evaluation Controls

Competitive bidding processes are supported by technical assessment of submitted proposals. Recommendations are reviewed prior to approval, ensuring alignment with predefined quality standards.

03 Performance Validation & Payment Controls

Quality verification mechanisms are applied prior to payment release in relevant categories. This includes review of deliverables, confirmation of service standards, and validation against contractual expectations.

SUPPLIER CAPACITY BUILDING

Ceylinco Life engages with suppliers beyond transactional procurement, supporting knowledge transfer and process alignment to strengthen service standards and longterm reliability.

Technical Knowledge Sharing

For specialised engagements, particularly in relation to construction and sustainability-aligned projects, suppliers are guided on:

- Compliance documentation standards
- Project-specific regulatory expectations
- Responsible resource management practices
- Sustainability-aligned construction methodologies

These engagements promote alignment with defined quality and regulatory benchmarks.

Digital Familiarisation & Process Readiness

As procurement processes increasingly incorporate virtual coordination and system-based submissions, suppliers are supported in adapting to digital engagement practices. This includes:

- Participation in virtual tender meetings and clarifications
- Guidance on electronic submission requirements
- Familiarisation with remote documentation workflows
- Alignment with structured digital communication protocols

While formal digital training programmes are not conducted, ongoing engagement encourages suppliers to enhance digital responsiveness and adapt to evolving procurement platforms.

Ongoing Engagement & Support

Periodic discussions and clarification sessions reinforce understanding of contractual obligations, submission expectations, and quality standards, thereby supporting consistent execution across engagements.

LONG-TERM PARTNERSHIPS & RELATIONSHIP STABILITY

Ceylinco Life maintains long-standing relationships with key suppliers across operational categories, reinforcing continuity, institutional knowledge, and operational reliability within its supply network. The Company's reputation for responsible partnership is reflected through:

Timely Financial Settlement

Consistent and prompt payment practices that support supplier liquidity and financial stability.

Transparent Communication

Open dialogue and responsive issue resolution that strengthen mutual trust.

Defined Escalation Pathways

Defined channels for addressing operational concerns, ensuring accountability and swift resolution.

Multi-Year Strategic Engagements

Sustained collaborations in specialised service areas that promote continuity and shared expertise.

These relationship principles foster long-term collaboration and strengthen reliability across critical saervice categories. Suppliers are provided with direct access to relevant management contacts where necessary, reinforcing responsiveness and partnership continuity.

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

Strategic Focus Area 03 | **Enhancing Digital Efficiency and Operational Discipline**

CORE ACTIVITIES:

- Commencing development of a supplier portal to facilitate digital registration and bidding
- Transition from physical tender documentation to electronic submissions
- Increased use of virtual platforms for tender meetings and clarifications
- Maintenance of structured, category-based supplier databases
- Strengthening documentation traceability and audit readiness
- Process optimisation to reduce manual intervention and improve turnaround times

Impacted SDGs:



ACTIVITIES IN 2025

During the year, procurement workflows increasingly incorporated virtual engagement mechanisms, reducing reliance on physical documentation and inperson tendering processes.

Digital submission protocols were expanded across procurement categories, improving consistency and enabling more efficient documentation handling.

Supplier registration and database management continued to be strengthened, reinforcing structured categorisation and improved monitoring capabilities.

These advancements supported improved process control, enhanced record-keeping, and greater transparency in procurement decision-making.

Progress During the Year – Digital & Operational Discipline

- Virtualised tender engagement
- Expanded digital submission protocols
- Reduced manual documentation handling
- Strengthened supplier database controls
- Improved traceability and transparency

Future Initiatives

The Company is progressing toward the implementation of a structured supplier portal designed to:

- Enable system-based supplier registration
- Facilitate electronic tender submissions and pricing uploads
- Improve real-time documentation access and traceability
- Strengthen data capture for monitoring and reporting purposes

Further digital integration is expected to enhance procurement oversight, streamline communication channels, and reduce administrative inefficiencies.

LOOKING AHEAD

As regulatory expectations, sustainability standards, and operational risks continue to evolve, Ceylinco Life's supply chain strategy will remain focused on strengthening governance, resilience, and responsible sourcing practices. Continued emphasis on transparency, supplier partnership, and ESG integration will position the supply network to support sustainable growth and long-term operational stability.

The Landscape Going Forward

- Increasing emphasis on ESG-integrated supplier evaluation and disclosure
- Greater expectations for transparency, ethical sourcing, and regulatory compliance
- Continued digitisation of procurement workflows and supplier engagement
- Expanded engagement with regional suppliers and SMEs to strengthen domestic enterprise participation
- Stronger focus on risk diversification and concentration management
- Ongoing alignment with national governance codes and sustainability frameworks

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN – THE JOURNEY CONTINUES...

The following outlines the Company's supply chain development pathway and the priorities shaping progress over time.

Immediate Priorities

- Establishing ESG-aligned sourcing practices and strengthening governance frameworks for responsible supplier engagement.
- Enhancing vendor evaluation standards, performance monitoring, and risk screening processes.
- Accelerating the digitisation of procurement workflows to improve efficiency, transparency, and operational control.

Building Momentum

- Integrating ESG considerations and risk analytics more deeply into supplier selection, evaluation, and partnership management.
- Strengthening vendor management systems and performance oversight through centralised monitoring and structured review mechanisms.
- Expanding responsible supplier partnerships while strengthening supply chain resilience and risk mitigation capabilities.

Future Ambitions

- Achieving broad alignment with ESG principles across procurement spending and supplier engagement practices.
- Leveraging predictive analytics and data-driven insights to enhance supply chain intelligence and operational resilience.
- Establishing a transparent, resilient, and sector-leading sourcing ecosystem that supports sustainable and responsible business practices.

SOCIAL RESPONSIBILITY

NURTURING A RESPONSIBLE AND RESILIENT SUPPLY CHAIN

STRATEGIC ACTIONS

ROADMAP AT A GLANCE

Short-term Priorities

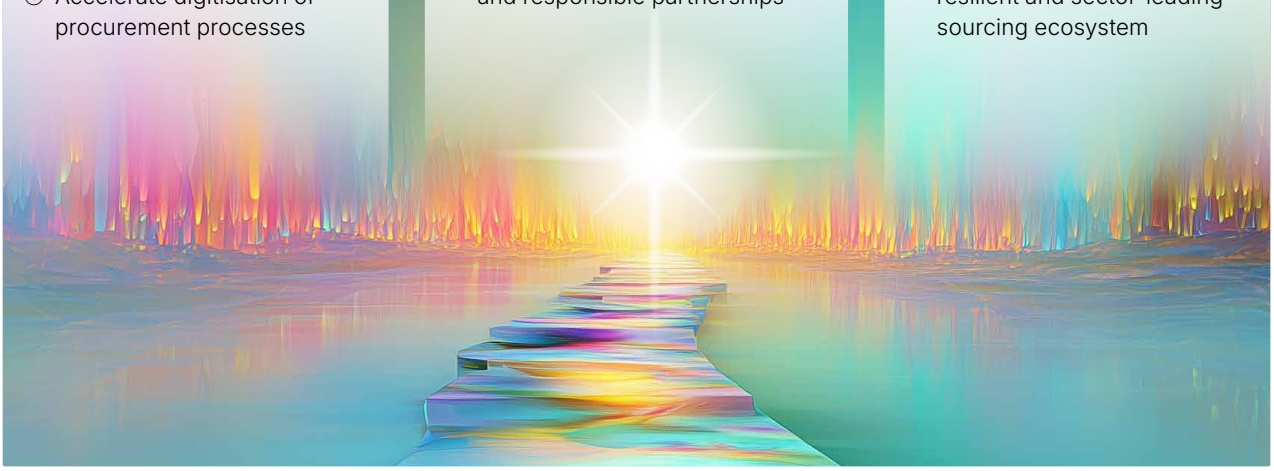
- Establish ESG-aligned sourcing and supplier governance foundations
- Strengthen vendor performance standards and risk screening
- Accelerate digitisation of procurement processes

Medium-term Priorities

- Integrate ESG and risk analytics into supplier selection and evaluation
- Centralise vendor management and performance oversight
- Deepen supply chain resilience and responsible partnerships

Long-term Priorities

- Achieve majority ESG-aligned procurement spend
- Deploy predictive, data-driven supply chain intelligence
- Establish a transparent, resilient and sector-leading sourcing ecosystem



SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES



SUPPORTING WELLBEING, RESILIENCE, AND PROTECTION BEYOND THE ORGANISATION

As a life insurance provider with a nationwide footprint, Ceylinco Life recognises that long-term value creation is closely linked to the wellbeing and resilience of the communities it serves. Community engagement is therefore approached as a purposeful extension of the Company's social responsibility focused on protecting health, strengthening access to essential services, and supporting social resilience, particularly among vulnerable and underserved groups.

Community initiatives are designed to complement national priorities, respond to emerging social risks, and deliver outcomes that extend beyond the immediate reporting period.

Alignment to the Social Responsibility North Star

PROTECTING WELL-BEING	EMPOWERING LIVES	ENABLING ACCESS AND INCLUSION
Health protection and crisis resilience.	Education, awareness, and capability.	Equitable access to essential services.

Rs. 29.4 Mn
invested
(Rs. 7.05 Mn in 2024)

2,907
lives impacted
(3,238 in 2024)

2,955
man hours
(3,700 in 2024)

SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

BUILDING RESILIENT COMMUNITIES IN FOCUS

Key focus areas shaping Ceylinco Life's contribution towards communities across Sri Lanka.



Safeguarding Health and Wellbeing

Ensuring access to preventive healthcare, early detection, and essential medical support through community-based interventions, mobile outreach, and institutional partnerships, with particular focus on safeguarding health and wellbeing during periods of heightened vulnerability.

Refer pages 311-314 for details

Advancing Education and Community Capability

Strengthening long-term social capability by improving access to education, enhancing learning environments, and promoting literacy, supported by targeted outreach and digital engagement to empower individuals and communities.

Refer pages 315-317 for details



Impact at a Glance

89
Classrooms constructed

Rs. 41.3 Mn
Invested in classroom construction and maintenance

5
High Dependency Units (HDUs) established in state hospitals

2
District hospitals supported with oxygen pipeline systems

102,581
Beneficiaries reached through health camps

408+
Community programmes conducted

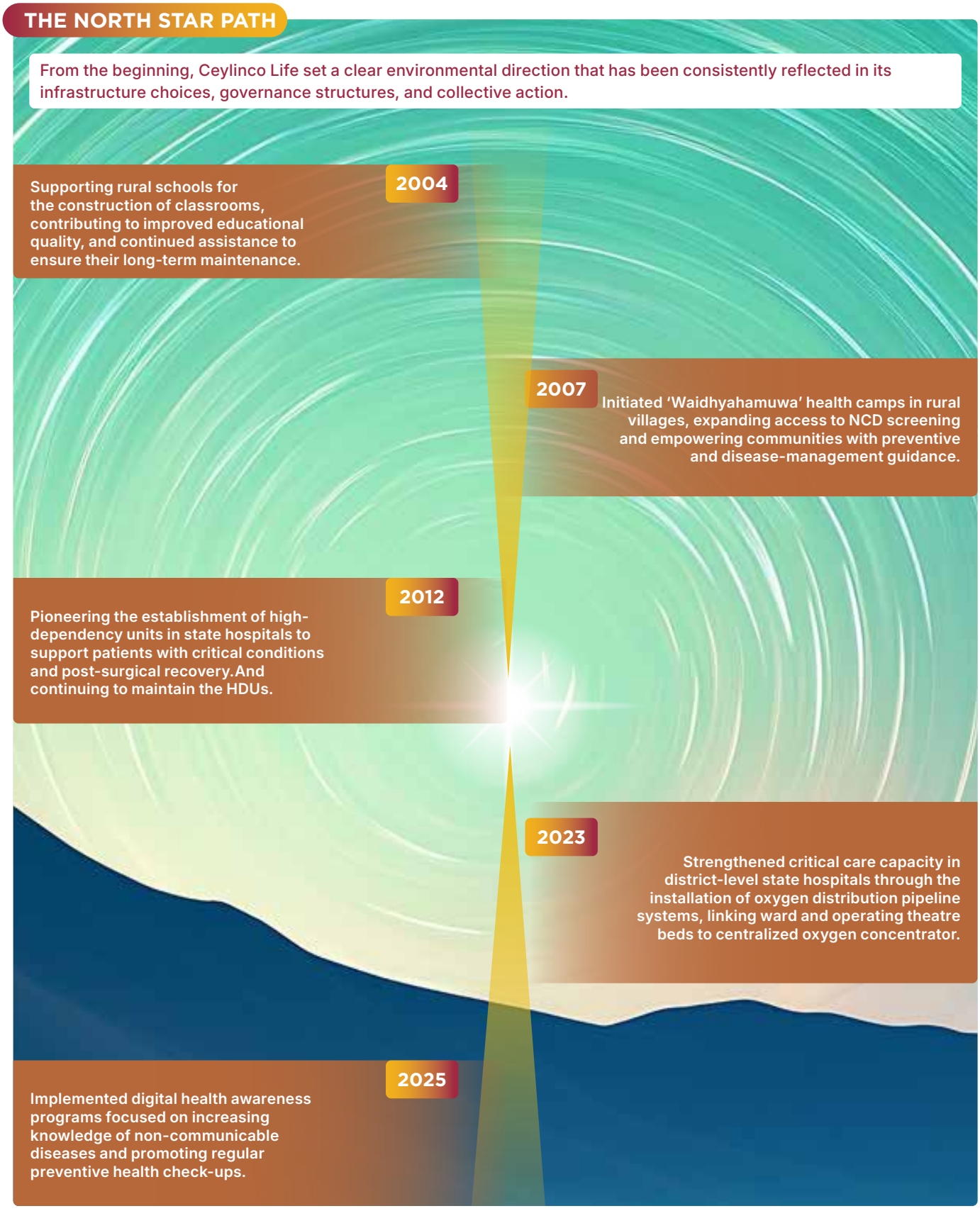
3,000+
Volunteer hours contributed to CSR initiatives

1,000+
Lives supported annually through healthcare infrastructure

20%
of health camp beneficiaries were diagnosed with health conditions for the first time

THE NORTH STAR PATH

From the beginning, Ceylinco Life set a clear environmental direction that has been consistently reflected in its infrastructure choices, governance structures, and collective action.



SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

LEADERSHIP INSIGHTS: GUIDING PRINCIPLES

HOW COMMUNITY INITIATIVES ARE GUIDED AND DELIVERED

Community initiatives are informed by local insight and implemented through a structured internal process that supports oversight, consistency, and responsiveness.

Identification of Needs

Leveraging its island-wide network, the Company relies on employees to identify communities in need of support, informed by local insight and on-ground familiarity.

Review and Approval

Proposed initiatives are submitted to management for review and approval, ensuring appropriate oversight and alignment with organisational priorities.

Implementation and Involvement

Employees remain involved throughout execution, supporting effective delivery and responsiveness to community needs.

Community initiatives are monitored using a combination of outreach indicators, service delivery metrics, and investment tracking. Measurement focuses on transparency and accountability while recognising the qualitative nature of many social outcomes.

Key indicators include:

- Number of beneficiaries reached
- Types of services delivered (health, education, awareness)
- nvestment committed to community initiatives
- Employee or volunteer involvement where applicable

Compliance and Ethical Conduct

During the reporting period, the Company did not incur any fines or nonmonetary sanctions for non-compliance with laws and regulations in relation to social and economic aspects.

All community investments and initiatives were implemented through established internal controls and due processes to ensure compliance, accountability, and ethical conduct.

Governing Policy:

ESG Policy

Responsibility:

Board ESG Committee

Refer page 402-404 for details



"Community initiatives are designed with a clear sense of responsibility and an understanding that needs evolve over time. Our focus is on delivering support that is thoughtful, consistent, and sustainable, while balancing immediate response with longer-term relevance. This approach helps ensure that community engagement remains meaningful and responsive as social needs continue to change."

Thushara Ranasinghe
Managing Director / Chief Exective Officer

STRATEGIC ACTIONS

DELIVERING SOCIAL VALUE THROUGH TARGETED ACTION

Strategic Focus Area 01 | **Safeguarding Healthcare and Wellbeing**

CORE ACTIVITIES:

- Expanding access to preventive healthcare and early detection through community-based and mobile outreach initiatives.
- Supporting essential medical services and infrastructure, including hospital facilities and critical care support.
- Delivering timely health interventions to communities affected by floods, landslides, and other disruptions.
- Promoting health awareness and preventive behaviours through targeted outreach and digital engagement.
- Partnering with public institutions and credible organisations to strengthen delivery and continuity of care.

Impacted SDGs:



ACTIVITIES IN 2025

COMMUNITY HEALTH CAMPS

Community health camps form the backbone of preventive healthcare delivery, enabling early detection and screening through accessible, on-ground interventions across multiple districts. These programmes focus on identifying health risks early and directing individuals toward appropriate care pathways.

Under the Waidhyahamuwa programme, community health camps were conducted across 12 locations in 10 districts, reflecting the Company's island-wide outreach and ability to reach diverse communities. Through these programmes, the Company was able to reach a total of 2,907 beneficiaries, providing access to preventive healthcare services and medical consultations at community level.

District	Programme Location(s)
Jaffna	Udupiddy, Suppilipuram
Mannar	Nanatan
Anuradhapura	Kebithigollewa
Matara	Akuressa, Beliatta
Kandy	Danthure
Kegalle	Ruwanwella
Nuwara Eliya	Hatton
Kurunegala	Mawathegama
Puttalam	Chilaw
Badulla	Uva Paranagama

12 locations

10 districts

2,907 beneficiaries

Rs. 5.6 Mn invested



SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Safeguarding Healthcare and Wellbeing**

Preventive Screening and Diagnostic Care

A comprehensive range of diagnostic services was offered at the health camps to support early detection and identification of health risks. During the year, the following screenings were conducted:

1,689
blood sugar tests

862
ECG tests

1,812
vision screenings

1,119
cholesterol tests

476
prescribed spectacles

305
urine tests to identify chronic kidney disease

452
hemoglobin tests

Special health camps organized and conducted in the Chilaw and Uva Paranagama regions

Beyond Planned Outreach: Responsive Health Support

While 10 community health camps were planned and completed by November 2025, the programme was extended beyond its original scope in response to severe flooding and landslides caused by Cyclone Ditwah toward the end of the year. As part of this extension, two additional medical camps were conducted in Chilaw and Uva Paranagama, areas significantly affected by the disaster. These camps focused on health issues that commonly arise in the aftermath of floods, including infections, waterborne illnesses, and unmanaged chronic conditions. Medical teams visited affected communities and temporary shelters, providing consultations, screening for post-disaster health risks, preventive guidance, and free medicines. Through these interventions, the Company was able to support 645 affected individuals, reinforcing its ability to respond swiftly to emerging community needs.

KEY HIGHLIGHTS:

Rapid Response

2
additional medical camps mobilised at flood-affected locations

Community Support

645

- Disaster-affected individuals supported
- Free medical consultations and medicines provided

Care Delivered

- Medical consultations and screening conducted at temporary shelters and affected communities
- Preventive guidance provided to address postflood health risks





12 Waidyahamuwa programs were completed in 2025 including two special medical camps in effected areas after the Ditwah cyclone.



Digital Health Awareness

During the year, the Company introduced a targeted digital health awareness initiative to support community-level preventive healthcare efforts. This first-time campaign was designed to extend health education beyond physical programme locations and strengthen public awareness on priority health risks at a national level.

Objective

To raise national awareness on Non-Communicable Diseases (NCDs), with a focus on early detection and lifestyle-related risk factors, while reinforcing preventive health messaging delivered through on-ground community health initiatives.

Approach

A targeted bilingual digital campaign delivered in Sinhala and Tamil to ensure accessibility and inclusive reach across communities.

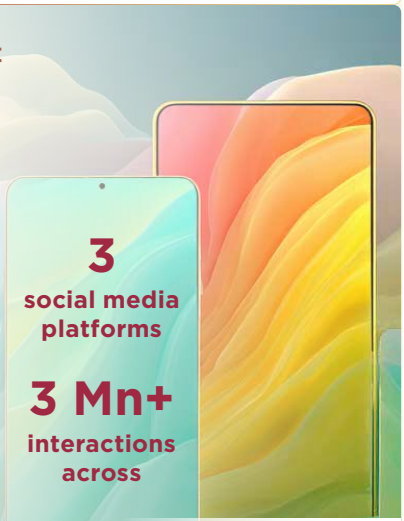
Outcome

By integrating bilingual digital outreach with on-ground health initiatives, the campaign strengthened public awareness of NCD prevention and early detection, while extending the impact of community health interventions beyond programme locations.

Campaign Reach and Engagement

The digital campaign achieved over 2 million interactions across social media platforms, significantly extending the reach of preventive health messaging at a national level. Delivering content in both Sinhala and Tamil supported inclusive access to information and enabled consistent messaging across diverse audience groups.

Platform	Total Reach / Interactions
Facebook	~2.1 million
Instagram	~2.4 million
YouTube	~1.1 million



Scan the code to view Video on Non-Communicable Disease (NCD) Prevention and Early Detection

SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

STRATEGIC ACTIONS

Strategic Focus Area 01 | **Safeguarding Healthcare and Wellbeing**

Strengthening Essential Medical Systems

Public healthcare support during the year focused on two complementary priorities: sustaining the functionality of existing critical care facilities and strengthening essential medical systems in high-demand hospital settings. Together, these interventions supported continuity of care while addressing evolving service requirements. Oxygen enabled for two theatres and two wards, including oncology. They further reflect a systems-oriented approach to community wellbeing one that balances the stewardship of past investments with the introduction of new capacity to support public healthcare institutions in delivering essential services effectively and sustainably.



STRENGTHENING ESSENTIAL MEDICAL SYSTEMS

Alongside maintenance of existing facilities, support was directed towards strengthening essential medical systems required for effective inpatient and surgical care. At Teaching Hospital Kalutara (Nagoda), oxygen distribution pipelines were installed and a previously nonfunctional oxygen concentrator was repaired. These enhancements enabled reliable oxygen supply to two operating theatres and two wards, supporting improved readiness for surgical procedures and inpatient treatment in highdemand settings.

2025 Highlights:

- Oxygen supply infrastructure strengthened at Teaching Hospital Kalutara

Rs. 21.2 Mn
invested

20
employee man-hours

Sustaining Critical Care Facilities

Support during the year included the continued maintenance of High Dependency Units (HDUs) and specialised treatment facilities that had been established with the Company's support in prior years. These efforts were aimed at ensuring that critical care infrastructure remains operational, reliable, and capable of delivering consistent patient care over time. Ongoing upkeep of HDUs across major public hospitals helped preserve the effectiveness of earlier infrastructure contributions and reinforced continuity of care in high-acuity clinical environments.

2025 Highlights:

- HDU maintenance support provided across 5 major public hospitals
- Continued functionality of previously established critical care facilities
- Focus on service continuity and reliability

STRATEGIC ACTIONS

Strategic Focus Area 02 | **Advancing Education and Community Capability**

CORE ACTIVITIES:

- Improving access to safe and conducive learning environments through classroom construction and refurbishment.
- Supporting education infrastructure aligned with local and regional needs.
- Building long-term community capability by supporting knowledge, skills, and informed decision-making.

Impacted SDGs:



Constructing Classroom Buildings

The Company's education infrastructure initiatives focus on both expanding access through new classroom construction and ensuring the long-term usability of classrooms previously established with Company support. This approach reflects a commitment to continuity, stewardship, and sustained educational outcomes.

Rs. 42 Mn+
total investment to date

89
classrooms constructed to date

Commencing Construction of New Classrooms

During the year, the Company laid the foundation for new classroom buildings at two schools with limited infrastructure, addressing immediate space constraints and safety concerns faced by students and teachers.

In both schools, students have been learning under temporary or improvised conditions. The new classrooms are intended to provide safe, permanent, and conducive learning spaces, supporting improved teaching and learning outcomes.

02
Classroom construction projects initiated

298
students covered

02
additional schools identified

AM/Udayagiriya Vidyalaya – Ampara District

Potential Beneficiaries

The new classroom will support Grade 8 students, who are currently studying under temporary shelter arrangements.

160
Students

20
Teachers

G/Gallandala Kanishta Vidyalaya – Galle District

Potential Beneficiaries

The new classroom will benefit Grade 10 students, replacing makeshift learning environments with a permanent facility.

138
Students

18
Teachers

SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

STRATEGIC ACTIONS

Strategic Focus Area 02 — Advancing Education and Community Capability





Two classrooms which are currently in the process of construction in Galle and Kurunegala.

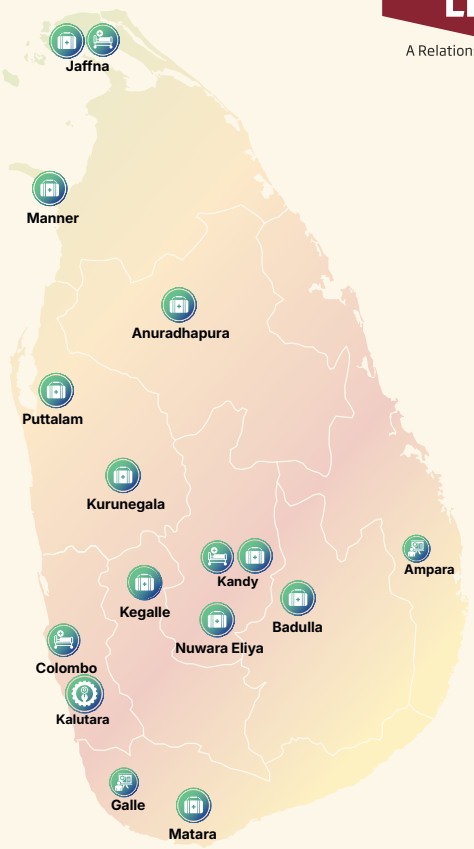
Implementation Considerations

The Company's education infrastructure initiatives focus on both expanding access through new classroom construction and ensuring the long-term usability of classrooms previously established with Company support. This approach reflects a commitment to continuity, stewardship, and sustained educational outcomes.

Future Plans:

Two more schools located in the Kurunegala and Galle districts were identified during the year for future classroom construction.

CEYLINCO LIFE®
A Relationship For Life™



Health Camps

Jaffna	Udupiddy
Jaffna	Supplipuram
Manner	Nanatan
Anuradhapura	Kebithigollewa
Matara	Akuressa
Matara	Beliatta
Kandy	Danthure
Kegalle	Ruwanwella
Nuwara Eliya	Hatton
Kurunegala	Mawathegama
Puttalam	Chilaw
Badulla	Uva Paranagama

Classroom Projects

Ampara
Galle

HDUs Maintained

Colombo	The Lady Ridgeway Hospital Colombo Dengue HDU
Colombo	The National Hospital Colombo Surgical HDU
Jaffna	The Teaching Hospital Jaffna Dengue HDU
Colombo	The Colombo South Teaching Hospital Kalubowila Surgical HDU
Kandy	Teaching General Hospital Kandy - Surgical HDU

Other Projects Maintained

Kalutara	Teaching Hospital situated in Nagoda by installing oxygen distribution pipes

Sustaining Learning Environments

In parallel with new construction, the Company continues to maintain and refurbish classroom buildings established with Company support in previous years, ensuring that these facilities remain functional and fit for purpose over time. As part of this ongoing process, branch staff visited schools within their respective areas to assess classroom conditions and identify requirements for painting, repairs, and material replacement.

Assessments conducted during the year indicated that several classrooms required more extensive refurbishment beyond routine painting, including repairs and replacement of worn materials. Accordingly, refurbishment activities are being phased and extended into 2026, reflecting the Company's emphasis on long-term follow-up and continuity of investment, and ensuring that education infrastructure continues to deliver value well beyond initial construction.

Beyond Construction...

- Regular site visits by branch staff
- Condition assessments
- Phased refurbishment where required
- Continued follow-up over multiple years

20
Classrooms Repaired

Rs. 870,108
invested for repairs and repainting"



685
Manhours spent by branch staff to reapir and repaint

Ceylinco Life staff engaging in repairs and repainting of the classrooms built by the company.



LOOKING AHEAD

Community needs continue to evolve alongside changing social dynamics, economic pressures, and expectations for inclusive growth and resilience. In this context, the Company's focus is on strengthening long-term community wellbeing by improving access to essential services, building capability, and supporting resilience while ensuring that community initiatives remain responsive, well-governed, and sustainable over time.

The Landscape Going Forward

- Increasing emphasis on health protection, prevention, and resilience, particularly in vulnerable and underserved communities
- Growing expectations for inclusive access to education, healthcare, and essential services
- Greater focus on long-term capability building, rather than short-term interventions
- Rising importance of disaster preparedness and post-disruption support at community level
- Stronger collaboration with public institutions, local partners, and communities to deliver sustained outcomes
- Increased need for transparency, accountability, and impact tracking in community initiatives

SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

BUILDING RESILIENT COMMUNITIES – THE JOURNEY CONTINUES...

The following outlines the Company's community development pathway and the priorities shaping progress over time.

Immediate Priorities

- Expanding community health outreach initiatives that promote preventive care, health awareness, and early detection.
- Supporting improvements to education infrastructure and learning environments in underserved communities.
- Strengthening community awareness programmes that promote health, well-being, and informed decision-making.

Building Momentum

- Scaling preventive health initiatives while strengthening collaboration with healthcare partners and institutions.
- Supporting the long-term sustainability of educational infrastructure and learning environments.
- Expanding community capability-building initiatives that empower individuals through knowledge, skills, and awareness.

Future Ambitions

- Contributing to sustained improvements in community health outcomes through long-term, systems-oriented interventions.
- Enabling equitable access to quality education and strengthened community learning environments.
- Supporting resilient communities through initiatives that enhance well-being, opportunity, and long-term social progress.

Refer ESG Integration and Purpose-Driven Strategy (page 143) for more information on priorities and targets in the short, medium, and long-term.



CORPORATE GOVERNANCE

Governance that holds firm. Integrity that guides the industry.

Ceylinco Life's governance framework has long provided the stability expected of the industry's North Star. Grounded in ethics, transparency and disciplined oversight, our governance principles ensure clarity and accountability in every decision. This steadfast commitment to integrity reinforces stakeholder confidence, safeguards policyholder interests and continues to set a benchmark for responsible leadership within Sri Lanka's life insurance sector.

CORPORATE GOVERNANCE

GOVERNANCE THAT SETS THE COURSE

Strong governance plays a central role in setting direction and maintaining confidence in an increasingly complex operating environment. Through disciplined oversight, clear responsibilities, and a robust policy framework, Ceylinco Life ensures decisions remain consistent with its purpose, values, and long-term objectives.

THE NORTH STAR

Stewardship that safeguards long-term value

A clear and consistent framework for ethical leadership, sound decision-making and accountability, ensuring that the Company remains aligned with its purpose, values and long-term strategic objectives.

GUIDING PRINCIPLES

Stewardship • Accountability • Transparency • Sustainability

These principles translate the Company's governance philosophy into disciplined oversight and ethical decision-making, ensuring consistency, integrity, and resilience as regulatory expectations, risks, and business conditions evolve.

OUTCOMES

Effective Board Stewardship • Strategic Alignment & Performance • Robust Risk & Assurance • Ethical & Compliant Operations • Integrated ESG Oversight • Sustained Stakeholder Confidence

Measurable governance outcomes achieved by strategic focus areas. These reinforce sound decision-making, accountability, and transparency, while enabling long-term organisational resilience and sustainable value creation.

34
Board and Committee Meetings
(26 in 2024)

100%
Regulatory compliance
(100% in 2024)



CORPORATE GOVERNANCE IN FOCUS

The following focus areas guide the Board's oversight and decision-making, supporting the governance outcomes outlined on the previous page.



Maintaining Board Leadership and Stewardship

Providing effective leadership and stewardship through a well-structured Board, clear allocation of responsibilities, independent oversight, and strong governance support, ensuring balanced decision-making and accountability at the highest level.

Refer pages 326-338 for details

Enhancing Board Capability, Diversity and Succession

Maintaining a capable and diverse Board through transparent appointment and re-election processes, ongoing professional development, regular performance evaluations, structured succession planning and competitive remuneration to support continuity and long-term governance effectiveness.

Refer pages 339-343 for details





Overseeing Strategy and Performance

Providing disciplined oversight of the Company's strategy, performance, and key decisions to ensure alignment with approved objectives, risk appetite, and long-term sustainability.

Refer pages 344-347 for details

Strengthening Risk Governance and Assurance

Overseeing enterprise-wide risks through a defined risk appetite, effective internal controls, and a coordinated combined assurance framework that supports informed decision-making, regulatory compliance, and organisational resilience.

Refer pages 348-351 for details





Advancing ICT, Data Protection and Digital Governance

Ensuring the secure, reliable, and strategic use of technology through Board-level oversight of ICT governance, cybersecurity, data protection, and digital risks, strengthening operational resilience in an evolving technology landscape.

Refer pages 352-355 for details

Upholding Ethical Conduct, Compliance and Stakeholder Accountability

Embedding ethical behaviour, regulatory compliance, and stakeholder accountability through a comprehensive policy framework, strong codes of conduct, effective compliance monitoring, and transparent engagement with stakeholders.

Refer pages 356-360 for details



CORPORATE GOVERNANCE

THE NORTH STAR PATH

2015

- Introduced integrated reporting framework linking financial & non financial value creation
- Established Board Audit Committee
- Formed Board Risk & Board Remuneration Committees

2016

- Formed RPTR Committee & Nomination Committee
- Implemented CAMMS Risk Management System
- Strengthened governance oversight through enhanced committee structures

2017

- Formed Board Investment Committee & introduced Investment Policy Statement (IRCSL aligned)
- Introduced Company Remuneration Policy
- Launched Key Indicator Dashboard for improved monitoring

2018

- Introduced SAP Finance & Investment System
- Implemented enhanced RPTR identification/reporting procedure
- Transition in Board leadership: new Independent Director and appointment of Executive Chairman

2019

- Appointed Senior Independent Director; confidential director meetings with SID were initiated
- Introduced AML/CFT, Anti Bribery, Whistleblowing & Data Protection Policies
- Commenced SLFRS 17 & SLFRS 9 Implementation; appointed Chief Risk Officer

2020

- Introduced ICAAP, Acceptable Use, Sustainability & Document Retention Policies
- Formed Sustainability Management Committee
- Conducted Great place to work employee survey & initiated carbon footprint measurement

2021

- Compliance implementation of IRCSL Direction 17
- Deployed BoardPAC digital governance platform
- Introduced ALM Policy, Loss Limit, Complaint Handling, UAT Policy & Data Classification

2022

- Adopted Expense Allocation Policy & reviewed allocation methodologies
- Accelerated process automation (TR, collections, e-signature, e-KYC, etc.)
- Leveraged data analytics for product innovation & process improvements

2023

- Retired 7 Directors per IRCSL Direction 02 of 2022 & appointed replacements
- Conducted governance workshop on Personal Data Protection Act & ETA for Directors
- Adopted conflict of interest guidelines for Directors & KMP

2024

- Implemented governance related changes under CSE Listing Rule Section 9
- Adopted full suite of advanced governance, ethics, and ESG related policies
- Established Board ESG Committee & renamed Nomination Committee to Nomination & Governance Committee
- Implemented comprehensive Board, Sub Committee, Chairman & CEO performance evaluations
- Introduced Fit & Proper assessments & voluntarily adopted sustainability related financial disclosure standards

2025

- Expanded the Board to improve diversity and more expert views
- Appointed an experienced Non-Executive Director to the Board ESG Committee to encourage diverse views
- Reconstituted the Board Risk Management Committee
- Strengthening governance through the mandatory adoption of sustainability reporting under SLFRS S1 and S2.



"The Board recognises that strong corporate governance is fundamental to the sustainability of the Company, the protection of policyholder interests, and the maintenance of financial resilience in an increasingly complex and regulated insurance environment. During the year under review, the Board continued to exercise oversight of the Company's governance framework to ensure alignment with applicable laws, regulatory requirements, and recognised codes of best practice."

LEADERSHIP INSIGHTS: BOARD LEADERSHIP AND ETHICAL DIRECTION

Statement from the Chairman

Strategic Focus and Performance Oversight

The Board maintains a strong strategic focus, ensuring that governance structures and processes support the effective execution of the Company's strategic objectives. Performance, capital adequacy, and liquidity are monitored regularly to ensure that the Company remains well positioned to meet its commitments while pursuing sustainable growth opportunities.

Risk Management and IT Governance

Effective risk management remains a cornerstone of the Company's governance framework. The Board oversees a comprehensive enterprise risk management process that enables the identification, assessment, and management of risks across underwriting, reserving, investments, operations, and emerging areas. Furthermore, Risk committee has been reconstituted with members possessing enhanced expertise. The Risk Appetite Statement, ESG Framework Terms of Reference, and the Risk Management Policy are currently undergoing substantial revisions to incorporate recent developments, including emerging sustainability reporting requirements

Through its sub-committees, the Board ensures that risks are managed within approved tolerances and that appropriate controls and assurance mechanisms are in place to safeguard the interests of policyholders and other stakeholders.

Information technology governance continued to remain high on the Board's agenda as both opportunities and risks associated with digitalisation increasingly disrupt business models and operations. During the year, the Board closely monitored developments in this evolving area while allocating resources to strengthen cybersecurity and enhance IT infrastructure.

The Information Security Committee, established in accordance with the ISMS governance structure, convened to review the organization's current security posture and key priorities, Strengthened Data Leakage Prevention (DLP) measures using the existing Microsoft security framework to better protect critical data and maintain compliance with regulatory requirements, Implemented strengthened cybersecurity controls and resilience measures across customer-facing platforms, supported by ongoing initiatives to proactively mitigate digital risks and ensure uninterrupted customer access.

Embedding Sustainability into Governance

Ceylinco Life remains committed to embedding sustainability into its standard business processes through clear targets and performance indicators and integrating ESG considerations into strategy, risk assessment, and performance oversight. During the year under review, the Board continued to integrate environmental, social, and governance considerations into strategic decision-making, risk management, and performance oversight. Through regular reporting and assurance, the Board monitors progress against sustainability objectives and ensures alignment with regulatory requirements and recognised best-practice standards.

Compliance and Ethical Conduct

I hereby 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, the Corporate Governance Rules of the Colombo Stock Exchange, or the Internal Code of Business Conduct and Ethics of the Company by any Director or member of the Corporate Management team as at the date of this Annual Report. I further confirm that the Company has satisfied all statutory payment obligations to the Government and relevant statutory and regulatory bodies.

Looking Ahead

The Board remains committed to upholding the highest standards of corporate governance and ethical conduct. We will continue to review and enhance our governance framework in line with evolving regulatory requirements and best practices, ensuring that the Company remains well positioned to sustain trust, resilience, and long-term value creation.

R. RENGANATHAN
Executive Chairman

CORPORATE GOVERNANCE



"Independent oversight plays a critical role in ensuring that the Company's governance practices remain robust, transparent, and aligned with long-term stakeholder interests. Through disciplined oversight and constructive challenge, the Board continues to strengthen accountability, integrity, and responsible stewardship across the organisation."

Statement from the Senior Independent Director

Independent Oversight and Governance Assurance

The role of the Senior Independent Director is to provide independent oversight and perspective to the Board, ensuring that governance practices remain robust, transparent, and aligned with the long-term interests of shareholders and other stakeholders. In this capacity, I also serve as an additional channel for stakeholders to raise concerns that may not be fully addressed through existing governance structures.

As Senior Independent Director, I am consulted by the Chairman on governance-related matters and make myself available to Directors as an intermediary for confidential discussions on matters concerning the Company. During the year under review, 3 confidential meetings were held with Executive and Non-Executive Directors, in line with the requirements of the Code of Best Practice on Corporate Governance, to discuss governance-related matters and emerging issues. Further, in compliance with the requirement to appraise the Chairperson's performance, I chaired the annual meeting of the Non-Executive Directors held on 25th February 2026, without the Chairperson present and facilitated an objective assessment of the Chairperson's leadership and contributions. The outcome of this appraisal was reported to the Board, consistent with the principles of transparency and accountability.

Strengthening ESG Integration

During the year, the Board continued to strengthen its governance framework to ensure that environmental, social, and governance considerations are fully integrated into decision-making, risk management, and strategic planning.

The Board actively monitored ESG performance, embedding sustainability principles into policies, operations, and long-term value creation initiatives.

From an independent perspective, I am encouraged by the Board's proactive approach to initiatives aimed at reducing carbon emissions, supporting green investments aligned with global best practices, and strengthening community development through community-focused initiatives.

These actions reflect the Company's commitment to societal wellbeing and responsible business conduct.

Governance Confidence and Transparency

Despite being a non-listed entity, the Company continues to demonstrate a strong commitment to transparency, accountability, and regulatory discipline through its adherence to Section 9 of the Colombo Stock Exchange Rules on Corporate Governance. I am satisfied that the Company's governance practices, including its approach to ESG integration, promote ethical leadership, accountability, and responsible stewardship.

The Board remains committed to continuously enhancing its governance and ESG oversight in response to evolving stakeholder expectations, regulatory developments, and the Company's long-term strategic objectives. Accordingly, I confirm that the role and responsibilities of the Senior Independent Director were effectively fulfilled during the year



DR. HARSHA CABRAL PC
Senior Independent Director

STRATEGIC CONTEXT

ANCHORED IN PRINCIPLES OF ACCOUNTABILITY

Stakeholder Expectations

- Independent and effective Board oversight that protects policyholder and shareholder interests.
- Transparent governance, clear accountability, and ethical leadership.
- Strong risk governance and regulatory compliance in a highly regulated environment.
- Meaningful oversight of ESG, sustainability, and emerging risks.

Operating Landscape

- Adapting governance practices to align with evolving insurance regulations and emerging compliance requirements.
- Strengthening Board oversight of emerging risks, including climate, technology, and data protection.
- Managing increased governance complexity arising from digitalisation and regulatory change.
- Sustaining stakeholder confidence amid heightened scrutiny and low industry trust levels.

Core Challenges

Capitals:

FC SC HC IC MC NC

Key Stakeholders:

S

- Governance framework aligned with CA Sri Lanka Code, Listing Rules, and IRCSL requirements
- Board diversity across expertise, skills, age groups, and gender strengthens the range of perspectives supporting informed decision-making
- Strong independent oversight, supported by an increased number of independent directors and Board committees including Audit, Risk, ESG, and other governance committees
- The appointment of a Senior Independent Director (SID) ensures fair representation and balanced engagement between Non-Executive Directors (NEDs) and Executive Directors (EDs), strengthening overall board effectiveness
- Enterprise Risk Management (ERM), internal control, and combined assurance frameworks support structured risk oversight
- Clear policy framework supporting ethical conduct, compliance, and responsible business practices
- Active Board oversight of sustainability and ESG matters

W

- Increasing governance complexity driven by evolving regulatory requirements
- Lower Board diversity in certain areas such as actuarial and insurance professionals as non-executive directors
- Expanding ICT and data governance demands as digitalisation accelerates
- Resource and capacity constraints in addressing emerging governance requirements
- Need for broader external visibility of governance and ESG practices

O

- Enhancing governance transparency and disclosures to build stakeholder confidence
- Strengthening ESG governance to support long-term sustainability and value creation
- Leveraging digital tools to improve governance oversight and assurance
- Deepening Board capability through continued development and succession planning
- Strengthening stakeholder engagement through clearer governance communication

T

- Regulatory and compliance risks arising from frequent policy and legislative changes
- Reputational risks associated with governance or ethical lapses
- Cybersecurity and data protection risks in an increasingly digital environment
- Heightened stakeholder scrutiny and expectations for governance accountability
- Macroeconomic uncertainty affecting governance and risk oversight

Material Topics

M9 M10 M8 M3 M2

Risks and Opportunities

RR REP DR SR OR

CORPORATE GOVERNANCE

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 01 | **Maintaining Board Leadership and Stewardship**

CORE ACTIVITIES:

- Exercising independent oversight over strategy, performance, and governance matters.
- Clarifying decision rights, delegation, and accountability across governance bodies.
- Enabling effective Board deliberation through structured processes and information flow.
- Reinforcing ethical leadership, balance of power, and tone at the top.

Impacted SDGs:



GOVERNANCE PHILOSOPHY AND FRAMEWORK

CLIL's governance philosophy is grounded in the belief that strong and effective governance is fundamental to long-term value creation, sustainable performance, and stakeholder trust. The Company is committed to integrity, transparency, and accountability, embedding responsible decision-making across all levels of the organisation.

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 and Sustainability Disclosure Standards issued by CA Sri Lanka
- Shop and office Employees Act No. 19 of 1954
- Personal Data Protection Act No. 09 of 2022
- Financial Transactions Reporting Act No. 06 of 2006
- Rules and regulations issued by Financial Intelligence Unit of 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
- Code of ethics & conduct applicable to employees
- Employee consent on Data protection

Assurance Mechanisms
- External Auditors
- Internal Controls
- Internal Code of Business Conduct and Ethics
- Internal Auditors
- Other assurance services
- Information System Auditors

GOVERNANCE DIMENSIONS

Stewardship | Transparency | Accountability | Sustainability

Founded on our Core Values

Professionalism | Rewarding | Integrity | Dedication | Excellence

Governance Initiatives

Board Governance
- Board composition and diversity
- Corporate strategy and oversight
- Independence
- Board evaluation
- Training and development
- Board remuneration
- Ethics and corporate culture

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

Effective Board Stewardship • Strategic Alignment & Performance • Robust Risk & Assurance • Ethical & Compliant Operations • Integrated ESG Oversight • Sustained Stakeholder Confidence

The Board views governance as an enabler of strategy rather than a compliance exercise alone, supporting informed oversight, robust risk management, ethical leadership, and balanced consideration of stakeholder interests. Guided by the principles of stewardship and sustainability, this philosophy underpins the Company's policies, structures, and behaviours, enabling resilience and long-term success in a changing operating environment.

RESPONSIBLE STEWARDSHIP

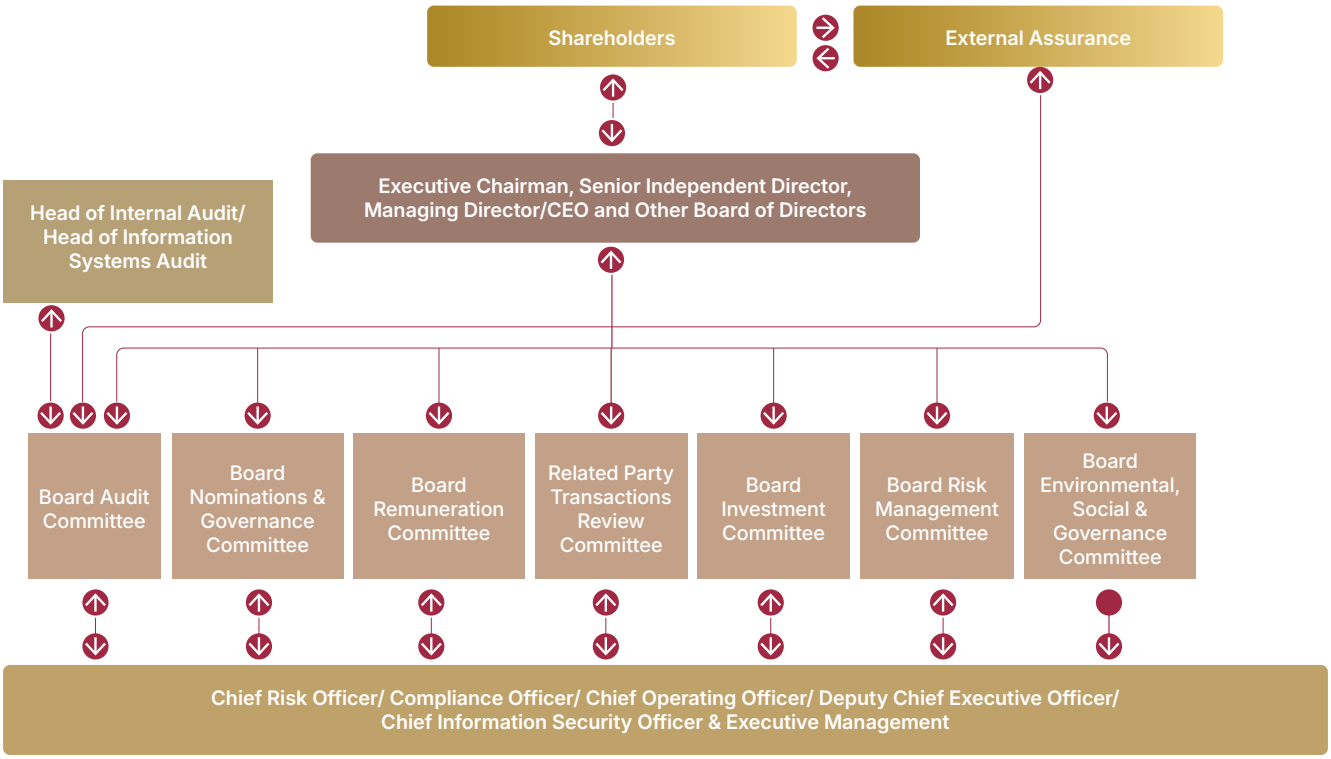
Responsible stewardship is central to the Board's oversight of strategy, performance, and long-term sustainability. The Board exercises independent judgement, upholds high standards of integrity, and acts in the best interests of the Company and its shareholders, promoting transparency, accountability, and ethical decision-making across the organisation.

Through strategic oversight, monitoring of risk management and internal controls, and alignment with sound policies and values, the Board considers the interests of key stakeholders, recognising that responsible and sustainable business practices underpin long-term value creation, resilience, and confidence in leadership.

GOVERNANCE STRUCTURE

The governance structure is designed to support effective oversight, clear accountability, and long-term success. It establishes a balanced division of responsibilities between the Board, its Committees, and executive management, aligned with the Company's strategic objectives.

The Board sets strategic direction and oversees governance, risk management, and internal controls, supported by Committees with defined terms of reference. Executive management is responsible for day-to-day operations and implementing Board-approved strategy and policies. This structure enables transparent decision-making, effective challenge, and timely response to risks and opportunities.



CORPORATE GOVERNANCE

FROM OVERSIGHT TO EXECUTION: GOVERNANCE ROLES AT A GLANCE

OWNERSHIP
SETS DIRECTION AND EXPECTATIONS

Shareholders

- Exercise ownership rights through the AGM and formal resolutions.
- Receive assurance on governance, performance, and compliance through approved disclosures and external audit.

Refer page 359 for details on shareholder resolutions

OVERSIGHT
PROVIDES LEADERSHIP AND GOVERNANCE OVERSIGHT

Board of Directors

- Provides overall leadership and direction to the Company.
- Oversees strategy, performance, risk management, and governance frameworks.
- Retains ultimate accountability for ethical conduct, regulatory compliance, and long-term sustainability.

Refer page 331 & 344-347 for detailed Board Roles and Responsibilities

Executive Chairman & Senior Independent Director

- Ensure effective leadership, balance of authority, and independent judgement at Board level.
- Support open dialogue, Board effectiveness, and sound governance practices.

Board Committees

- Support the Board through focused oversight of key governance areas.
- Operate under Board-approved Terms of Reference and report regularly to the Board

Refer page 388-405 for details on subcommittees

SUPPORT
ENABLES GOVERNANCE EFFECTIVENES

Company Secretary

- Supports the Board and committees in the effective operation of the governance framework.
- Facilitates governance processes, information flows, statutory compliance, and Board effectiveness.

Refer page 336 for details on Company Secretary

EXECUTION
EXECUTES STRATEGY AND MANAGES OPERATIONS

Executive Management

- Responsible for day-to-day operations and execution of Board approved strategy.
- Implements policies, manages risks, and delivers performance within the governance framework.
- Provides timely and accurate information to the Board to support effective oversight.

Refer page 344-347 for details on Strategy and executive management

ASSURANCE
PROVIDES CONFIDENCE AND INDEPENDENT VALIDATION

Risk, Compliance and Assurance Functions

- Provide specialist oversight, monitoring, and assurance across risk, compliance, controls, and information security.

Refer page 344-360 for details on Risk Management, IT and stakeholder governance

External Assurance

- Provides independent assurance on financial reporting and related governance matters.
- Enhances confidence in the integrity and transparency disclosures.

Refer page 408-413 for details on External Assurance

CUSTODIANS OF GOVERNANCE

The Board of Directors comprises Executive and Non-Executive Directors who collectively act as the custodians of the Company's governance. Together, they provide leadership, oversight, and independent judgement to ensure sound decision-making, accountability, and long-term sustainability.

Director	Status	Tenure	Board Committee Membership
Mr R Renganathan	EC	11 years 8 months	BIC ● BESGC ●
Mr E T L Ranasinghe	MD / CEO	11 years 8 months	BESGC BIC
Mr P D M Cooray	ED	11 years 8 months	BESGC
Mr P A Jayawardena	ED/CFO	11 years 8 months	BESGC BIC
Mr S R Abeynayake	ED/DCEO	11 years 8 months	BESGC BIC
Mr E R S G S Hemachandra (Appointed w.e.f. 01.04.2025)	ED / COO	8 months	BESGC BIC
Dr L J S Harsha Cabral PC	INED / SID	2 years 8 months	BNGC ●
Mr J Durairatnam	INED	7 years 1 month	BAC BNGC
Mr W W L R A Fernando (Resigned w.e.f. 31.12.2025)	INED	4 years 6 months	RPTRC ●
Mr O G V J Senanayake	INED	3 years 6 months	BRMC ●
Mr E R C Moraes	INED	2 years 8 months	BRC ● RPTRC
Mr M Ismail	INED	2 years 8 months	BRC
Ms R J Moraes	INED	2 years 8 months	BAC BRC BRMC
Prof S K Chandrasekera	NED	2 years 8 months	RPTRC
Ms A A Ludowyke	INED	2 years 5 months	RPTRC ● BAC ● BNGC w.e.f. 31.12.2025
Ms N M Boralessa (Appointed w.e.f. 20.02.2025)	INED	10 months	BRMC BESGC
Dr R C J Ferdinands (Appointed w.e.f. 01.04.2025)	INED	8 months	BRMC
Mr R A I Elapata (Appointed w.e.f. 31.12.2025)	INED	1 day	-

Status:

EC - Executive Chairman **ED -** Executive Director **CEO –** Chief Executive Officer **CFO** - Chief Financial Officer
COO – Chief Operating Officer **DCEO** - Deputy Chief Executive Officer **NED** – Non-Executive Director
INED – Independent Non-Executive Director **SID –** Senior Independent Director

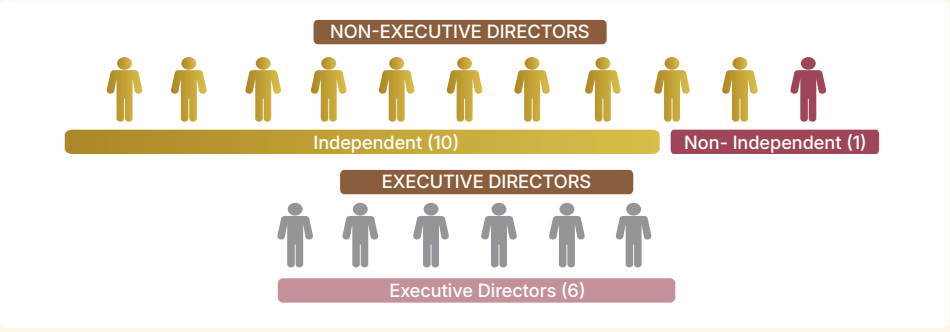
Board Committees:

BAC ▸ Board Audit Committee
BIC ▸ Board Investment Committee
BNGC ▸ Board Nominations and Governance Committee
RPTRC ▸ Related Party Transactions Review Committee
BRMC ▸ Board Risk Management Committee
BRC ▸ Board Remuneration Committee
BESGC ▸ Board Environmental, Social and Governance Committee
● **Committee Chairman**

CORPORATE GOVERNANCE

Board Independence

Among the Non-Executive Directors who served during the year, the majority were assessed as independent in line with the relevant corporate governance codes.Independence assessments were reviewed by the Board Nominations and Governance Committee and confirmed by the Board, ensuring objective judgement and effective challenge at Board level.



10 of 11

Non-Executive Directors were deemed independent based on formal declarations and information available to the Board.

Basis of Board Independence

CRITERIA

The independence criteria set out in the Code of Best Practice on Corporate Governance issued by CA Sri Lanka and the CSE Rules on Corporate Governance were applied in assessing the independence of Non-Executive Directors as part of the Board selection and review process.

DECLARATION

All Non-Executive Directors, as at the date of this report, submitted signed declarations confirming compliance with the applicable independence criteria. These declarations were reviewed by the Board Nominations and Governance Committee and noted by the Board of Directors.

OUTCOME

Ten (10) Non-Executive Directors were assessed and deemed independent based on their declarations and the information available to the Board. Prof. Srinath Chandrasekera is the Managing Director of Kings Hospital Colombo (Private) Ltd which is an associate company of Ceylinco Life Insurance Ltd. Hence, he is considered as a Non-Independent Non-Executive Director

Balance of Power

A clear separation of roles and responsibilities at Board level supports effective oversight, independent judgement, and sound decision-making, ensuring that authority is exercised in a balanced and transparent manner.

EXECUTIVE CHAIRMAN

- Provides leadership to the Board and promotes a strong culture of good governance, integrity, and ethical conduct.
- Encourages inclusive and constructive Board discussions by ensuring diverse perspectives are heard and all Directors actively participate.
- Ensures compliance with applicable laws, regulations, and governance standards.
- Ensures that the Board receives the necessary and timely information for decision making
- Ensures that the Board fulfills its obligations towards the Stakeholders
- Serves as the Principal Officer for all matters related to the Insurance Regulatory Commission of Sri Lanka (IRCSL), ensuring regulatory compliance, overseeing statutory submissions, and acting as the primary link with the IRCSL, on behalf of the Board

CHIEF EXECUTIVE OFFICER

- Leads the formulation of corporate objectives with the support of Senior Management and drives the execution of the Company's strategic priorities.
- Identifies, assesses, and manages key risks, supported by appropriate internal controls and risk mitigation mechanisms.
- Develops and implements succession planning for Senior Management to support leadership continuity.
- Strengthens the organisation's regulatory and supervisory compliance framework by implementing regulatory decisions, directives, and supervisory requirements.

SENIOR INDEPENDENT DIRECTOR

- Supports the Chairman in his role and acts as an intermediary for Non-Executive Directors where required.
- Provides guidance on Board development and effectiveness to enhance overall governance performance.
- Promotes best Board practices and high standards of corporate governance.
- Ensures Board proceedings are conducted transparently, objectively, and free from conflicts of interest.
- Ensures that the views of Non-Executive Directors are given due consideration in Board deliberations.
- Acts as Chairman of the Board when matters relating to the Chairman are under consideration.
- Serves as a conduit for shareholder concerns to the Board where other communication channels are inappropriate.

Board Responsibilities

Leadership, Composition and Succession	Board Committee Membership. Appointing the Chairman and the Senior Independent Director. Ensuring that the CEO and management team possess the skills, experience, and capability to implement the corporate strategy. Ensuring the adoption and oversight of an effective succession plan for the CEO and Key Management Personnel.
Strategy, Performance and Capital Allocation	Approving corporate strategy, budgets, and major capital expenditure. Monitoring and evaluating progress on strategy implementation, budgets, plans, and related risks. Recognising sustainable business development in strategic decisions and activities, including consideration of integrated reporting.
Governance Structure and Delegation	Determining matters reserved for the Board and those delegated to Management, including limits of authority and financial delegation. Ensuring that governance structures support effective oversight, accountability, and decision-making.
Risk Management, Internal Control and Business Continuity	Ensuring effective systems to safeguard the integrity of information, internal controls, business continuity, and risk management. Overseeing the Company's approach to identifying, assessing, and managing key risks.
Ethics, Compliance and Values	Ensuring compliance with applicable laws, regulations, and ethical standards. Setting the Company's values and standards, including the adoption of appropriate accounting policies and compliance with financial regulations.
Stakeholder Oversight and Responsible Stewardship	Ensuring that stakeholder interests are appropriately considered in corporate decision-making. Supporting responsible and sustainable value creation across the organisation.
Corporate Reporting and Transparency	Ensuring that processes are in place for timely and accurate corporate reporting on an annual, quarterly, or more frequent basis, as required.
Other Statutory and Fiduciary Responsibilities	Fulfilling other Board functions appropriate to the scale, nature, and complexity of the Company's business.

CORPORATE GOVERNANCE

BOARD SUBCOMMITTEES

To support effective governance and enable the Board to devote sufficient time to matters reserved for its decision-making, seven Board sub-committees have been established. These committees operate under Board-approved Terms of Reference and provide focused oversight in key areas of governance,Sustainability, risk, assurance, and performance.

In addition, Six management committees operate along subject-specific lines to support the execution of strategy and operational decision-making.

OVERVIEW OF THE MANAGEMENT COMMITTEES

Executive and Management Committees support Board subcommittees in executing approved strategies and monitoring progress. Below is a refined summary of the Company's Management Committees:

I. Strategic Planning Committee

Main objective:
To formulate and initiate the strategic direction of the Company.

Composition:
Executive Directors, Chief Risk Officer, GM and above.

Frequency of meetings:
Monthly.

2. Executive Risk Management Committee

Main objective:
To develop, facilitate, and monitor the control framework and execution of proper risk-management strategies.

Composition:
Chief Risk Officer; members of cross-functional teams.

Frequency of meetings:
Quarterly.

3. Operational Investment Committee

Main objective:
To recognize the significance of investment decision-making, review the implementation of investment strategies, and address challenges arising from internal and external environments.

Composition:
Chief Risk Officer, representatives from Investment, Actuarial and Finance

Frequency of meetings:
Weekly.

5. Sustainability Committee

Main objective:
To ensure the Company's operations are carried out sustainably.

Composition:
Executive Directors and Chairs from Environment, Social, and Economic Committees.

Frequency of meetings:
Monthly.

6. Information Security Committee

Main objective:
Provides strategic oversight of information security, ensuring policy compliance and managing escalations for security incidents.

Composition:
Chaired by the Deputy CEO, with membership comprising CISO, CRO and representatives from key IT functions

Frequency of meetings:
Quarterly.

7. Product Development Committee

Main objective:
To ensure that existing products meet customer needs, to initiate and develop new products and to recommend product improvements.

Composition:
Executive Directors and Heads of Departments representing Marketing, Finance, Actuarial, and IT.

Frequency of meetings:
Monthly.

Board Subcommittees at a Glance

The following snapshot provides an overview of the Board Subcommittees outlined on the previous page, highlighting their composition, independence, key responsibilities, and relevant expertise in supporting effective governance oversight.

BOARD AUDIT COMMITTEE (BAC)

(Refer pages 392-394 for the BAC report)

Key Responsibilities in 2025

- Oversight of financial reporting integrity and disclosure quality
- Oversight of external audit processes and auditor independence
- Monitoring internal control systems and financial risk management
- Oversight of internal audit effectiveness and governance processes



04
Committee Meetings

100%
Average Member Attendance

SKILL MIX,
Accounting & Finance, Banking, Management & International trade, Risk, Investments

STRATEGIC VALUE CONTRIBUTION

Financial Capital
- Strengthening financial integrity, control and transparency

Intellectual Capital
- Reinforcing governance systems and reporting frameworks

Social & Relationship Capital
- Strengthening stakeholder trust and confidence

Human Capital
- Promoting ethical conduct, compliance and accountability

BOARD RISK MANAGEMENT COMMITTEE (BRMC)

(Refer pages 399-401 for the BRMC report)

Key Responsibilities in 2025

- Oversight of the organisation's Enterprise Risk Management framework
- Identification, assessment and monitoring of key strategic and operational risks
- Oversight of risk appetite and primary risk management policies
- Ensuring independence, accountability and governance of the risk management function



06
Committee Meetings

100%
Average Member Attendance

SKILL MIX,
Risk Management | IT & Digital Risk | ESG & Sustainability | Finance | Strategy | Marketing

STRATEGIC VALUE CONTRIBUTION

Financial Capital
- Safeguarding financial resilience and organisational stability

Intellectual Capital
- Strengthening risk governance systems, controls and monitoring frameworks

Social & Relationship Capital
- Strengthening stakeholder confidence through effective risk oversight

Human Capital
- Promoting a strong risk culture and accountability across the organisation

CORPORATE GOVERNANCE

BOARD NOMINATION & GOVERNANCE COMMITTEE (BNGC)

(Refer pages 390-391 for the BNGC report)

Key Responsibilities in 2025

- Oversight of board appointments and succession planning
- Ensuring compliance with Fit & Proper criteria for Directors and CEOs
- Oversight of corporate governance policies and practices
- Evaluation of board structure, independence and performance



04
Committee Meetings

99%
Average Member Attendance

SKILL MIX,

Accounting & Finance | Banking | Risk | Governance | International Trade | Investment

STRATEGIC VALUE CONTRIBUTION

Human Capital
- Strengthening leadership capability, board effectiveness and succession planning

Intellectual Capital
- Enhancing governance frameworks, policies and board oversight mechanisms

Social & Relationship Capital
- Strengthening transparency, accountability and stakeholder trust

Financial Capital (Indirect)
- Supporting investor confidence through strong governance practices

BOARD INVESTMENT COMMITTEE (BIC)

(Refer pages 397-398 for the BIC report)

Key Responsibilities in 2025

- Development and recommendation of investment strategy and policies
- Oversight and monitoring of investment performance
- Ensuring integrity of the investment process and oversight of major transactions
- Providing recommendations on divestments, financial structuring and subsidiary governance

04
Committee Meetings

99%
Average Member Attendance

SKILL MIX,

Investment Strategy | Finance | Banking | Risk | Capital Allocation | International Trade

STRATEGIC VALUE CONTRIBUTION

Financial Capital
- Enhancing investment returns, capital allocation discipline and long-term value creation

Intellectual Capital
- Strengthening investment governance frameworks and analytical capability

Manufactured Capital
- Supporting infrastructure, asset optimisation and operational investment capacity

Social & Relationship Capital
- Strengthening stakeholder trust and market confidence

BOARD REMUNERATION COMMITTEE (BRC)

(Refer pages388-389 for the BRC report)

Key Responsibilities in 2025

- Oversight of executive remuneration policies and frameworks
- Review and approval of compensation structures for executive directors and senior management
- Ensuring remuneration aligns with performance and long-term value creation
- Oversight of performance criteria and incentive structures



04
Committee Meetings

99%
Average Member Attendance

SKILL MIX,

Remuneration Governance | Strategy | Leadership | Marketing | Architecture

STRATEGIC VALUE CONTRIBUTION

Human Capital
- Strengthening talent motivation, leadership development and performance culture

Social & Relationship Capital
- Promoting fairness, transparency and stakeholder trust

Financial Capital
- Aligning remuneration structures with sustainable value creation and performance outcomes

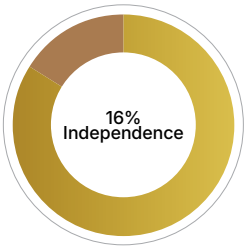
Intellectual Capital
- Strengthening governance frameworks and leadership oversight

BOARD ESG COMMITTEE (BESGC)

(Refer pages 402-404 for the BESGC report)

Key Responsibilities in 2025

- Oversight of ESG strategy implementation and sustainability performance targets
- Monitoring ESG risks and opportunities affecting the organisation
- Ensuring compliance with ESG regulations and reporting standards
- Integrating ESG considerations into executive remuneration and capital allocation decisions



02
Committee Meetings

99%
Average Member Attendance

SKILL MIX,

Remuneration Governance | Strategy | Leadership | Marketing | Architecture

STRATEGIC VALUE CONTRIBUTION

Natural Capital
- Strengthening environmental governance and climate-related oversight

Social & Relationship Capital
- Enhancing stakeholder trust, social impact and community value

Intellectual Capital
- Strengthening sustainability frameworks, governance systems and reporting practices

Human Capital
- Promoting workforce well-being, diversity, safety and social responsibility

Financial Capital
- Supporting investor confidence and reducing ESG-related risks

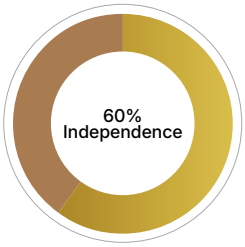
CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTRC)

(Refer pages395-396 for the RPTRC report)

Key Responsibilities in 2025

- Oversight of the Related Party Transactions policy framework
- Review of related party transactions to ensure arm's-length compliance
- Determination of approval requirements and disclosure obligations
- Monitoring and reporting of ongoing related party transactions



04
Committee Meetings

100%
Average Member Attendance

SKILL MIX,

Accounting & Finance | Governance | Compliance | Commercial Management

STRATEGIC VALUE CONTRIBUTION

Social & Relationship Capital
- Strengthening stakeholder trust through fairness and transparency

Financial Capital
- Protecting shareholder value through robust transaction governance

Intellectual Capital
- Strengthening governance systems and compliance frameworks

Human Capital (Indirect)
- Promoting ethical conduct, accountability and responsible decision-making

COMPANY SECRETARY

The Company Secretary plays a central role in supporting the Board and ensuring the effective operation of the Company's governance framework. The appointment and removal of the Company Secretary are the responsibility of the Board, in accordance with applicable laws and regulations.

The Company Secretary's responsibilities include:

- Supporting the Chairman and CEO in coordinating Board and sub-committee meetings, as well as Annual and Extraordinary General Meetings, in compliance with relevant legislative requirements.
- Ensuring the timely and accurate flow of information to the Board and its committees to facilitate effective decision-making.
- Maintaining Board and committee minutes, statutory registers, and other governance records.
- Providing guidance and support on matters relating to corporate governance, sustainability, and related regulatory requirements.



Board Meetings and Attendance

The Board convened 5 times during the year, while 29 sub-committee meetings were also held. Clearly defined procedures and guidelines support the effective conduct of meetings, and the annual Board and committee meeting calendar is communicated in advance of each financial year to Directors to facilitate effective participation and planning.

Details of Board and sub-committee attendance by individual Directors are set out on page number 338.

05
Board Meetings
(05 held in 2024)

29
Subcommittee Meetings
(21 held in 2024)



BEFORE THE MEETING

- The Chairman sets the Board agenda in consultation with the CEO and the Company Secretary.
- Agenda and Board Papers for meetings are sent at least one week prior to the meeting, ensuring Board members receive timely, high-quality information that enables them to make sound decisions.

DURING THE MEETING

- Directors are provided accurate, relevant, and timely information on which they base their decisions.
- The CEO and the Seni 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 regulations.

AFTER THE MEETING

- All proceedings of the Meetings, including Directors' concerns regarding matters which are not resolved unanimously, are recorded in the Board minutes.
- Board minutes are circulated to Members at least within two (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.

CORPORATE GOVERNANCE

ATTENDANCE AT BOARD AND BOARD SUBCOMMITTEE MEETINGS DURING 2025

Director's Name	Status	B	AC	RC	RPT	REM	NGC	IC	ESGC
Mr. R Renganathan	EC	5/5						4/4	3/4
Mr. E T L Ranasinghe	MD / CEO	5/5						3/4	4/4
Mr. P D M Cooray	ED	5/5						3/4	4/4
Mr. P A Jayawardena	ED/CFO	5/5						4/4	4/4
Mr. S R Abeynayake	ED/DCEO	5/5						2/2	4/4
Mr. E R S G S Hemachandra (appointed w.e.f.01.04.2025)	ED/ COO	4/4							2/2
Dr. L J S Harsha Cabral PC	INED / SID	5/5					4/4		
Mr. J Durairatnam	INED	5/5	4/4				4/4		
Mr. W W L R A Fernando (resigned 31.12.2025)	INED	5/5			4/4				
Mr. O G V J Senanayake	INED	4/5		6/6					
Mr. E R C Moraes	INED	5/5				2/2			
Ms. R J Moraes	INED	5/5	4/4	5/6		2/2			
Mr. M Ismail	INED	5/5				1/2			
Prof. S K Chandrasekera	NED	3/5			4/4				
Ms. A A Ludowyke	INED	5/5	4/4		4/4		3/4		
Ms. N M Boralessa (appointed w.e.f.20.02.2025)	INED	5/5		4/4					2/2
Dr R C J Ferdinands (appointed w.e.f.01.04.2025)	INED	4/4		4/4					
Mr. R A I Elapata (Appointed w.e.f. 31.12.2025)	INED	N/A							

B- Board | **AC-** Board Audit Committee | **RC -** Board Risk Management Committee | **RPT -** Related Party Transactions Review Committee | **REM** - Board Remuneration Committee | **NGC -** Board Nominations and Governance Committee | **IC -** Board Investment Committee | **ESGC -** Board Environmental, Social and Governance Committee

Status:

EC - Executive Chairman **ED -** Executive Director **CEO –** Chief Executive Officer **CFO** - Chief Financial Officer
COO – Chief Operating Officer **DCEO** - Deputy Chief Executive Officer **NED** – Non-Executive Director
INED – Independent Non-Executive Director **SID –** Senior Independent Director

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 02 | **Enhancing Board Capability, Diversity and Succession**

CORE ACTIVITIES:

- Reviewing Board composition to maintain an appropriate balance of skills, experience, independence, diversity, and tenure.
- Managing transparent processes for Director appointment, re-election, and retirement in line with regulatory and governance requirements.
- Supporting Director effectiveness through structured induction, ongoing development, and targeted training.
- Conducting structured performance evaluations of the Board and its Committees, including separate assessments of Non-Executive Directors (NEDs), Executive Directors (EDs), the Chairman, and the MD/CEO, to identify development needs, capability gaps, and improvement actions.
- Advancing succession planning and leadership continuity, supported by remuneration and incentive frameworks that reinforce long-term governance effectiveness.

Impacted SDGs:



BOARD DIVERSITY AND CAPABILITY

The Board brings together Directors from diverse age groups, genders, professional backgrounds, and areas of expertise, enabling balanced perspectives and informed decision making. Diversity and inclusion are embedded into Board composition and succession considerations, supporting effective governance and long-term value creation.

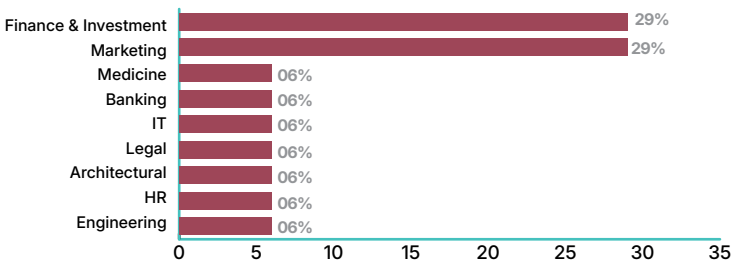
SKILLS, EXPERTISE AND EXPERIENCE

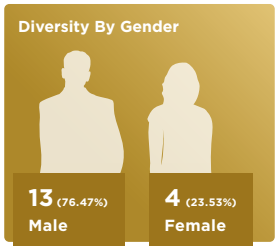
The Board collectively derives expertise across finance, accounting and auditing, banking and investments, law, management, marketing, medicine, architecture, engineering, IT, and human resources. This breadth of experience enables the Board to navigate complexities, capitalise opportunities, mitigate risks and guide the Company in a dynamic operating environment.



Mr. R. Renganathan was honoured with the 'Distinguished Recognition in the Profession of Management Accounting' award by CMA Sri Lanka at the inauguration of the workshop on Integrated Reporting and Sustainability Accounting Standards, held in the distinguished presence of IFAC President Mr. Jean Bouquot on 22nd January 2026."

EXPERTISE OF THE BOARD



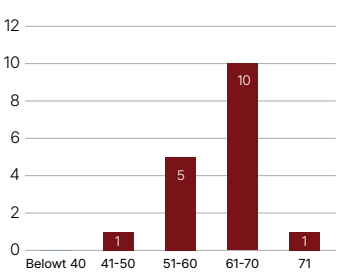


TENURE

A balanced mix of long-serving Directors and recent appointments supports both continuity and fresh perspectives. Structured appointment, re-election, and retirement processes ensure Board continuity while retaining institutional knowledge.

Period	No. of Directors
10-15 years	5
5-10 years	1
1-5 years	8
< 1 year	3

By Age



CORPORATE GOVERNANCE

APPOINTMENT, ROTATION, AND RETIREMENT OF DIRECTORS

A structured approach to appointment, rotation and retirement supports Board continuity, independence, and orderly succession, strengthening overall governance effectiveness.

BOARD RENEWAL FRAMEWORK

Aspect	Governance Approach	Regulatory / Governance Basis	2025 Update
Appointment	Directors are appointed through a formal and transparent process facilitated by the Board Nominations and Governance Committee, ensuring an appropriate balance of skills, experience, independence, and diversity aligned with the Company's strategic priorities, subject to the approval of the IRCSL. Upon completion of appointment formalities, a brief profile of the appointed Director is forwarded to the sole shareholder for information.	⊕ CA Sri Lanka Code of Best Practice on Corporate Governance (2023), Section A.8 – requires a formal and transparent procedure for Board appointments, supported by a nominations committee. ⊕ Companies Act No. 07 of 2007, Section 203 – provides for the appointment of Directors in accordance with the Articles of Association. ⊕ IRCSL Direction No. 2 of 2022 – Corporate Governance Framework for Insurers – requires Directors of insurers to be fit and proper and suitable to discharge their duties.	**Appointments during 2025:** Mr. E R S G S Hemachandra Ms. N M Boralessa Dr. R C J Ferdinands Mr. R A I Elapata
Rotation	At each AGM, one-third of the Directors (excluding the Managing Director and Executive Directors) retire by rotation, with those longest in office retiring first; if multiple Directors were appointed or re-elected on the same day, retirement is determined by lot unless otherwise agreed by the Board. Retiring Directors are eligible for re-election at the AGM	⊕ CA Sri Lanka Code of Best Practice on Corporate Governance (2023), Section A.7 – provides for periodic re-election and renewal of Board membership. ⊕ IRCSL Direction No. 2 of 2022 – Corporate Governance Framework for Insurers – sets expectations relating to Board composition, tenure, and re-appointment. ⊕ Articles of Association of the company	**Re-elections during 2025:** Mr. E R C Moraes Mr. M Ismail Ms. R J Moraes
Retirement	Directors retire in accordance with statutory age and tenure limits. A Director vacates office at the conclusion of the AGM following attainment of 70 years of age, unless re-elected in accordance with applicable provisions.	⊕ Companies Act No. 07 of 2007, Section 210 and 211 requires a Director to vacate office at the AGM following attainment of 70 years, subject to re-election by shareholders. ⊕ IRCSL Direction No. 02 of 2022 (Revised), Section B.2 – limits the total period of service of a Non-Executive Director of an insurer to nine (9) years, excluding Major Shareholder and Technical Directors. ⊕ IRCSL Direction No. 02 of 2022 (Revised), Section 3(i) – stipulates that the age of a person serving as a Director shall not exceed 75 years.	**Retirements during 2025:** Mr. R Renganathan

BOARD CAPABILITY, DEVELOPMENT, AND EFFECTIVENESS

Ongoing development, regular evaluation, and structured succession planning support leadership continuity and ensure the Board remains effective and aligned with evolving strategic priorities.

Induction and Continuous Professional Development



On appointment, Directors receive a comprehensive induction covering the Company's operations, governance framework, policies, regulatory environment, and key business developments. Ongoing updates are provided on legislative changes, sector trends, and emerging risks.

Directors are encouraged to pursue continuous professional development in line with their professional obligations, with training programmes funded by the Company.

Training Focus Areas in 2025

- Directors' Workshop on the Companies Act (Amendment) Act No. 12 of 2025, including regulatory updates relating to ultimate beneficial ownership (UBO) and related disclosure requirements.
- Awareness session on the SLFRS Sustainability Disclosure Standards (SLFRS S1 & S2), focusing on emerging sustainability reporting requirements, climate-related disclosures, and governance implications for the Board.

Access to Information



All Directors have unrestricted access to the advice and services of the Company Secretary to support the effective discharge of their duties. Directors may also seek independent professional advice at the Company's expense, where necessary. Directors also have access to Board papers, reports, presentations and technical papers shared with them.

In addition, Directors have direct access to management, Company information, and other resources required for effective oversight.

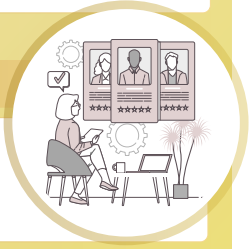
Succession Planning



The Company maintains a structured and proactive approach to succession planning to ensure continuity of leadership and governance effectiveness. The Board and the Board Nominations and Governance Committee regularly review succession plans to maintain an appropriate balance of skills, experience, independence, and diversity.

Potential successors are identified through ongoing evaluation and development, supporting smooth transitions and sustained Board performance aligned with long-term strategic objectives.

Board Evaluation



The Board and its subcommittees conduct an annual self-assessment to evaluate their effectiveness and identify areas for improvement. The Chair of the Board and Committee Chairpersons review the outcomes and agree on action plans. Key findings and actions are reported to the Board.

CORPORATE GOVERNANCE

Board Evaluation Framework

The Company conducts a structured annual performance evaluation in line with the CA Sri Lanka Code of Best Practice on Corporate Governance (2023), CSE Listing Rules, and IRCSL Corporate Governance Direction No. 02 of 2022 (Revised).

Non-Executive Director Evaluation

Evaluated by:
Executive Directors

Focus areas:

- Independence and judgement
- Constructive challenge on strategic and insurance-specific matters
- Oversight of compliance and policyholder protection
- Contribution to Board discussions

Executive Director Evaluation

Evaluated by:
Non-Executive Directors

Focus areas:

- Leadership of insurance operations
- Strategic execution and performance delivery
- Quality and transparency of information to the Board
- Compliance with governance and regulatory standards

Board Evaluation

Participants:
All Directors

Focus areas:

- Board composition and expertise
- Quality of discussions and decision-making
- Oversight of risk, compliance and actuarial governance
- Adequacy of information and Board processes

Chairman Evaluation

Evaluated by:
All Directors

Focus areas:

- Leadership and governance culture
- Balanced and effective Board discussions
- Independence and transparency
- Alignment with regulatory and risk oversight priorities

MD / CEO Evaluation

Evaluated by:
Board of Directors

Focus areas:

- Strategic leadership of life insurance operations
- Operational and financial performance
- Regulatory compliance and solvency oversight
- Stakeholder engagement and policyholder protection

KEY OUTCOMES

The Board confirmed that the evaluation process demonstrated strong Director engagement, effective governance oversight, and continued leadership in maintaining regulatory compliance and sustainable organizational performance.

- The Board and its Committees continue to operate effectively, providing strong oversight of regulatory compliance, risk governance, and policyholder protection obligations.
- Directors demonstrated high levels of independence, preparedness, and active engagement in Board deliberations and decision-making.
- The Chairman provided effective leadership, facilitating balanced discussions and well-informed Board decisions.
- The MD/CEO demonstrated strong strategic and operational leadership, supporting sustainable business performance while maintaining compliance with IRCSL regulatory requirements.
- The Board remains committed to using evaluation insights to strengthen governance practices and enhance long-term organisational resilience in line with corporate governance codes and insurance-sector regulations.

Remuneration

CLIL's remuneration framework is designed to attract, retain, and motivate highly qualified Directors while aligning rewards with the Company's long-term strategy and shareholder interests. Remuneration reflects the responsibilities, time commitment, and expertise required of Board members and is benchmarked against comparable organisations and prevailing market practices. No individual Director is involved in determining his or her own remuneration.

The Board is supported by the Remuneration Committee in determining the remuneration of Executive Directors, Non-Executive Directors, Key Management Personnel, and other senior employees. The Remuneration Committee establishes the principles, parameters, and governance framework of the remuneration policy and recommends the terms and conditions of employment of the Chairman, the Board, Executive Directors, and Senior Management.

The Chief Executive Officer's remuneration package is structured to link rewards to both corporate and individual performance, ensuring alignment between short-term outcomes and long-term value creation. Fees for Independent Directors are determined by the Board, supported by the Remuneration Committee, and informed by advice from human resource professionals where appropriate.

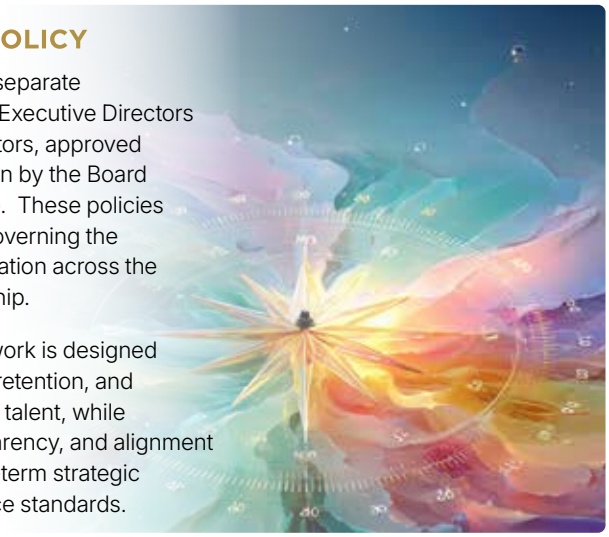
- Agreed-upon goal-setting framework
- KPIs are aligned to OKRs and are set giving due importance to knowledge and skills

- 360-degree evaluation with close interaction between the evaluator and the evaluatee

REMUNERATION POLICY

The Company maintains separate remuneration policies for Executive Directors and Non-Executive Directors, approved by the Board and overseen by the Board Remuneration Committee. These policies establish the principles governing the determination of remuneration across the Board and senior leadership.

The remuneration framework is designed to support the attraction, retention, and motivation of high-quality talent, while ensuring fairness, transparency, and alignment with the Company's long-term strategic objectives and governance standards.



Key Objectives:

- Drive the achievement of corporate objectives and strategy
- Attract and retain high-performing talent
- Promote internal equity through fair and transparent remuneration schemes
- Achieve optimal allocation of resources
- Compliance with applicable laws on pay and remuneration

Remuneration at a Glance

- Objective: Align rewards with performance and long-term value
- Oversight: Board & Remuneration Committee
- Benchmarking: Market-based and role-specific
- Safeguards: No self-determination of remuneration

Details of remuneration paid to Directors are disclosed on page 538 of this Annual Report.

Further information is provided in the Remuneration Committee Report on pages 388-389.

CORPORATE GOVERNANCE

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 03 | **Overseeing Strategy and Performance**

CORE ACTIVITIES:

- Reviewing and guiding the Company's strategic direction in line with approved objectives and risk appetite.
- Monitoring financial performance, capital adequacy, liquidity, and investment outcomes through regular Board and committee reporting.
- Overseeing the implementation of strategy through performance updates, peer analysis, and management presentations.
- Exercising oversight over material decisions, policies, and regulatory matters that influence strategy execution.
- Considering environmental, social, and governance factors as part of strategic and performance oversight.

Impacted SDGs:



STRATEGY AND PERFORMANCE

The Board formulates and steers the Company's strategic direction, ensuring that key areas of oversight are clearly identified and addressed. In fulfilling this role, the Board approves policies and material processes that support the delivery of the corporate strategy, while overseeing management's execution through regular performance updates and deliberations.

KEY GOVERNANCE DECISIONS AND FUTURE FOCUS

The following outlines the key governance decisions and initiatives undertaken during 2025 across Environmental, Social, and Governance (ESG) focus areas, aligned with the organisation's strategic priorities. These actions reflect the Board's role in strengthening oversight, accountability, and long-term value creation, while ensuring responsible business practices across environmental sustainability, workforce governance, customer protection, and community impact.

The initiatives also highlight the Board's forward-looking governance focus, supporting resilience, regulatory readiness, ethical conduct, and sustainable growth across the organisation.

Key Decisions & Initiatives in 2025	Future Governance Focus
Environmental Sustainability	
⇢ Maintained full compliance with required environmental approvals and CEA-issued permits.	⇢ Deepen Board oversight of climate resilience and the low-carbon transition.
⇢ Strengthened environmental oversight through site-level monitoring, internal reviews, and Board-level reporting.	⇢ Strengthen governance of transparent and assured environmental disclosures.
	⇢ Expand renewable energy adoption and resource-efficient infrastructure.

Key Decisions & Initiatives in 2025	Future Governance Focus
Environmental Sustainability	
Board oversaw integration of climate-related risks and opportunities using emissions data, energy insights, and resilience measures.	Embed circular economy and waste reduction principles into core processes. Promote governance frameworks supporting ecosystem restoration. Enhance cross-sector collaboration through structured Board leadership.

Key Decisions & Initiatives in 2025	Future Governance Focus
Social Responsibility	
People & Workforce Governance	
Strengthened workplace fairness through Diversity, Inclusion & Equity policies. Ensured safe, respectful conduct via Sexual Harassment Prevention and Whistleblowing frameworks. Expanded confidential reporting for women through Liya Saviya.	Strengthen Board oversight of digital capability building and workforce productivity. Enhance governance for leadership development and internal mobility. Prioritise employee well-being, mental health, and psychological safety. Advance diversity, equity, and inclusive representation across all levels. Reinforce conduct, compliance culture, and ethical behaviour monitoring. Embed sustainability and community responsibility into employee development.
Sales Force Governance (Conduct & Capability)	
Embedded ethical advisory standards through the Sales Code of Conduct and mandatory regulatory compliance training. Implemented a structured product suitability framework with documented needs analysis. Strengthened accountability via the Honesty Index linking conduct breaches to KPIs and rewards.	Strengthen governance oversight of digitally enabled advisory models and hybrid engagement. Increase expectations on transparency, suitability, and ethical conduct. Enhance structured capability development and leadership for sales teams. Deepen gender inclusion and female economic participation within the sales force. Strengthen data protection, compliance discipline, and performance accountability. Improve cross-regional collaboration for consistent service and governance standards.

CORPORATE GOVERNANCE

Social Responsibility

Key Decisions & Initiatives in 2025	Future Governance Focus
Responsible & Resilient Supply Chain	
⇢ Board ensured procurement governance with ESG criteria embedded in supplier selection and evaluation. ⇢ Supplier assessments incorporated ESG, financial strength, compliance, and operational capability.	⇢ Strengthen ESG-based supplier evaluation and disclosure. ⇢ Enhance transparency, ethical sourcing, and regulatory compliance. ⇢ Accelerate procurement digitisation for greater oversight and traceability.
Community Governance & Social Impact	
⇢ Improved access to safe, conducive learning environments through governed construction and refurbishment projects. ⇢ Strengthened education infrastructure via structured needs assessments. ⇢ Built long-term community capability with programmes focused on skills, knowledge, and informed decision-making.	⇢ Strengthen governance oversight of community health protection and resilience, especially for vulnerable groups. ⇢ Promote inclusive access to education, healthcare, and essential services. ⇢ Prioritise long-term capability development over short-term interventions. ⇢ Strengthen disaster preparedness and post-disruption recovery frameworks. ⇢ Deepen collaboration with public institutions and local partners. ⇢ Improve impact measurement, accountability, and transparency.
Customer Protection, Digital Governance & Product Integrity	
⇢ Enhanced Board oversight of data governance through stricter monitoring, access reviews, and reinforced data protocols. ⇢ Improved cybersecurity posture through proactive digital risk mitigation to ensure uninterrupted customer service. ⇢ Integrated inclusive protection principles while maintaining underwriting discipline and portfolio sustainability. ⇢ Institutionalised retention governance with structured lapse monitoring and conservation processes. ⇢ Reviewed and approved revisions to the Customer Charter to align with IRCSL Direction No. 02 of 2025 and the Customer Protection Act.	⇢ Strengthen Board oversight of affordable, life-stage-aligned protection solutions. ⇢ Increase focus on retirement readiness and long-term financial security. ⇢ Enhance governance of digital servicing, real-time support, and customer experience. ⇢ Uphold strong standards for transparency, disclosure clarity, and fair treatment. ⇢ Reinforce privacy governance, cybersecurity resilience, and digital risk oversight. ⇢ Maintain disciplined underwriting governance to protect long-term sustainability.

Key Decisions & Initiatives in 2025	Future Governance Focus

Corporate Governance

Board Governance

- Conducted performance appraisals of the Managing Director/CEO, the Board, Non-Executive Directors, and the Chairman, strengthening leadership accountability and long-term stewardship.
- Reviewed and updated Board and Subcommittee Charters and Terms of Reference to ensure governance structures remain fit for purpose.
- Oversaw the reconstitution of key Board Committees BIC, BRMC, BESG and RPTRC reinforcing strategic oversight across priority areas.
- Approved key Director appointments, including leadership roles (Director/COO, Director/Deputy CEO), ensuring competent stewardship of customer-focused functions.
- Conducted committee performance evaluations and endorsed Annual Report and AGM-related disclosures, strengthening transparency and accountability.
- Conducted awareness sessions on SLFRS S1 and S2 to enhance Board readiness for governance of climate-related and sustainability disclosures.
- Strengthened ESG oversight through restructuring of the Board ESG Committee and updating related Terms of Reference.
- Approved the appointment of a Chief Information Security Officer (CISO), reinforcing cyber risk oversight at Board level.
- Oversaw Board-level governance changes supporting enhanced digital risk monitoring and stronger technology-related committee mandates.
- Managed transitions in the Company Secretary role to strengthen corporate governance administration.
- Approved multiple Board-level appointments, supporting leadership continuity, succession alignment, and Board capability enhancement.
- Conducted structured evaluations of subcommittees to ensure governance effectiveness and continuous improvement.

- Strengthen Board oversight of strategic risk, capital adequacy, and long-term value creation, ensuring resilience in a shifting regulatory and market environment.
- Deepen governance of policyholder protection and conduct, with stronger focus on suitability, fairness, disclosure clarity, and customer outcome monitoring.
- Enhance Board stewardship of ESG and sustainability, including climate risk integration, environmental compliance, and responsible investment governance.
- Advance digital and cyber governance, strengthening oversight of technology risk, data protection, cyber resilience, and digital service reliability.
- Elevate human capital and leadership governance, emphasising succession planning, diversity and inclusion, and future-ready workforce capability.

CORPORATE GOVERNANCE

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 04 | **Strengthening Risk Governance and Assurance**

CORE ACTIVITIES:

- Overseeing the enterprise risk management framework to ensure risks are identified, assessed, and managed within the Board-approved risk appetite.
- Reviewing key risk exposures, stress testing outcomes, and emerging risks through regular reporting to support informed decision-making.
- Ensuring the effectiveness of internal controls, financial controls, and business continuity arrangements across the organisation.
- Maintaining oversight of combined assurance mechanisms, including internal audit, risk, compliance, and external assurance providers.
- Monitoring regulatory compliance and the effectiveness of governance responses to evolving regulatory and supervisory expectations.

Impacted SDGs:



RISK GOVERNANCE

Effective risk governance enables the Board to strike an appropriate balance between pursuing strategic opportunities and managing potential adverse impacts. The Board, supported by its committees, oversees the Company's risk management framework and sets the risk appetite in alignment with strategy, while management is responsible for implementing robust risk management practices supported by internal controls, policies, and regular reporting.

To discharge its oversight responsibilities, the Board has established structured risk management and internal control frameworks based on the three lines of defence model, while retaining responsibility for setting and approving the Company's risk appetite.

Board-level oversight of risk management is supported by:

Board Risk Management Committee

- Assists the Board in overseeing enterprise-wide risk management and recommends risk appetite parameters.
- Reviews the effectiveness of the risk management framework, including methodologies used to assess capital and liquidity requirements.

Board Audit Committee

- Works closely with the Risk Committee and supports the Board in safeguarding the integrity of financial reporting, the effectiveness of internal controls, and the performance, independence, and objectivity of internal and external audit functions.

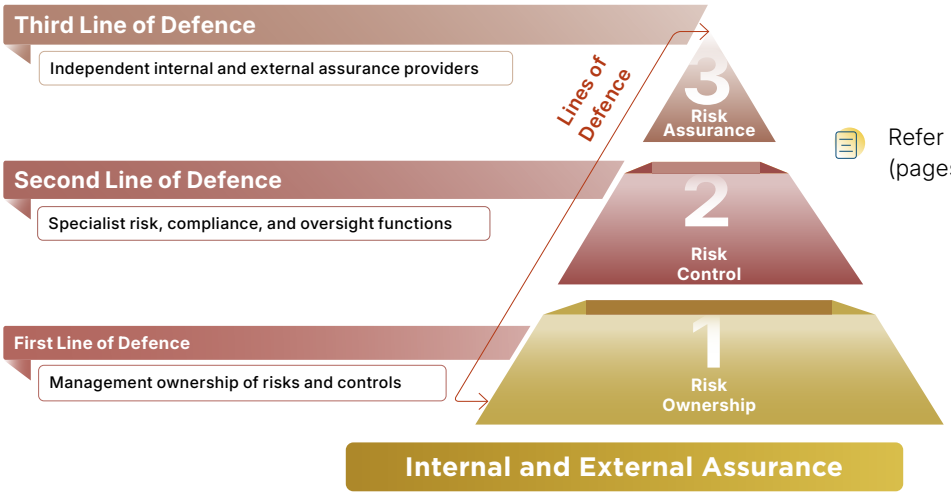
The Board retains ultimate responsibility for the Company's systems of risk management and internal control and reviewed their effectiveness during the year. These systems were operational throughout the financial year and up to the date of this report. Based on management's assessment, internal controls over financial reporting were concluded to be effective as at 31 December 2025.

Further details on key risk focus areas addressed during the year are set out in:

Enterprise Risk Management Report	(pages 91-103)
Report of the Board Audit Committee	(pages 392-394)
Report of the Board Risk Management Committee	(pages 399-401)
Board Statement on Risk Management and Internal Control	(page 407)

A COMBINED ASSURANCE FRAMEWORK

The Company's combined assurance framework integrates assurance activities across the three lines of defence to provide coordinated and comprehensive coverage over material risks, controls, and compliance obligations.



Refer Risk Management Report (pages 91-103) for more details

Internal Audit

- The Internal Audit and the Information Systems Audit functions independently assess the design and operating effectiveness of internal controls, management information systems, and compliance with applicable laws, regulations, and directives.
- Audits are conducted based on risk-based annual audit plans reviewed and approved by the Board Audit Committee, which conducts quarterly reviews to address significant findings, non-compliances, or control weaknesses.

External Audit

- Following the AGM held in 2025, Messrs. Ernst & Young were appointed as external auditors for the year 2025. The Board Audit Committee oversees the auditors' engagement, independence, skills, and performance, and remains satisfied with their objectivity and effectiveness.
- An Annual Statement confirming auditor independence was submitted at the Audit Committee meeting held in February 2026, and re-appointment for the year 2026 will be recommended to the shareholder at the forthcoming AGM.

SUSTAINABILITY GOVERNANCE

BOARD OVERSIGHT

The Board ESG Committee oversees the identification, assessment, and monitoring of ESG-related risks and opportunities and reports quarterly to the Board. The Executive Risk Committee supports this process by evaluating ESG-related risks and opportunities prior to their integration into strategy and enterprise risk management.

MANAGEMENT OVERSIGHT

At the management level, ESG Subcommittees and Sub Risk Committees operate as part of the first line of defence, overseeing the execution and monitoring of ESG-related risks and initiatives. The Chairman of the Board ESG Committee provides strategic direction, sets targets, and ensures progress is reported to the Board ESG Committee on a regular basis.

ALIGNMENT WITH GLOBAL FRAMEWORKS

Ceylinco Life aligns its ESG governance with recognised global frameworks, including the UN SDGs, GRI Standards, UN Global Compact, and SLFRS S1 and S2, with performance monitored on a quarterly and annual basis, particularly in relation to energy efficiency and renewable energy adoption.

Board ESG Committee:
Oversight and reporting

Management ESG Committees:
Execution and monitoring

Global Frameworks:
Alignment and disclosure

CORPORATE GOVERNANCE

ESG GOVERNANCE OVERVIEW

Board Oversight of Sustainability and Climate Matters

Sustainability is integrated CeLinco Life's governance framework: Board of Directors has ultimate oversight.

Roles and Responsibilities

Roles and Responsibilities

Board of Directors

- Approves the Company's sustainability strategy.
- Ensures achievement of ESG-related operational KPIs.

Board ESG Committee

- Integrates ESG considerations into operational processes.
- Oversees sustainability-related risks and internal controls.

Sustainability Governance in Practice

Sustainability Governance in Practice

- ESG governance is structured around four key pillars.
- The Board ESG Committee conducts quarterly reviews of sustainability performance.
- Ongoing specialized ESG training strengthens organisational capability and continuous improvement.

Board skills and Capacity Building

Board Skills and Capacity Building

- A competency matrix ensures the Board maintains adequate ESG expertise.
- Continuous ESG capability building is supported through internal training.
- Key ESG insights and risk exposures are escalated to the Board for oversight.

Managing Climate Risks and Opportunities

- Climate-related risks are integrated into the Enterprise Risk Management (ERM) framework.
- Internal audits assess the effectiveness of climate-risk controls.
- Significant climate-related risks are escalated for further action as required.

Policies, Procedures, and Ethical Safeguards

- Established ESG policies and a structured materiality framework guide responsible practices.
- Confidential reporting mechanisms uphold transparency, ethical conduct, and accountability.

ESG GOVERNANCE SUMMARY

Ceylinco Life remains committed to responsible stewardship, long term value creation, and transparent reporting aligned with Sri Lanka's strengthened sustainability disclosure framework. With the introduction of **SLFRS S1 and SLFRS S2,** effective **1 January 2025,** Sri Lanka adopted the ISSB's global sustainability and climate related disclosure standards, requiring enhanced transparency on governance, strategy, risk management, and performance. As one of the T**op 100 Main Board–listed companies** mandated to comply from 2025, Ceylinco Life integrates climate scenario analysis, material sustainability related risks and opportunities, and Scope 1 and 2 GHG emissions reporting within its Annual Report.

Sustainability oversight is embedded in the Company's governance structure, with the **Board of Directors** holding ultimate responsibility for sustainability strategy and climate related priorities. Oversight is delegated to the **Board ESG Committee,** supported by three management level ESG Subcommittees representing all business units. The Board approves sustainability strategy, sets climate

related policy direction, monitors ESG targets, and ensures transparency in stakeholder communication. The Board ESG Committee oversees compliance with SLFRS S1/S2 and GRI standards, reviews scenario analysis, and ensures that climate risks are integrated into ERM, underwriting, investments, and capital planning. The **Management ESG Committee** drives implementation and reports progress to the Board.

Core sustainability governance is guided by four pillars—**Financial Performance, Social Responsibility, Environmental Sustainability, and Corporate Governance**. Quarterly reviews by the Board ESG Committee and monthly coordination through management Subcommittees ensure effective oversight. ESG related risks are regularly assessed through the Board Risk Management Committee, while the Board Audit Committee ensures accuracy and reliability of ESG data and internal controls.

Board capability is strengthened through a competency matrix and targeted training, including specialised development on SLFRS S1/S2 and climate related reporting. Climate risks—physical and transition—are embedded within the ERM framework, monitored through audits and controls testing, and escalated where material. Management collaborates across finance, risk, and operational teams to embed ESG considerations into business planning, product development, procurement, investments, and emissions reporting.

Ceylinco Life's ESG Policy guides the Company's approach to materiality, risk management, and ethical behaviour. It is operationalised through internal and external audits, organisation wide training, and transparent reporting. A confidential reporting channel enables stakeholders to raise concerns about ESG related breaches, supporting a culture of integrity, accountability, and responsible conduct.

APPROACH TO ESG INTEGRATION

1 Align purpose, governance, and strategy

Ensuring ESG principles are embedded into the organisation's mission, strategic direction, and governance structures.

2 Set targets and measure performance

Establishing clear sustainability targets and tracking progress through reliable metrics and indicators.

3 Embed ESG in practice

Integrating ESG considerations into daily operations, decision-making processes, acc ross and business activities across all functions.

4 Strengthen transparency and engagement

Promoting open reporting and active dialogue with stakeholders to build trust and accountability.

5 Enhance stakeholder trust and accountability

Deepening engagement through transparent communication and continuous collaboration with stakeholders on ESG priorities.

CORPORATE GOVERNANCE

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 05 | **Advancing ICT, Data Protection and Digital Governance**

CORE ACTIVITIES:

- Providing Board-level oversight of ICT strategy, cybersecurity, and technology-related risks.
- Monitoring information security, data protection, and regulatory compliance across digital systems and processes.
- Integrating ICT and cyber risks into the enterprise risk management framework and Board risk oversight.
- Overseeing investments in technology infrastructure to support operational resilience, efficiency, and secure service delivery.
- Ensuring clear accountability for ICT governance through defined roles, policies, and reporting mechanisms.

Impacted SDGs:



ICT GOVERNANCE

Effective ICT governance is integral to CLIL's overall corporate governance framework and supports the secure, reliable, and strategic use of technology across the organisation. The Board and relevant committees provide oversight of ICT strategy, cybersecurity, data protection, and technology-related risks to ensure that digital capabilities support business objectives while maintaining regulatory compliance and operational resilience.

Policies, standards, and internal controls are in place to safeguard information assets, manage technology risks, and strengthen system reliability. Through continuous monitoring, targeted investments in robust systems, and a focus on emerging technologies, the Company enhances its digital capabilities while managing risks and supporting sustainable growth.

Role	Core Responsibility
Board	Oversight of ICT strategy, cyber risk, and data protection
Board Risk Committee	Integration of ICT risks into ERM
Board Audit Committee	Oversees ICT controls, cybersecurity, and risk management
Chief Information Security Officer (CISO)	Information security strategy and cyber resilience
Chief Risk Officer (CRO)	Oversight of technology-related enterprise risks
Data Protection Officer (DPO)	PDPA compliance, PDPMP oversight, staff awareness
Internal Audit	Independent assurance over ICT controls
External auditor	Independent review of IT general controls and relevant technology governance processes supporting cybersecurity and data protection.

IT Governance Structure and Responsibilities

Board Oversight of ICT Governance

The Board plays an active role in overseeing ICT governance and technology-related risks, supported by its committees and management reporting mechanisms. During the year, the Board:

- Ensured active IT participation in the Board Risk Committee to align technology risks with enterprise-wide risk management.
- Received regular updates on cybersecurity, IT governance, compliance requirements, and emerging technology risks to support informed decision-making.
- Contributed to the development and review of risk mitigation strategies relating to IT infrastructure, data protection, and business continuity.
- Strengthened the organisation's overall risk posture by integrating IT risk assessments into broader corporate risk frameworks.

CHIEF INFORMATION SECURITY OFFICER (CISO)

Dedicated ICT Leadership and Accountability: The Board has designated a Chief Information Security Officer (CISO) with responsibility for overseeing IT security ensuring clear accountability, enhanced resilience, and effective oversight of information security across the organisation. In parallel, to strengthen oversight and ensure robust governance of the Company, the Board has appointed a Deputy Chief Information Officer to lead the ICT function. This role provides strategic and operational leadership across key domains, including Information Systems Development, ICT Operations covering branch operations and communication networks.

Structured ICT Risk Oversight and Escalation: An ICT Risk Committee has been established to identify and assess cyber risks, report key issues to the Chief Risk Officer, and escalate critical cyber risks for discussion at ERM Executive Committee meetings.

MANAGEMENT ROLES SUPPORTING ICT GOVERNANCE

Head of Internal Audit / Head of Information Systems Audit

Provide independent assurance on the effectiveness of ICT governance and related controls.

Chief Risk Officer

Oversees organisation-wide risks, including technology and cyber risks, and is responsible for developing, facilitating, and monitoring the control framework and execution of risk response strategies.

Chief Information Security Officer (CISO)

Ensures that the information security strategy is closely aligned with the Company's overall business strategy and governance framework.

Data Protection Officer (DPO)

Ensures that the Personal Data Protection Management Program (PDPMP) complies with statutory requirements and keeps the Company informed of new directives issued by the Data Protection Authority.

The DPO also promotes awareness of data protection obligations among sales and non-sales staff and supports periodic audits of the PDPMP.

COMPLIANCE WITH THE DATA PROTECTION ACT

In complying with the Personal Data Protection Act No. 09 of 2022, Ceylinco Life, as a Data Controller, has:

- Implemented a Personal Data Protection Management Program (PDPMP); and
- Appointed a Data Protection Officer with effect from 15 April 2024, in compliance with Section 20 of the Act.

The PDPMP ensures that appropriate policies, procedures, and controls are in place to protect customer and other stakeholders' personal data, with responsibilities clearly defined and overseen through the governance framework.

CORPORATE GOVERNANCE

ICT GOVERNANCE ENHANCEMENTS IN 2025

Actions taken during the year supported efforts to align ICT infrastructure with current and future business needs, strengthen cybersecurity oversight, and reinforce compliance with evolving regulatory requirements.

Focused Area	Initiatives taken
Technology Governance and Strategic Oversight	⇢ Strengthened enterprise technology governance by introducing clearer accountability, structured oversight mechanisms, and improved decision-making processes for critical technology investments. ⇢ Improved alignment between business priorities and technology initiatives through disciplined governance forums and structured monitoring of key digital programmes. ⇢ Enhanced transparency and oversight of technology initiatives to ensure measurable value delivery and effective risk management.
Service Management and Operational Discipline	⇢ Continued the transition from a traditional Helpdesk model to a more structured service management approach, improving incident handling, escalation processes, and service responsiveness. ⇢ Introduced enhanced monitoring and reporting mechanisms to improve visibility of system performance and support faster resolution of operational issues. ⇢ Improved turnaround time for technology support requests, contributing to smoother day-to-day operations for employees and the nationwide sales network.
Cybersecurity Oversight and Monitoring	⇢ Strengthened cybersecurity oversight through improved security monitoring capabilities and enhanced visibility across endpoints and network environments. ⇢ Implemented stronger controls to detect, respond to, and mitigate emerging cyber threats, reinforcing the organisation's cyber resilience. ⇢ Continued enhancement of information security practices to safeguard customer data and maintain trust in digital operations.
Infrastructure Reliability and Operational Resilience	⇢ Strengthened infrastructure governance to improve system stability, availability, and performance across critical technology platforms. ⇢ Conducted structured disaster recovery testing and operational resilience assessments to ensure readiness in the event of system disruptions. ⇢ Improved system monitoring capabilities to proactively identify performance issues and maintain consistent service availability.

Focused Area	Initiatives taken
Patch, Vulnerability and Configuration Management	⇢ Streamlined patch management processes to ensure timely remediation of security vulnerabilities across corporate systems and devices. ⇢ Introduced stronger configuration governance and change management practices to improve system stability and operational reliability. ⇢ Strengthened vulnerability management practices through prioritised remediation and improved oversight.
Application Governance and Delivery Assurance	⇢ Enhanced governance of application development and system enhancements through structured testing, quality assurance, and controlled release practices. ⇢ Improved coordination between technology teams and business stakeholders to ensure system changes support operational requirements while maintaining stability. ⇢ Strengthened oversight of digital initiatives to ensure disciplined delivery of technology-enabled transformation projects.
Vendor Governance and Technology Procurement	⇢ Strengthened governance over technology vendors through improved contract management, clearer service level expectations, and regular performance monitoring. ⇢ Introduced more structured procurement and evaluation processes to ensure transparency, fairness, and value for technology investments. ⇢ Improved oversight of third-party technology partners to mitigate operational and service delivery risks.
Capability Development and Knowledge Sustainability	⇢ Continued to strengthen internal technology capabilities through targeted training programmes and structured knowledge-sharing initiatives. ⇢ Reduced reliance on external support by enhancing internal expertise across key technology domains. ⇢ Encouraged continuous professional development to ensure the technology team remains equipped to support evolving digital and cybersecurity requirements
Data Governance and Digital Transformation Foundations	⇢ Strengthened governance over enterprise data to improve reliability of information used for reporting, analysis, and strategic decision-making. ⇢ Enhanced system integration capabilities to support secure and efficient connectivity between internal platforms and external digital services. ⇢ Laid the groundwork for expanded use of data analytics and digital technologies to support the organisation's long-term digital transformation agenda.

CORPORATE GOVERNANCE

STRATEGIC ACTIONS

MAINTAINING ROBUST GOVERNANCE AMID COMPLEXITY AND CHANGE

Strategic Focus Area 06 | **Upholding Ethical Conduct, Compliance and Stakeholder Accountability**

CORE ACTIVITIES:

- Promoting a strong ethical culture through Board oversight of values, conduct, and accountability across the organisation.
- Overseeing compliance with applicable laws, regulations, codes of best practice, and regulatory directives.
- Ensuring the effectiveness of policies relating to ethics, whistleblowing, conflicts of interest, and anti-bribery and corruption.
- Monitoring regulatory compliance and ethical matters through regular reporting to the Board and relevant committees.
- Supporting transparent engagement with stakeholders and ensuring stakeholder interests are appropriately considered in decision-making.

Impacted SDGs:



STAKEHOLDER GOVERNANCE

The Board adopts a stakeholder-inclusive approach in executing its governance role and responsibilities and invests in understanding stakeholder views and needs.

Key engagement mechanisms and the Company's responses to matters raised are provided in the **Stakeholder Engagement** section on pages 104-116.

Embedding Policy Commitments

The Board exercises oversight of the Company's policies and practices and remains attentive to evolving societal, investor, and legal expectations. In fulfilling its fiduciary responsibilities, the Board ensures that appropriate policies, systems, and incentives are in place to promote a corporate culture where respect for core principles—including human rights across the Company and its business relationships—is an expected standard of conduct.

Business processes are designed to ensure that all employees act in a moral and responsible manner. The Code of Conduct and related policies set out clear expectations for behaviour both on duty and off duty. These policies are formally documented, clearly communicated, and made easily accessible, with training and guidance provided where necessary.

Ceylinco Life's policy framework provides reasonable assurance that the Company's strategic objectives are supported by robust governance practices. Key policies are reviewed and updated annually to ensure continued relevance to the operating environment and regulatory landscape. In line with the Rules of the Colombo Stock Exchange, the Company has established and maintains the following policies, the status of which is published on the Company's website (https://www.ceylincolife.com/corporate-governance/).

POLICY FRAMEWORK – AT A GLANCE

- Board-approved policies guide ethical conduct and responsible decision-making
- Code of Conduct sets clear behavioural expectations for all employees
- Key policies are reviewed annually to reflect regulatory and operating changes
- Framework supports compliance, accountability, and strategic delivery

Governance and Board Oversight Policies	Policy on Matters Relating to the Board of Directors Policy on Board Committees Policy on Corporate Governance, Nominations and Re-Election
Ethics, Conduct and Compliance Policies	Internal Code of Business Conduct and Ethics for All Directors and Employees Policy on Whistleblowing Policy on Anti-Bribery and Corruption Policy on Corporate Disclosures
Risk, Control and Sustainability Policies	Policy on Risk Management and Internal Control Policy on Environmental, Social and Governance Sustainability Policy on Control and Management of Non-Financial Assets
Remuneration and Human Capital Policies	Remuneration Policy for Employees Policy on Remuneration for Non-Executive Directors
Shareholder, Investment and Financial Governance Policies	Policy on Relations with Shareholders and Investors Investment Policy Statement – Policyholders' Fund Investment Policy Statement – Shareholders' Fund

How Policy Commitments are Embedded Across Stakeholder Groups

EMPLOYEES

- The orientation programme for new employees includes training on adherence to corporate policies and the Code of Conduct and Ethics. At recruitment, each employee signs a declaration confirming compliance with the Code in its entirety, along with the Consent on Data Protection
- The Code encourages reporting of any illegal, fraudulent, or unethical behaviour.

SUPPLIERS AND PARTNERS

- Evaluation of suppliers under the defined supplier evaluation process.
- Creating awareness among suppliers regarding the necessity of supplying quality goods.
- Providing opportunities to diversify supplier business.
- Creating awareness about green concepts and sustainable development.
- Policy on Environmental and Governance Sustainability.
- Agreements contain anti-corruption and bribery clauses.
- Information is shared with suppliers and business partners on the Code of Business Conduct and Ethics, with links to relevant website references.

POLICYHOLDERS

- The customer complaint management procedure is available on the Company website.
- The Customer Charter is available on the website for easy reference.
- Privacy Policy, Data Subject Rights and Data Subject Request Portal are available for all policyholders and other stakeholders

CORPORATE GOVERNANCE

ETHICS PHILOSOPHY

Ceylinco Life is committed to conducting business responsibly and ethically, including upholding human rights across its operations and business relationships. The Board and leadership play a central role in building and sustaining an ethical culture by setting the appropriate tone at the top.

Code of Conduct

The Board of Directors, the Corporate Business Management team, and all 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 323.

Conflict of Interest	Misuse of Corporate Opportunities	Confidentiality of Information	Fair Dealing
Reporting of any transactions which a party may be directly or indirectly related to/interested in	Protection and proper use of the Company's assets	Compliance with laws and regulations	Professionalism and customer service; treating all stakeholders with honesty, transparency, and equity

Approach to Bribery and Corruption

Bribery and corruption management is embedded within the Company's compliance and risk management programmes and is supported by processes, frameworks, and standards that govern ethical conduct, political contributions, gifts, donations, and facilitation payments, among other matters.

Ceylinco Life maintains zero tolerance for bribery and corruption and there were no confirmed incidents of corruption during the year.

No operations were assessed for risks related to corruption during the reporting period.

A gift register is maintained to support transparency, monitor potential conflicts of interest, and reinforce compliance with ethical standards.

Whistleblower Policy

CLIL's whistleblower policy provides an effective mechanism for employees to raise concerns where the interests of the organisation are at risk. It aids to deter, detect, and address genuine concerns of malpractices and unethical behaviour in a discreet and confidential manner.

Any stakeholder can raise concerns or complaints in writing, via e-mail or telephone call directly to any committee member.

RAISE CONCERN

- Any stakeholder raises concerns/complaints in writing, via email or telephone, directly to any committee member.

ASSESS AND DECIDE

- A decision is reached based on facts and findings of the preliminary investigation.

COMMUNICATE FOR ACTION

- The decision is conveyed in writing to relevant parties for corrective action and documentation. Productivity enhancement through digital tools

CLOSE THE LOOP

- The final decision is communicated to the complainant and their contribution is acknowledged appropriately, if the complaint is not anonymous.

Conflict of Interest

Ceylinco Life's corporate governance framework sets out clear guidelines for identifying and managing actual and perceived conflicts of interest, particularly in relation to Directors and Key Management Personnel (KMP). Directors are required to inform the Chairman of the Board and the Company Secretary of other positions or interests that may be relevant to the Company or the discharge of their duties prior to accepting such positions. Employees are expected to disclose any material interests in outside business activities and obtain prior approval where required.

Directors and KMPs are prohibited from using their position, or confidential or price-sensitive information, for personal benefit or for the benefit of any third party, whether financial or otherwise.

Where a potential conflict arises, the Nomination and Governance Committee considers the circumstances and appropriate controls and protocols, and makes a recommendation to the Board.

The Board confirmed that, based on the declarations submitted by all Directors and the review procedures carried out during the financial year, no conflicts of interest were identified in relation to the affairs of the Company other than the related party disclosures and transactions. Further, any conflicts that may arise in the future will be managed in accordance with the Group Conflicts of Interest Policy.

HIGHLIGHTS OF CLI'S APPROACH

Safeguarding Independence

Clear disclosure and review mechanisms support objective decision-making and protect the integrity of Board and management actions.

Conflict Management Snapshot

Disclosure → Review →

Board oversight → Ongoing monitoring

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 104 to 116 of this Annual Report.

ENHANCING DIVERSITY

Ceylinco Life recognises that diversity and inclusion are fundamental to long-term sustainability and organisational effectiveness. The Company acknowledges that building an inclusive culture is an ongoing journey and remains committed to fostering an environment where individuals can contribute meaningfully and reach their full potential.

In addition to maintaining a diverse Board, the Company enhances diversity across the organisation through:

- Implementing inclusive recruitment practices
- Providing growth and development opportunities
- Building a culture of inclusion

HIGHLIGHTS OF CLI'S APPROACH

Inclusivity by Design

Diversity initiatives support stronger governance, broader perspectives, and sustainable performance.

Focus Areas

Recruitment | Development | Culture

RELATIONS WITH SHAREHOLDERS

The Company places significant importance on transparent and constructive communication with its sole shareholder, Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC). Engagement is maintained through multiple formal channels, including the Annual General Meeting (AGM), Annual Report, quarterly financial statements, memoranda, notices published in newspapers, and the Company's website.

The shareholder is encouraged to maintain direct communication with the Company through the Company Secretary. All actions and decisions approved by the Board are formally communicated and appropriately recorded to ensure transparency and accountability.

Details of the AGM and key matters discussed

The Annual General Meeting of the Company was held on 27 March 2025 at 2.00 p.m. at Ceylinco Life Insurance Ltd, No. 106, Havelock Road, Colombo 05.

Key matters discussed were as follows:

- The Annual Report of the Board of Directors on the state of affairs of the Company and the Audited Financial Statements for the year ended 31 December 2024, together with the Report of the Auditors, were received, considered, and adopted.
- A first and final dividend of Rs. 17.70 per share for the financial year ended 31 December 2024 was declared.
- The ordinary resolution for the re-election of Mr. R. Renganathan, as set out in Item No. 4 of the Notice of Meeting, was approved.

Mr. E. R. C. Moraes, Mr. M. Ismail, and Ms. R. J. Moraes, who retired by rotation in terms of Article 18B of the Articles of Association of the Company, were re-elected as Directors.

CORPORATE GOVERNANCE

HIGHLIGHTS OF CLI'S APPROACH

Transparent Shareholder Engagement

Formal, regular communication supports accountability and informed ownership.

Key Engagement Channels

AGM | Reporting | Direct communication via Company Secretary

COMPLIANCE GOVERNANCE

The Company is bound by the Code of Business Conduct and Ethics, which applies to all employees, Directors, and Key Management Personnel. The Code promotes the highest standards of integrity and ethical behaviour and is made available to all employees through the intranet. Compliance expectations are reinforced through structured and ongoing communication across the organisation. The Board confirmed that it was not aware of any material violations of the Code by any Director or employee during the year.

The Compliance Officer reports on compliance with statutory payments and returns as well as compliance with good governance practices to the Board Audit Committee, with such reports forwarded to the Board for evaluation.

During the reporting period, the Company remained compliant with the Regulation of Insurance Industry Act No. 43 of 2000 (and subsequent amendments), the Companies Act No. 07 of 2007, and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, along with other applicable laws and regulations. There were no instances of non-compliance with laws and regulations, and no fines were incurred.

HIGHLIGHTS OF CLI'S APPROACH

Compliance Assurance

No identified or reported regulatory sanctions or fines during the year.

Oversight Mechanism

Compliance Officer → Audit Committee → Board

Compliance Standards

- **Regulation of Insurance Industry Act No. 43 of 2000 (and subsequent amendments)**
- **Companies Act No. 07 of 2007**
- **Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995**
- **Code of Best Practice on Corporate Governance – CA Sri Lanka**
- **Internal Code of Business Conduct and Ethics**
- **Applicable rules, directives, and guidelines issued by regulatory authorities**
- **Financial Transactions Reporting Act, No. 6 of 2006 and other regulations governing AML/CFT**
- **Inland Revenue Act and other tax laws**

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 comprises seventeen directors drawn from diverse professional backgrounds, ensuring an appropriate balance of skills, experience, and independence. Eleven of the directors are Non-Executive Directors, of whom ten are Independent Directors. This composition is in line with accepted principles of good corporate governance and supports objective judgment, effective oversight, and independent decision-making in the best interests of the Company and its stakeholders.	329
A.1.1	Regular Board Meetings	**Complied** The Board meets once every two months and met five times during the year under review. In addition, each Board Subcommittee operates in accordance with its own approved schedule of meetings, the details of which are disclosed in the respective Committee Reports.	338
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.	331
A.1.3	Act in accordance with laws of the country	**Complied** The Board, both collectively and individually, acted in compliance with applicable laws during the year. The Board has established a comprehensive set of policies, procedures, and a risk management framework to ensure compliance with relevant laws and international best practices across the Group. Any Director can require the Company to obtain independent professional advice if necessary.	360
A.1.4	Access to advice and services of the Company Secretary	**Complied** All Directors can obtain the advice and services of the Company Secretary.	336
	Availability of Directors' and Officers' Liability Insurance	**Complied** The Company has obtained a Directors' and Officers' Liability Insurance for the Directors and KMPs.	383
A.1.5	Independent Judgement	**Complied** The Board comprises senior professionals with extensive expertise across diverse fields, who exercise independent judgment in discharging their responsibilities relating to strategy, performance, risk management, compliance, and business conduct. The Board's composition ensures an appropriate balance of authority and contribution among Directors, thereby promoting effective deliberation and mitigating the risk of dominance by any individual or group in the Board's decision-making processes.	330 & 339

CORPORATE GOVERNANCE

Principle		Level of Compliance	Page No/s.
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. Non-Executive Directors allocate adequate time to the Group's affairs and are available to attend ad hoc meetings and discussions as needed.	337
A.1.7	Calls for resolutions	**Complied** The requirements relating to the calling of a resolution shall be governed by the provisions of the Company's Articles of Association.	337
A.1.8	Board induction and training	**Complied** Training needs 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; ⊕ Directors' Workshop on Companies Act amendment No.12 of 2025 ⊕ Awareness session on Sustainability Standards - SLFRS S1 & S2 The Board of Directors and the Audit and Risk Subcommittees receive periodic updates on regulatory developments and key organizational initiatives aimed at strengthening internal controls, risk management, and financial reporting.	341
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.	330-331
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.	330
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.	42-48, 392-394

Principle		Level of Compliance	Page No/s.
A.5	Board balance	**Complied** The Company has a balanced Board with six Executive Directors and eleven Non-Executive Directors. Eleven of the directors are Non-Executive Directors, of whom ten are Independent Directors.	330-331
A.5.1 - A.5.5	Constitution of the Board and Independence	**Complied** The Board comprises seventeen Directors, including eleven Non-Executive Directors, ten of whom are Independent. Annual independence declarations submitted by all Non-Executive Directors were reviewed by the Board Nomination and Governance Committee, and their independence status was duly determined by the Board. Any Director's dissent on matters not unanimously resolved is recorded in the minutes.	330-331
A.5.6	Alternate Directors	There were no alternate directors appointed during the year under review.	381
A.5.7 - A.5.10	Executive Chairman and Senior Independent Director	A Senior Independent Director (SID) was appointed since the Chairman holds an executive position. During the year, the SID convened two meetings with the Non Executive Directors, which were held in the absence of Executive Directors. The outcomes of these meetings were subsequently communicated to the Executive Directors, and any matters raised were appropriately addressed. A Report form the SID is include in the Annual Report.	324
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.	337
A.7	Appointments to the Board , Nominations and Governance Committee		
	Formal transparent procedure for the appointment of new Directors to the Board	**Complied** The Board has established a formal and transparent procedure for the appointment of new directors.	337 & 390-391 & 342
A.7.1	Composition of the Committee	**Complied** Refer to Board Nominations and Governance Committee Report	
A.7.2	Annual assessment of Board Composition Fit and Proper Assessment Criteria for Directors and CEO	**Complied** The Nominations and Governance Committee carried out the annual assessment of board composition. New appointments during the 2025 and re-elections were also based on this assessment. A formal process has been implemented to determine the fitness and propriety of Board members.	

CORPORATE GOVERNANCE

Principle		Level of Compliance	Page No/s.
A.7.3	Succession Planning for CEO and all KMPs	**Complied** Taking into consideration the scale of the company's operations and the succession plans for the Key Management Personnel (KMPs), the Company appointed Mr. S. R. Abeynayake (former Director/COO) as Deputy CEO with effect from 01.04.2025. In addition, Mr. E. R. S. G. S. Hemachandra (former Deputy Chief Operating Officer) was appointed as Chief Operating Officer with effect from 01.04.2025.	340-341 & 390-391
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.	390-391
A.7.5	Identification of Chairman, Committee members and the functions of the Committee	**Complied** Refer the Report of the Board Nominations and Governance Committee.	390-391
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** All Directors, other than the Executive Directors, offer themselves for re-election by shareholders at least once every three years.	340
A.9	Appraisal of Board Performance	**Complied** A Board Performance Evaluation was conducted during the year through a confidential questionnaire completed by all Directors. The results were consolidated and submitted to the Board Nomination and Governance Committee for review, following which the Committee's observations and recommendations were presented to the Board for consideration and necessary action. The performance of Executive Directors and Non-Executive Directors was evaluated separately. Executive Directors were assessed by the Non-Executive Directors, while Non-Executive Directors were evaluated by the Executive Directors and the Chairman. The outcomes of these evaluations were reviewed by the Board Nomination and Governance Committee and subsequently tabled at meetings of the Committee and the Board, as appropriate. The performance evaluation of the Chairperson was carried out at a meeting of the Non-Executive Directors, chaired by the Senior Independent Director. In addition, the profiles of Directors, including their areas of expertise and other directorships or positions held, particularly of those due to retire, were submitted to the Board for review.	42-48, 342

Principle		Level of Compliance	Page No/s.
A.10	Annual Report to disclose specified information regarding Directors	**Complied** Refer to Profiles of Board members Membership of sub-committees and attendance at Board and Subcommittee meetings Board seats held by each Director in listed and unlisted companies Names of listed and non listed companies in Sri Lanka in which they serve as directors	42-48 329 & 338 386-387 386-387
A.11	Appraisal of Chief Executive Officer	**Complied** Annual appraisal of the CEO was conducted. at the Board meeting held on 25th February 2026.	342
B	**Directors' Remuneration**		
B.1	Remuneration Procedure	**Complied** The following Board approved policies are in place; ⊕ Remuneration Policy for all employees. ⊕ A policy on Remuneration for Non-Executive Directors.	388-389
B.2	Remuneration Committee	**Complied** A formal Terms of Reference is in place to guide the Committee's responsibilities and operations. Refer to Report of the Board Remuneration Committee.	388-389
B.3	Disclosure of Remuneration	**Complied** The Report of the Remuneration Committee provides a statement on Remuneration Policy. The total for Directors' remuneration is given under Related Party notes to the Financial Statements.	388-389 & 538
C	**Relations with Shareholders**		
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings	**Complied** The Company uses the AGM as the main communication method with shareholders. Proper notice of the AGM is provided prior to the meeting. The AGM is conducted in accordance with the regulatory requirements.	359 & 568
C.2	Effective Communication with Shareholders	**Complied** The Company has established a Policy on Relations with Shareholders and Investors, which is publicly available at https://www.ceylincolife.com/corporate-governance/.	356-357
C.3	Major and Material Transactions	**Complied** Transactions, if any, which materially affect the net asset base of the Company, will be disclosed in the Quarterly/Annual Financial Statements. During the year, there were no major transactions as defined under Section 185 of the Companies Act No 07 of 2007 which materially affected the asset base of the Company.	N/A

CORPORATE GOVERNANCE

Principle		Level of Compliance	Page No/s.
D	**Accountability and Audit**		
D.1	Financial and Business Reporting (the Annual Report)	**Complied** In this annual report, the Board has presented the Company's financial position, performance and prospects in accordance with the requirements of the Companies Act No 07 of 2007. The Financial Statements included in this Annual Report are prepared and presented in accordance with Sri Lanka Accounting Standards. There was no serious loss of capital to convene an EGM in terms of the Companies Act. For more details please refer to the following reports. ⊖ 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 (i) Note 44 in the Financial Statements (ii) Report of the Related Party Transactions Review Committee	406 405 407 417-418 532-538 395-396
D.2	Risk Management and Internal Control	**Complied** A Board approved Policy on Risk Management and Internal Control is in place.	348-351 & 407
D.2.1	Risk Management Framework	A Board-approved Risk Management Framework is in place to provide a structured approach to identifying, assessing, and managing risks. Oversight of risk management is vested in the Board Risk Management Committee, which comprises four Independent Directors and is chaired by an Independent Director. The Committee operates in accordance with Board-approved Terms of Reference. The Annual Report includes a detailed report of the Board Risk Management Committee, outlining its role and the manner in which it discharged its responsibilities during the year.	91-103
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.	407 392-394 399-401
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 of a professional accounting body. A Board approved Audit Committee Charter (Terms of Reference) is in place. Refer to 'Report of the Board Audit Committee'.	392-394

Principle		Level of Compliance	Page No/s.
D.4	Risk Committee	**Complied** Board Risk Management Committee consists of four Independent Non-Executive Directors and chaired by an Independent Non-Executive Director. The following documents approved by the Board are in place; ⊕ Policy on Risk Management and Internal Control ⊕ Risk Management Framework ⊕ Terms of Reference of the Committee Refer to 'Report of the Board Risk Management Committee'.	399-401 91-103 348-351
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; ⊕ 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.	395-396
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 with the Code. Training sessions are conducted for new employees.	358, 360 290, 357
D.7	Corporate Governance Disclosures	**Complied** Refer Corporate Governance Report in this Annual Report.	319-376
E	**Institutional Investors**	**Complied** The Company's sole shareholder, Ceylinco Holdings PLC, was encouraged to ensure effective use of its votes. The Chairman ensured that the views of the shareholder are communicated to the Board as a whole.	359
F	**Other investors**	Not applicable, since the Company is wholly owned by its parent entity	NA
G	**INTERNET OF THINGS AND CYBERSECURITY**		
G.1	**Identify connectivity and related cyber risks**	**Complied** The Board has established a process to identify the connectivity of IT devices within and outside the Company and any resulting cybersecurity risks that might affect the business. Necessary authorizations for connecting to devices and networks are in place and are monitored.	352-356

CORPORATE GOVERNANCE

Principle		Level of Compliance	Page No/s.
G.2	**CISO and cybersecurity risk management policy**	**Complied** The Company has appointed a Chief Information Security Officer (CISO). Information Security Policy, Data Protection Policy, Business Continuity Policies and Information Security Incident Management Procedure have been established.	352-356
G.3	**Include cyber security in Board agenda**	**Complied** The Board has allocated regular and adequate time on its agenda for discussion about cybersecurity matters. Such matters are more closely discussed at Board Risk Management Committee meetings.	352-356
G.4	**Obtain periodic assurance to review effectiveness of cybersecurity risk management**	**Complied** A firm of external consultants were engaged to review the effectiveness of the Company's cybersecurity risk management during the year.	352-356
G.5	**The process to identify and manage cybersecurity risks.**	**Complied** IT risk assessments are conducted regularly by reference to necessary security standards to identify risks in the IT environment. Identified risks are evaluated, and the IT team applies suitable safeguards to minimise potential threats. The Board of Directors is routinely informed about the cyber risk controls implemented and any emerging threats the Company may encounter.	352-356
H	**SUSTAINABILITY: ESG RISKS AND OPPORTUNITIES**		
H.1	**Integration of ESG risks and opportunities**	**Complied** The Group has embedded the identification of ESG risks and opportunities to its existing business risk management processes. More details can be found in SLFRS Sustainability-Related Financial Disclosures.	56-75, 350-351, 402-404
H.3	**Sustainability governance**	**Complied** The Company has established a Board ESG Committee to provide governance on ESG.	56-75, 350-351, 402-404

Principle		Level of Compliance	Page No/s.
H.4	ESG related disclosures	**Complied** The Company's Annual Report includes sustainability-related financial disclosures aligned to the SLFRS Sustainability Reporting Disclosure Standards. Information on the business impacts of sustainability-related risks and opportunities are available under the SLFRS Sustainability-related Financial Disclosures section.	56-75, 350-351, 402-404
I	Establishment and Maintenance of Policies	**Complied** The Board has established the following policies as at the date of this report; ⇢ 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 ⇢ The Policy on Control and Management of Non-Financial Assets	356-357

CORPORATE GOVERNANCE

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 REGULATION OF THE INSURANCE INDUSTRY ACT NO. 43 OF 2000.

The status of compliance with 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 with the Code of Best Practice on Corporate Governance 2023	**Complied** Compliance Status is given on pages 319-369 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 page 339
	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 pages 329 & 339
	3. Age of Directors	(i) Age of person who serves as a Director shall not exceed 75 years.	**Complied** Refer to page 339
	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 pages 319-376
	5. Other Company Directorships	Total Number of directorships in other companies should not exceed 20.	**Complied** Refer to pages 386-387
	6. Demonstration of the level of compliance with the Direction in the Annual Report.	The insurer shall disclose in its annual report compliance with this Direction and CSE Listing Rules. Annual Report should 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.ceylinoclife.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** Refer to page 340

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).

Even though the Company is not a listed entity, since it is a Licensed Life Insurer, compliance with CSE Listing Rules Section 7.10 or any amendments thereto, is required under IRCSL Direction No. 2 of 2022. Accordingly, we demonstrate below how we have complied with CSE Listing Rules Section 9, which is the amendment to Section 7.10.

Section	Requirement	Level of Compliance/Implementation Status (Complied / Not Complied)	Page No./s
9.1.3	Listed entities shall publish a statement confirming their level of compliance with the Rules set out herein	**Complied** The Company confirms its status of compliance with the applicable Listing Rules of the Colombo Stock Exchange.	319-376
9.2	**Policies**		
9.2.1	Companies to establish and maintain the policies as per the Rules.	**Complied** The Company regularly reviews and updates its governance framework to address stakeholder expectations and comply with regulatory requirements, ensuring enhanced oversight and accountability. In line with this commitment, it has adopted/revised following policies to meet Exchange requirements,during the period under review. → 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 → The Policy on Control and Management of Non-Financial Assets	356-357
9.2.2	Waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions	**Complied** No waivers required.	NA
9.2.3	Disclosure in the Annual Report	**Complied**	356-357
9.2.4	Availability of the policies to the shareholders upon written request.	**Complied**	356-357

CORPORATE GOVERNANCE

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; ⊕ Board Nominations and Governance Committee ⊕ Board Remuneration Committee ⊕ Board Audit Committee ⊕ Board Risk Management Committee ⊕ Related Party Transactions Review Committee	388-404
9.3.2	Compliance with the composition, responsibilities and disclosures in respect of the above committees	**Complied** Refer to the respective subcommittee reports.	388-404
9.3.3	The Chairperson of the Company shall not be the Chairperson of the above Committees	**Complied**	388-404
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**	**Complied**	359
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**	359
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.	359
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.	357
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).	330
9.6.2	Informing the Exchange with regard to the appointment of SID with the rationale for appointment of an Executive Director as the Chairperson.	Since the Company is not a listed entity the requirement for making a market disclosure is **not applicable.** The Board is of the considered view that the Chairman should continue to serve in the capacity of Executive Director, in view of his proven business acumen and leadership, which have been instrumental in steering the Ceylinco Life Group to sustain its position as market leader for a period exceeding twenty-two years.	NA

Section	Requirement	Level of Compliance/Implementation Status (Complied / Not Complied)	Page No./s
9.6.3	Appointment of an Independent Director as the SID	Complied	330-331 & 324
	Independent Directors' Meetings with SID	Complied Three meetings were held during the year. Outcome of the meetings were communicated to the Chairperson and other Board members.	
	Chairperson's performance	Complied Chairperson's performance was appraised at a Non-Executive Directors' Meeting with SID.	
	Casting Vote	Complied The SID is entitled to a casting vote at the above meetings.	
	Report of SID	Complied A Report is published in the Annual report.	
9.6.4	Rationale for appointment of SID	Complied Rationale for the appointment of the SID is disclosed in the annual report.	324
9.7	**Fitness of Directors and CEOs**		
9.7.1 - 4	Ensuring Fitness and Propriety of Directors by the Board Nominations and Governance Committee and obtaining the Declarations as per the rules.	Complied All Directors have submitted Declarations and same were tabled at the Meeting of the Board Nominations and Governance Committee held on 18th February 2026 and assessed. During the year under review, the Board members complied with the criteria set out in these Rules. Based on its assessment of fit and propriety, performance, and time commitments, the Committee recommended the re-election of the retiring Directors at the AGM.	330 & 382
9.7.5	Disclosure in the Annual Report	Complied Refer Directors' Report and the Corporate Governance Report.	319-376
9.8	**Board Composition**		
9.8.1	The Board of Directors of a Listed Entity shall comprise a minimum of five (05) Directors.	Complied On 20 February 2025, the Company revised the minimum (5) and maximum number (17) of Directors permitted under the Articles of Association to enable an expanded Board with the expertise and independent judgement required to support its strategic objectives.	329-330
9.8.2	Minimum number of Independent Directors in the Board (2 or 1/3 of the total number of Directors of the Company)	Complied The Board consisted of 10 Independent Directors as at 31st December 2025.	329-330
9.8.3 - 5	Criteria for Determining Independence and submitting of Declarations	Complied The Company has established a process to assess independence in accordance with the criteria set out in this Rule. Each Independent Director submitted an annual declaration of independence, based on which the Board determined that all Non-Executive Directors, other than Prof. Srinath Chandrasekera, satisfied the independence criteria during the year under review. The relevant disclosures have been made in the Annual Report. Refer the Directors' Report and the Corporate Governance Report.	319 -376

CORPORATE GOVERNANCE

Section	Requirement	Level of Compliance/Implementation Status (Complied / Not Complied)	Page No./s
9.9	**Alternate Directors**	**Complied** No alternate Directors have been appointed to the Board during the year under review.	NA
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on the maximum number of external directorships permitted for members of the Board.	**Complied** A director may hold office in multiple companies, societies, or bodies, including subsidiaries and associates of the Company. However, for listed entities, the total number of such appointments shall not exceed 20.	386-387
9.10.4	Disclosures in the Annual Report	**Complied** Listed entities shall disclose the following details about Directors in the Annual Report: a) Name, qualifications, and brief profile. b) Area of expertise. c) Any material business relationship of the director or close family members with the entity or its directors . d) Director classification (Executive, Non-Executive, Independent) e) Total number of directorships and KMP positions held, indicating listed companies. f) Attendance at board meetings during the year. g) Board committees served on, specifying chairperson or member status. h) Committee meeting attendance. i) Terms of reference and powers of the Senior Independent Director (SID)	42-48 42-48 330-331 42-48 386-387 338 329 338 324-326
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** The Company has formed a Nominations and Governance Committee and it has a written terms of reference. A policy on director appointment and re-elections is available.	390-391
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** 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** The Company has formed a Remuneration Committee and a Remuneration Policy has been developed.	388-389

Section	Requirement	Level of Compliance/Implementation Status (Complied / Not Complied)	Page No./s
9.12.5	Terms of Reference of the Committee	**Complied** The Committee operates under a formally documented Terms of Reference.	388-389
9.12.6	Composition of the Committee	**Complied** The Committee consists of 3 Independent Non-Executive Directors and the Chairperson is an Independent Director.	388-389
9.12.7	Functions	**Complieda** Complied as mentioned in the Report of the Board Remuneration Committee.	
9.12.8	Disclosure in the Annual Report	**Complied** The aggregate remuneration paid to both Executive and Non-Executive Directors is disclosed. Refer 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.	399-401
9.13.2	Availability of a Terms of Reference of the Audit Committee	**Complied** The Committee has a written terms of reference.	392-394
9.13.3	Composition	**Complied** The Committee consists of three Independent Non-Executive Directors, chaired by an Independent Director who is a member of a recognized professional accounting body. The Director/CFO, Deputy CFO, and representatives from Internal Audit attend meetings by invitation when required. The Committee meets quarterly to review and recommend financial statements. A majority quorum was maintained at all meetings during the year.	392-394
9.13.4	Functions	**Complied** Refer to the Report of the Board Audit Committee in this Report.	392-394
9.13.5	Disclosure in the Annual Report	**Complied** Refer the Report of the Board Audit Committee in this Report.	392-394
9.14	**Related Party Transactions Review Committee**		
9.14.1	Availability of a Related Party Transactions Review Committee	**Complied** The Company has formed a Related Party Transactions Review Committee.	395-396
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** 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.	

CORPORATE GOVERNANCE

Section	Requirement	Level of Compliance/Implementation Status (Complied / Not Complied)	Page No./s
9.14.4-5	General Requirements	**Complied** The Committee complied with the General Requirements set out under 9.14.4 and reviewed related party transactions as required.	395-396
9.14.6	Transactions required Shareholder approval	**Complied** Refer to the Report of the Related Party Transactions Review Committee. During the year: ⊖ No Related Party Transactions (RPTs) required shareholder approval under Rule 9.14.6. ⊖ No RPTs required immediate market announcement under Rule 9.14.7. ⊖ The Board has affirmed compliance with RPT rules in its Report. ⊖ There were no non-recurrent RPTs exceeding 10% of equity or 5% of total assets, nor recurrent RPTs exceeding 10% of gross revenue/income. ⊖ Refer Note 44 to the Financial Statements for further details. ⊖ No acquisition or disposal of substantial assets occurred with related parties.	395-396
9.14.8	Disclosures in the Annual Report	**Complied** Refer Note 44 to the Financial Statements for further details.	532-538
9.16	The following additional disclosures by the Board of Directors shall be included in the Annual Report: i) Declaration of all material interests in contracts involving the entity and confirmation that directors refrained from voting on matters where they had a material interest. ii) Confirmation of a review of internal controlscovering financial, operational, compliance, and risk management and reasonable assurance of their effectiveness. If unable to provide such confirmation, an explanation shall be disclosed. iii) Confirmation that directors have taken steps to remain informed of applicable laws, rules, regulations, and changes, particularly in listing rules and capital market provisions. iv) Disclosure of any material non-compliance with laws or regulations and any significant fines imposed by government or regulatory authorities in jurisdictions where the entity operates.	**Complied** Refer Report of the Board of Directors.	377-385

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 31 December 2025.

This report covers the statutory requirements and directions of the Companies Act, No. 07 of 2007, the Insurance Industry Act No. 43 of 2000 and its amendments thereon, Direction No.02 of 2022 (Revised) on Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka(IRCSL) and the Voluntary adherence to the recommended best practices on Corporate Governance as per the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. This report was approved by the Board of Directors on 25th February 2026. 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.	377-378
Section 168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 152.	419-553
Section 168 (1) (c)	Independent Auditors' Report on the Financial Statements of the Company.	417-418
Section 168 (1) (d)	Accounting Policies of the Company and any changes therein.	426-553
Section 168 (1) (e)	Particulars of the entries made in the Interests Registers of the Company during the accounting period	383
Section 168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	538
Section 168 (1) (g)	The total amount of donations made by the Company and its subsidiaries during the accounting period.	380
Section 168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during the accounting period.	42-48, 381
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.	509
Section 168 (1) (j)	Auditors' relationship or any interest with the Company.	380
Section 168 (1) (k)	Acknowledgement of the contents of this report/Signatures on behalf of the Board of Directors.	385

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 Mission which are set out on page 13 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.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

2.3 Principal Activity

The Company's principal activity is underwriting all classes of Life Insurance, which has remained unchanged since it received the license to carry out its business as a long-term insurance provider by the IRCSL on 01st June 2015.

The Directors declared that the Company did not engage in any activity, which contravenes with laws and regulations of the country during the said period.

The ultimate Holding Company is Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC). Subsidiaries of the Company as of 31st December 2025 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 Chairman's Review given on pages 32 to 35, the Managing Director/ CEO's Review on pages 36 to 39. and the ESG Integration and Purpose-driven Strategy on pages 125 to 149 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 119 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 430 to 436.

2.5 Future Developments

Likely future developments of the business are discussed in the Chairman's Review on pages 32 to 35 The Company has taken into cognizance the wider developments in the business environment and demographic changes which has increased the need for insurance and retirement planning in the country. In this context the Company has set in place a strategic plan which aims to affirm its market leadership position to reach its strategic objectives.

3. FINANCIAL STATEMENTS OF THE COMPANY

3.1 Director's Responsibility for Financial Reporting

The Directors assume the responsibility for the preparation and presentation of the Financial Statements, which reflect a true and fair view of the state of affairs of the Company. The Directors are of the view that the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Significant Accounting Policies and Notes thereto appearing on pages 419 to 542 have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto, Rules and Regulations of the Insurance Regulatory Commission of Sri Lanka. The said Accounting Policies adopted in the Financial Statements, are given on pages 426 to 542 as required by the Section 168 (1) (d) of the Companies Act No. 07 of 2007.

The Statement of Directors' Responsibility appearing on page 405 forms an integral part of this Report.

The Financial Statements of the Company, for the year ended 31 December 2025, duly certified by the Senior Executive Director/CFO, recommended by the 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 pages419 to 542 of this Annual Report.

3.2 Significant Accounting Policies and Changes During the Year

The accounting policies adopted by the Company during the preparation of the Financial Statements are depicted on pages 426 to 542 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. 19.60 per share for the year ended 31 December 2025 will be approved by the shareholders at the forthcoming Annual General Meeting to be held on 26th March 2026. More information with regard to the dividend is given on Note 38 to the Financial Statements on page 512.

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 page 539.

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 2025 was Rs 44.18 Bn (Rs.37.14 Bn in 2024). 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 503

4.2 Profits and Appropriations

The Profit before Tax of the Company amounted to Rs.44.18 Bn in 2025 (Rs.10.05Bn in 2024) marking an increase of 11.55 % (Increase of 19.10% in 2024). Further, the Net Profit after Tax of the Company amounted to Rs.7.85Bn in 2025 (Rs.7.07 Bn in 2024), indicating an increase of 10.97% (increase of 21.88% in 2024).

On this basis, the dividend payout ratio amounts to 12.50 % in 2025, compared to 12.52% in the year 2024.

For the year ended 31 December,	2025 Rs.000'	2024 Rs.000'
Profit Before Taxation (PBT)	11,213,032	10,052,081
Income Tax Expenses	3,365,834	2,980,594
Profit for the Year	7,847,198	7,071,487
Dividends Paid	980,001	885,001

4.3 Dividends on Ordinary Shares

As per the recommendation of the Board of Directors, the Company will declare a first and final dividend of Rs. 19.60 per share (Rs. 17.70 in 2024) amounting to a total sum of Rs. 980 Mn for the year ended 31 December 2025 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 26 March 2026 and subject to the directions issued by the Insurance Regulatory Commission of Sri Lanka. Further, Rs. 6.87 Bn (net of dividend) was transferred during the year to retained earnings.

The Board was satisfied that the Company would meet the solvency test after the declaration of the aforesaid dividend and obtained a solvency certificate from the Company's Auditors to that effect. The Board authorized the distribution, in terms of Section 56 of the Companies Act No. 07 of 2007.

4.4 Reserves

Total reserves of the Company stood at Rs. 67.86 Bn as at 31 December 2025. This includes the Restricted Regulatory Reserve of Rs. 3.46 Bn recognized 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 423 and the Note 21 to the Financial Statements on pages493 to 494.

4.5 Taxation

Tax expense has been computed at the rates given in Note 35 to the Financial Statements, appearing on pages510 to 511 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.15.12 Bn. Total capital expenditure during the year for the acquisition of property, plant and equipment by the Company, amounted to Rs. 355.28 Mn More information on Property, Plant and equipment is given in Notes 7 to the Financial Statements on pages 439 to 452.

Specific information on the extent, location and the valuation of the land and buildings held by the Company are given in Notes 7 (m) to the Financial Statements on pages 445 to 451.

The details of capital expenditure approved and contracted for are given in Note 7 (c) to the financial Statements on page 444

4.7 Market Value of Land and Buildings

The Company carried out a re-valuation of all its freehold land and buildings as at 31 December 2025. 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 (m) to the Financial Statements on pages 445 to 451.

The next revaluation exercise on the freehold land and buildings of the Company will be carried out as at 31st December 2026.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

4.8 Investments

Total investments of the Company and other equity investments amounted to Rs. 251.43 Bn as of 31st December 2025.

4.9 Provisions, Liabilities and Capital Commitments

The Directors have taken all reasonable steps to ensure that adequate provisions were made for all known liabilities and commitments.

4.10 Donations

During the year, the Company has not made any contributions to charities or other donations. The CSR initiatives of the Company are detailed under 'Social Responsibility' on pages 307 to 318

5. INVESTOR RELATIONS

5.1 Stated Capital

The stated capital is the total of all amounts received by the Company, in respect of the issue of shares. The stated capital of the Company, as at 31 December 2025, amounted to Rs. 500,000,500.00 (Five Hundred Million and Five Hundred Rupees), which is represented by issued and fully paid 50,000,050 ordinary shares.

The Company has not purchased its own shares during the year under review.

5.2 Substantial Shareholding

The Company is a fully owned subsidiary of Ceylinco Holdings PLC. The Company has issued 50,000,050 ordinary shares to the said Sole Shareholder of the Company. Information relating to net assets per share are stated under Note 38 and the on page24.

5.3 Information on Ratios, Net Assets Value of Shares

Ratios relating to dividends, net assets, Net assets value price per share are presented below.

	2025	2024	%
Dividend per share (Rs.)	19.60	17.70	10.73%
Dividend Payout (Rs.Mn)	980	885	10.73%
Net assets value per share (Rs.)	1,357.20	1,214.91	11.78%

5.4 Issue of Shares or Debentures

During the year the Company has not raised any funds either through a public issue, right issue, debenture issue or through a private placement.

6. APPOINTMENT AND REMUNERATION OF INDEPENDENT AUDITORS

6.1 Appointment of Auditors and the Audit Report

The Company's Independent External Auditors, Messrs. Ernst and Young, Chartered Accountants, who were re-appointed by a resolution passed at the 11th Annual General Meeting, have carried out an audit on the Financial Statements of the Company for the year ended 31 December 2025. The Auditors' Report issued thereon, is given on pages 417 to 418 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) in the Financial Statements.

6.3 Auditors' Independence

A confirmation of Independence has been provided by Messrs. Ernst & Young as required by the Section 163 (3) of the Companies Act No. 07 of 2007, in connection with the audit for the year ended 31 December 2025, 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 31 December 2025 consisted of 17 Directors with a wide knowledge and experience on economic, financial, banking, IT, commercial, HR, marketing, and healthcare as detailed in the Board of Directors' profiles on pages 42 to 48..

Names of the Directors of the Company during and as end of 31 December 2025, as required by Section 168 (1) (h) of the Companies Act No. 07 of 2007 are given below;

Name of the Director	Information required to be disclosed as per the Companies Act
Mr R Renganathan	Executive Chairman
Mr E T L Ranasinghe	Managing Director/ Chief Executive Officer
Mr P D M Cooray	Senior Executive Director
Mr P A Jayawardena	Senior Executive Director/Chief Financial Officer
Mr S R Abeynayake	Executive Director/Deputy Chief Executive Officer
Mr. E R S G Hemachandra (Appointed w.e.f.01.04.2025)	Executive Director/Chief Operating Officer
Dr Harsha Cabral PC	Senior Independent Director
Mr J Durairatnam	Independent Non-Executive Director
Mr W W L R A Fernando (Resigned w.e.f.31.12.2025)	Independent Non-Executive Director
Mr O G V J Senanayake	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
Ms. N M Boralessa (Appointed w.e.f.20.02.2025)	Independent Non-Executive Director
Dr. R C J Ferdinands (Appointed w.e.f.01.04.2025)	Independent Non-Executive Director
Mr. R A I Elapata (Appointed w.e.f. 31.12.2025)	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
Mr. Lakshika Keragala – Director	Mrs. R M U K Ratnayake – Director
	Mr. A H R Udayasiri – Director

7.3 Changes to the Board of Directors

The following changes to the Company's directorships were effected during the year, with the approval of the IRCSL:

As set out in the above table, three Independent Non-Executive Directors—Ms. N. M. Boralessa, Dr. R. C. J. Ferdinands, and Mr. R. I. Elapatha—and one Executive Director, Mr. E. R. S. G. S. Hemachandra, were appointed during the year. In addition, Mr. W. W. L. R. A. Fernando, Independent Non-Executive Director, resigned.

Alternate Directors were not appointed to the Board during the year under review.

Retirement and Re-election

1. In accordance with Section 210 read with 211 of the Companies Act No. 07 of 2007, Mr. R Renganathan who is currently 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" dated 25 February 2022 issued by the IRCSL.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

2. 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 18th February 2026 and recommended to the Board of Directors to notify to the Shareholder. The Board recommended at their meeting held on 25th February 2026, the re-election of the following Directors after considering the recommendations of the Board Nominations and Governance Committee.

   a. Mr. J Durairatnam
   b. Dr. Harsha Cabral
   c. Ms. Averil Ludowyke
   d. Prof. Srinath Chandrasekera

More details are given on page 568 under the 'Notice of the AGM'.

7.4 Directors Meetings

Five Regular meetings of the Board of Directors were held during the year. The details of the Board and Board Sub-Committees meetings and the attendance of Directors at these meetings, are given on pages 337 to 338 and in the respective Committee reports on pages 388 to 404.

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 the Institute of Chartered Accountants of Sri Lanka.

(i) Board Nominations and Governance Committee
(ii) Board Remuneration Committee
(iii) Board Audit Committee
(iv) Board Risk Management Committee
(v) Related Party Transactions Review Committee
(vi) Board ESG Committee

The Board has formed a Board Investment 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, CBSL, The Institute of Chartered Accountants of Sri Lanka, CSE and the SEC.

The Composition of Board Sub-committees as at 31 December 2025 are tabulated in the respective Committee reports on pages 388 to 404.

7.6 Declarations by Non-Executive Directors

All Non-Executive Directors have submitted signed declarations confirming their independent/ non-independent status in compliance with Rule 9.8.5 of the CSE Rules on Corporate Governance as well as in compliance with Principle A.5.5 of the Code of Best Practice on Corporate Governance 2023 issued by the ICASL and the Board determined that Ten Non-Executive Directors are independent by nature (Refer pages 330 to 331) based on the Directors' Declarations submitted and the other information available to the Company. Prof. S. Chandrasekara has declared he is currently working as an Executive Director at Kings Hospital Colombo (Pvt) Ltd.

7.7 Declarations by Directors and CEO – 'Fit and Proper' Status

In terms of Section 9.7.4 of the CSE Rules and Principle A.7.2 of the Code of Best Practice on Corporate Governance 2023, both the Executive Directors (including Managing Director/CEO) and Non-Executive Directors submitted Declarations confirming their fit and proper status in terms of the above rules and regulations and the Board noted that the all the Directors of the Company comply the above criteria.

7.8 List of Directorships of the Directors in other Entities

Directorships held by the Directors in other entities and their substantial/ material shareholdings if any, as at 31 December 2025 are provided in the Annexure that follows this Report of the Directors. The list has also identified the status of directorships (executive/ non-executive/independent status) and the status where an entity is a listed entity.

7.9 Appraisal of Board Performance

The Board carried out an annual self-evaluation of its own performance and that of the Sub-Committees to ensure that they discharge their duties and responsibilities satisfactorily in terms of the Code of Best Practice on Corporate Governance 2023 and the CSE Rules. The results of the evaluation for the year under review were discussed at the Board Meeting held in February 2026 and those evaluations are maintained with the records of the Company.

The Senior Independent Director at a meeting of the Non-Executive Directors held on 25th February 2026, 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.

7.10 Remunerations and other Benefits of Directors

Directors' remuneration in respect of the Company for the financial year ended 31st December 2025 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 Director's Dealings in Shares

Neither shares nor debentures of the Company were held by the Directors of the Company during the year under review.

7.13 Directors Interest in Contracts or Proposed Contracts

The Directors of the Company have no direct or indirect interest in any contract or proposed contract with the Company, except for those specified, which have been disclosed and declared at meetings of Directors, as requested by Sec.192 of the Companies Act No.07 of 2007.

The Directors have disclosed all material interests in contracts in this Annual Report and have refrained from voting on matters in which they were materially interested.

7.14 Related Party Transactions with the Company

The Company carried out transactions in the ordinary course of business at an arm's length basis with entities where a Director of the Company is the Chairman or a Director of such entities.

In addition, Related Party Disclosures as per Sri Lanka Accounting Standards are detailed in Note 44 to the Financial Statement on pages 532 to 538 of this Annual Report and the report of the Related Party Transactions Review Committee is given on pages 395 to 396.

There were no non-recurrent related party transactions exceeding 10% of the equity or 5% of the total assets whichever is lower or recurrent related party transactions exceeding 10% of the gross revenue/income requiring disclosure in the Annual Report.

The Board of Directors confirm that the Rules pertaining to Related Party Transactions have been duly complied with by the Company.

7.15 Directors' and Officers' Insurance

The Company has, during the financial year paid an insurance premium in respect of insurance policy for the benefit of the Company and the Directors and further details on the same are given in Note 44 (iii) (d) to the Financial Statements on page 536

7.16 Register of Directors and Secretaries

As required under Section 223 (1) of the Companies Act No. 07 of 2007, the Company maintains a Register of Directors and Secretaries, which contains information of each Director and the Company Secretary.

8. MINIMUM CAPITAL REQUIREMENTS

As per the Gazette dated 7th May 2013 issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) by its the minimum capital requirement for all insurance companies was increased to Rs. 500,000,000/- with effect from 11th February 2015. The Company has an issued and paid-up capital of Rs.500,000,500/- and has abided by this statutory requirement.

9. TOTAL AVAILABLE CAPITAL (TAC)

Insurance Companies are required to maintain a minimum Total Available Capital of Rs.500,000,000/- as per Solvency Margin (Risk Based Capital) Rules imposed with effect from 01st January 2016. The Company maintains a TAC of Rs.110.44Mn as at 31st December 2025.

10. COMPLIANCE WITH REGULATIONS IMPOSED BY THE IRCSL AND OTHER STATUTORY AUTHORITIES

The Company has complied with all statutory requirements imposed by the IRCSL and has submitted all returns and information on the stipulated due dates in conformity with the rules and regulations. In addition, the Company complies with the Financial Transaction Reporting Act No. 06 of 2006.

11. TRANSITION TO NEW REGULATIONS

The Company has laid in place the necessary platform for transition to SLFRS 17 & 9 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 is processing YE2025 results and refining assumptions and models. AOC steps are incorporated and under review. Financial statement impact assessment is ongoing, and the SLFRS 17-compliant COA is being developed,and the latest developments are given in detail under"Financial Performance" on pages 155 to 198.

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 system of internal control, is satisfied with the systems and measures in effect at the date of signing this Annual Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board Risk Committee reviews the policy development for risk management of the Company. Steps taken by the Company in managing risks are given on pages 91 to 103under the topic of 'Risk Management'.

13. SUSTAINABILITY

The Company has embedded sustainability into its strategic planning process and focusses on business expansion and growth in a sustainable and responsible manner. More details are provided on pages 125 to 149.

14. HUMAN RESOURCES POLICY

The Company is committed to maintain a superior workplace which provides equal opportunities for individuals to grow and realize their potential irrespective of gender, race or religion. The Company's employee cadre as at 31st December 2025 was 708 (2024 – 729). The Company offers a comprehensive array of benefits including medical insurance under group cover for all confirmed employees. The Company has created an environment for growth and development by offering training and development opportunities. The Company's HR Policy and other details are given in Social Responsibility on pages 243 to 278.

15. COMPANY ETHICS AND VALUES

All employees and Directors of the Company are strongly anchored on the Company's values when conducting their day-to-day operations. Furthermore, the Company has a Code of Ethics in place which has been communicated to all employees and Directors.

16. WHISTLEBLOWING POLICY

The Company has a whistleblowing policy and all employees have been educated on this policy through relevant training programmes.

17. EQUITABLE TREATMENT FOR STAKEHOLDERS

The Directors declare that the Company has made all endeavors to ensure fair treatment for all stakeholders.

18. ENVIRONMENTAL PROTECTION

The Company has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability. The Company has since 2017 committed to preserving the environment through its 'Go Green' initiatives with all branches and operations complying with green practices in conserving natural resources. These initiatives are detailed in the Environmental sustainability section set out on pages 199 to 223.

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 as were due and payable by the Company, as at the reporting date have been paid or, where relevant provided for.

20. OUTSTANDING LITIGATION

As per the opinion of the Board of Directors and the Lawyers of the Company, there will not be a significant impact on the financial position of the Company from the pending litigation by and against the Company or its future operations.

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 2023 together with the compliance with provisions of the Corporate Governance framework issued by IRCSL is given on page 370. Further, the table from pages 371 to 376 shows the manner in which the Company has complied with Section 9 of the Rules of the Colombo Stock Exchange on Corporate Governance.

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, Listing Rules of the Colombo Stock Exchange and applicable capital market provisions and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

22. TECHNOLOGY

The Company recognizes digitalization as a key enabler to business transformation. Over the 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 Environmental sustainability' and 'Evaluating People performance and excellence', on pages 199 to 278.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible corporate citizen, the Company carries out a range of CSR activities. The details of Corporate Social Responsibility activities are given under 'Social Responsibility ' section on pages307 to 318.

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 12th 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 26th March 2026 at 10.00 a.m. The Notice of the AGM appears in page 568 of the Annual Report.

26. AKNOWLEDGEMENT 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

Sandeepa Silva
Company Secretary

25th February 2026
Colombo

DIRECTORSHIPS IN OTHER ENTITIES

Name of the 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/Non-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	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/Deputy Chief Executive Officer	Ceylinco Holdings PLC*	Non-Executive Director
	Serene Resorts Ltd	Non-Executive Director
Mr. E R S G S Hemachandra Executive Director/Chief Operating Officer	Ceylinco Healthcare Services Ltd	Non-Executive Director
	Citizens Development Business Finance PLC *	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)

Name of the Director	Company in which Other Directorships/ Positions held	Status/Position
Mr J Durairatnam – Independent Non-Executive Director	DFCC Bank PLC*	Independent Non-Executive Director/ Chairman
	Assetline Finance Ltd	Non-Executive Director
	Asian Hotels and Properties PLC*	Non-Executive Director
	Enviro Solutions (Pvt) Ltd	Non-Executive Director
	Tokyo Cement Company (Lanka) PLC*	Non-Executive Director
Mr W W L R A Fernando- Independent Non-Executive Director (Resigned w.e.f.31st December 2025)	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 E R C Moraes - Independent Non-Executive Director	Nil	Nil
Mr M Ismail - Independent Non-Executive Director	MICD Associates (Pvt) Ltd	Executive Director
	MICD Associates	Partner
	Hellibees Racing (Pvt) Ltd	Executive Director
	Proride (Pvt) Ltd	Independent Non-Executive Director
	Hellisports (Pvt) Ltd	Executive Director
	M A M Holdings (Pvt) Ltd	Executive Director
	Urban Development Authority	Director
Ms R J Moraes - Independent Non-Executive Director	Jaysons Retail (Pvt) Ltd (w.e.f. 20.11.2025)	Non-Executive Director
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
	Chevron Lubricants Lanka PLC*	Independent Non-Executive Director
MS. N M Boralessa - Independent Non-Executive Director	BPPL Holdings PLC*	Independent Non-Executive Director
	Diesel & Motor Engineering PLC (DIMO)*	Non-executive Director
DR.R C J Ferdinands - Independent Non-Executive Director	U2Kno Research	Executive Director
Mr. R A I Elapata - Independent Non-Executive Director	Patronus Wealth Holdings	Independent Non-Executive Director

REPORT OF THE BOARD REMUNERATION COMMITTEE

Ensuring oversight of remuneration policies to promote fairness, transparency, and alignment with company objectives...



COMPOSITION AND MEETINGS

The Board Remuneration Committee comprised of the following Board Members.

Name	Category	Meeting Attendance
E R C Moraes (Chairman)	Independent Non-Executive Director	2/2
R J Moraes	Independent Non-Executive Director	2/2
M Ismail	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) attend meetings by invitation as and when necessary.

PURPOSE OF THE COMMITTEE

The Committee was established to provide the Board with guidance and recommendations concerning the Company's framework for remunerating the Chief Executive Officer, Executive Directors, and senior management. This includes establishing fair and transparent procedures for determining salaries, incentives, post-employment benefits, and terminal benefits. A Board-approved Remuneration Policy has been implemented to ensure consistency, fairness, and alignment with the Company's long-term objectives.

TERMS OF REFERENCE

The Committee's terms of reference clearly define its composition, role, and responsibilities. The Committee is committed to upholding the highest standards of accountability and transparency, ensuring that remuneration structures are equitable, performance-linked, and aligned with both the Company's objectives and the long-term interests of its shareholders.

KEY RESPONSIBILITIES

The Remuneration Committee is tasked with overseeing the Company's remuneration framework, ensuring it aligns with strategic objectives, incentivises performance and maintains transparency and fairness across all levels of leadership. Its key responsibilities include:

- Establishing and overseeing the Remuneration Policy, including its specific application to the CEO, executive and non-executive directors and ensuring its general application to senior management below the main board.
- Making recommendations and decisions, as relevant, on remuneration and all incentive awards, including share option schemes, equity incentive awards and terminal benefits/pension rights for the CEO, executive directors, and senior management.
- Evaluating the performance of the CEO, overseeing management development plans, and ensuring effective succession planning for key leadership positions.
- Reviewing and monitoring the evaluation of executive directors and senior management, including their management development and succession planning.
- Evaluating strategic human resources policies to ensure alignment with organisational objectives.
- Ensuring effective communication with shareholders regarding the Remuneration Policy and reporting on the Committee's work through a Remuneration Committee report on behalf of the Board.
- Recommending and ensuring appropriate service contracts are in place for the CEO, executive directors, and senior management.
- Determining the terms of any compensation package in the event of early termination of contracts for the CEO, executive directors, and senior management.
- Periodically obtaining market benchmarks of remuneration for comparable companies in respect of the CEO, executive and non-executive directors and senior management, at least once every three years or sooner in the event of significant market adjustments.

ACTIVITIES IN 2025 AND AS AT DATE OF THIS REPORT

In line with its mandate to ensure fair and effective remuneration practices across the Company, the Committee undertook a comprehensive review of compensation structures, policies, and its own operational effectiveness. Key activities during the year included:

- Recommended revisions to employee salaries, annual bonuses and incentive structures to ensure competitiveness and alignment with performance objectives.
- Reviewed the Company's Remuneration Policy to confirm its consistency with prevailing market practices and organisational goals.
- Evaluated the Remuneration Policy for Non-Executive Directors to ensure it remains fair, transparent, and aligned with regulatory requirements.
- Reviewed and updated the Committee's Terms of Reference (TOR) to reflect current responsibilities and best governance practices.
- Conducted a self-assessment of the Committee's performance in accordance with the TOR; individual member evaluations were consolidated and submitted to the Board for consideration.

PROFESSIONAL ADVICE

The Committee is vested with the authority to obtain independent legal or other professional advice, either internally or externally, whenever deemed necessary for the effective discharge of its responsibilities, with such services procured at the Company's expense.

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 their service on the Board and its Subcommittees; they do not participate in any performance-related incentives. The Company does not maintain an Employee Share Ownership Plan for Directors or Key Management Personnel.

FUTURE FOCUS

Looking ahead, the Remuneration Committee will continue to strengthen the Company's remuneration framework to drive sustainable growth, reward performance and support long-term value creation.

Key priorities include:

- Competitive and Performance Driven Structures: Continue to ensure that remuneration structures for employees and Directors remain competitive, performance driven and aligned with the Company's strategic objectives and market best practices.
- Policy Review and Compliance: Periodically review and update the Remuneration Policy for Executive and Non Executive Directors, ensuring fairness, transparency, and compliance with applicable governance standards.
- Incentive and Bonus Oversight: Strengthen oversight of incentive and bonus frameworks, linking rewards to sustainable performance, prudent risk management and long term value creation for stakeholders.
- Governance and Continuous Improvement: Maintain effective governance through regular review of the Committee's Terms of Reference and ongoing self evaluation of performance, fostering continuous improvement, accountability and alignment with best practices.



E R C Moraes

Chairman - Board Remuneration Committee

25 February 2026

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

Strengthening governance through skills assessment, succession planning, and confirming operational effectiveness...



COMPOSITION AND MEETINGS

The Board Nominations and Governance Committee (BNGC) during the year under review comprised of the following Independent Non-Executive Directors in conformity of Section 9.11.4 of the Listing Rules of the CSE and Section A 7.1 of the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

Name	Category	Meeting Attendance
Dr Harsha Cabral PC (Chairperson)	Senior Independent Director	4/4
Mr J Durairatnam	Independent Non-Executive Director	4/4
Ms A A Ludowyke	Independent Non-Executive Director	3/4

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 primary purpose of the Committee is to assist the Board in making recommendations on Board appointments, ensuring an appropriate balance of skills, experience, and diversity on the Board and its Committees, and reviewing and recommending enhancements to the Company's overall corporate governance framework.

TERMS OF REFERENCE

The Committee operates in accordance with its Terms of Reference, which have been formulated in line with the Rules of the Colombo Stock Exchange and the principles set out in the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. The Terms of Reference define the Committee's objectives, composition, authority, roles, and responsibilities, etc

KEY RESPONSIBILITIES

- Recommend to the Board the appointment of new Directors and Key Management Personnel, and oversee the implementation of approved procedures for the selection of such individuals.
- Recommend the re-election of Directors who are over the age of 70 years, in compliance with applicable legal and regulatory requirements.
- Recommend the retirement by rotation of Directors in accordance with the Company's Articles of Association.
- Review and assess criteria such as independence, qualifications, experience, skills, and other attributes required for appointment to key positions within the Company.
- Oversee the processes by which the Board and its Sub-Committees evaluate their performance, and report findings, recommended improvements, and action plans to the Board.
- Review the Company's overall corporate governance framework and recommend enhancements in line with evolving regulatory requirements and best practices.

ACTIVITIES IN 2025 AND AS AT THE DATE OF THIS REPORT

- Monitored developments in corporate governance and regulatory requirements relevant to the Company and recommended appropriate actions for consideration and approval by the Board.
- Reviewed and recommended matters relating to the Annual General Meeting (AGM), including:
  - – The re-election of Mr. R. Renganathan, Executive Chairman (over 70 years of age), in compliance with Sections 210 and 211 of the Companies Act No. 07 of 2007 and IRCSL Direction No. 02 of 2022 (Revised).
  - The retirement by rotation and re-election of Dr. Harsha Cabral PC, Prof. S. K. Chandrasekera, Ms. A. A. Ludowyke, and Mr. J Durairatnam in accordance with Article 18(B) of the Company's Articles of Association.
  - Reviewed the consolidated results of the Board Performance Evaluation and recommended actions to enhance Board effectiveness.

- Assessed and confirmed the independence of Non-Executive Directors in line with applicable regulatory and governance requirements.
- Evaluated Directors' declarations against the "fit and proper" criteria in accordance with the Colombo Stock Exchange Listing Rules and the CA Sri Lanka Code of Best Practice on Corporate Governance.
- Reviewed and updated the Committee's Terms of Reference to ensure alignment with regulatory expectations and best practices.
- Reviewed and recommended enhancements to the Policy on Corporate Governance, Nominations, and Re-election.
- Recommended for Board approval the appointment of Directors and Key Management Personnel, including the appointments of Director/Chief Operating Officer and Director/ Deputy Chief Executive Officer & Chief Information Security Officer.

The aforesaid initiatives have been discussed in detail in the Corporate Governance report on pages 319 to 376.

DISCLOSURES

The company maintains a documented policy and established procedures for nominating directors to the board. All non-executive directors are subject to retirement by rotation and present themselves for re election at regular intervals, and in any event, at least once in every three years.

The Board comprises a diverse mix of directors with varied experience, skills, age groups, and gender, enabling it to function effectively. Profiles of the directors appear on pages 42 to 48 of the annual report. Information relating to training programs and brainstorming sessions conducted for directors is included in the corporate governance report of this annual report.

All non-executive directors have submitted declarations confirming their independence or non independence in accordance with rule 9.8.5 of the CSE corporate governance rules and principle A.5.5 of the 2023 code of best practice on corporate governance issued by the CA Sri Lanka. Based on these declarations and other available information, the board has determined that ten non-executive directors are independent.

In compliance with section 9.7.4 of the CSE rules and principle A.7.2 of the 2023 code of best practice, both executive directors (including the Managing Director/CEO) and non-executive directors submitted declarations confirming their "fit and proper" status. The board confirms that all directors meet the required fit and proper criteria.

The annual performance evaluation of the board and its subcommittees was completed, and areas for improvement were discussed at the board meeting held on 25 February 2026.

PROFESSIONAL ADVICE

With prior approval of the board, the committee is authorized to seek external legal, professional, or other expert advice on matters falling within its terms of reference.

CONCLUSION

The committee continues to work closely with the board in reviewing the skills mix and succession planning in line with current and future requirements. The committee also completed its annual self assessment during the year, led by the chairman with input from all committee members, and concluded that it continues to operate effectively.

FUTURE FOCUS

- Future-Ready Oversight: Strengthen corporate governance and regulatory compliance by anticipating evolving laws, Listing Rules, and emerging best practices, ensuring timely and forward-looking Board recommendations.
- Leadership for Tomorrow: Enhance Board and senior management effectiveness with proactive succession planning, Director independence, fit and proper assessments, performance evaluations, and structured appointment, re-election, and rotation processes that prepare leadership for the challenges ahead.
- Sustainable Governance: Continuously evolve governance policies, Committee Terms of Reference, and shareholder-related processes to enable transparent, strategic decision-making and long-term organizational resilience.



Dr. Harsha Cabral PC
Chairman – Board Nominations and Governance Committee

25 February 2026

REPORT OF THE BOARD AUDIT COMMITTEE

Shaping a resilient future by enhancing assurance and guiding critical decisions...



COMPOSITION AND MEETINGS

The Board Audit Committee (BAC) during the year under review comprised of the following Independent Non-Executive Directors in conformity of Section 9.11.4 of the Listing Rules of the CSE and Section A 7.1 of the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

Name	Category	Meeting Attendance
Ms A A Ludowyke (Chairperson)	Independent Non-Executive Director	4/4
Mr. J. Durairatnam	Independent Non-Executive Director	4/4
Ms. R J Moraes (Appointed w.e.f 10.02.2025)	Independent Non-Executive Director	4/4

The Board Audit Committee is chaired by Ms. Averil Ludowyke, a Independent Non-Executive Director, who brings over 39 years of experience in auditing, accounting, and finance. She is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Chartered Institute of Management Accountants (UK), thereby satisfying the Code's requirements relating to financial literacy, professional competence, and independence of the Chairperson.

The Company Secretary functions as the Secretary to the Committee, in accordance with best governance practice. The Senior Executive Director / Chief Financial Officer, Deputy General Manager – Internal Audit, Senior Assistant General Manager – Information Systems Audit, and External Audit Partners attend meetings by invitation, ensuring that the Committee has access to all relevant information while preserving its independent oversight role, as prescribed by the Code.

PURPOSE OF THE COMMITTEE

The Board Audit Committee is a Sub-Committee of the Board of Directors and reports directly to the Board. The Committee is entrusted with oversight responsibility for ensuring the integrity of the Company's financial reporting process and the effectiveness of its governance and control environment.

In accordance with the Code, the Committee's responsibilities include oversight of:

- the Company's financial reporting systems, accounting policies, and disclosures;
- compliance with legal, regulatory, and statutory requirements;
- the adequacy and effectiveness of internal controls and risk management processes;
- the independence, objectivity, and performance of the internal audit function; and
- the appointment, independence, remuneration, and effectiveness of external auditors.

Through these responsibilities, the Committee assists the Board in safeguarding the interests of shareholders and other stakeholders, while reinforcing transparency, accountability, and ethical conduct across the organization, in line with the principles of good corporate governance advocated by CA Sri Lanka.

GOVERNANCE FRAMEWORK

The Committee operates under a formal Terms of Reference (Charter), developed in accordance with the Rules set out in the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Charter clearly defines the Committee's objectives, composition, authority, roles, and responsibilities, ensuring effective governance oversight and accountability.

KEY RESPONSIBILITIES

The Committee assists the Board of Directors in fulfilling its oversight responsibilities by:

- Monitoring and reviewing the adequacy, integrity, and effectiveness of the Company's accounting policies, financial reporting processes, internal control systems, and risk management framework.
- Reviewing compliance mechanisms related to financial reporting and statutory disclosure requirements under the Companies Act, the

Insurance Regulatory Commission of Sri Lanka (IRCSL), the Securities and Exchange Commission of Sri Lanka (SEC), the Colombo Stock Exchange (CSE), and other applicable laws and regulations.

- Providing independent oversight of the Company's assurance functions, including internal and external audit, while safeguarding the independence, objectivity, and effectiveness of both functions.
- Recommending to the Board the appointment, re-appointment, removal, remuneration, and terms of engagement of the external auditors.
- Assessing the Company's ability to continue as a going concern, with due consideration of financial sustainability and foreseeable risks.

ACTIVITIES AND RESPONSIBILITIES DISCHARGED BY THE COMMITTEE DURING THE YEAR

The Audit Committee continued to support the Board in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, regulatory compliance, and audit functions. During the year under review, the Committee carried out the following key activities:

Financial Reporting

- Reviewed and recommended the Company's quarterly and annual financial statements to the Board for approval, ensuring compliance with Sri Lanka Accounting Standards (LKAS/SLFRS) and adequacy of disclosures under applicable laws and regulations.
- Assessed significant accounting policy changes, complex transactions, key judgmental areas, and recent regulatory pronouncements for their impact on the financial statements.
- Verified that appropriate accounting policies, practices, and internal controls were in place to ensure effective financial reporting and compliance with standards.
- Obtained assurance from the CEO and CFO on the proper maintenance of financial records and fair presentation of financial statements, and from key management on the adequacy of risk management and internal control systems.
- Reviewed Quarterly Regulatory Compliance Reports to confirm adherence to applicable laws, regulations, codes of ethics, and governance standards.

Internal Audit

- Approved the annual internal audit plan and reviewed its scope, budget, resource allocation, and organizational structure with the Chief Audit Managers.
- Assessed the independence, objectivity, and performance of the internal audit function, including its evaluation of internal controls.
- Reviewed internal audit reports, significant findings, management responses, and the status of corrective actions.
- Verified the adequacy of controls and procedures to safeguard Company assets and prevent unauthorized information leakage.

Risk Management and Internal Controls

- Reviewed processes for identifying, evaluating, and managing operational risks, confirming that effective internal controls are in place to safeguard assets and ensure the reliability of financial statements.
- Assessed the adequacy of internal controls and risk management processes to ensure compliance with Sri Lanka Auditing Standards.

External Audit

- Reviewed the independence and objectivity of the External Auditors and confirmed that no conflicts of interest existed that could impair their independence.
- Evaluated the proposed audit scope and approach, including coordination with internal audit, and discussed the audit plan, key issues arising from interim and final audits, the Management Letter, management responses, and proposed auditor remuneration.
- Established a Policy on Non-Audit Services and reviewed non-audit services provided by the External Auditors to ensure compliance with the policy and that such services did not compromise independence or objectivity.
- Recommended the reappointment of Messrs. Ernst & Young, Chartered Accountants, as Independent External Auditors, subject to shareholder approval at the Annual General Meeting scheduled for 26th March 2026.

Tax and Regulatory Matters

- Reviewed the status of tax assessments and the possible implications of recent budget proposals.

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 six Executive directors and one Independent Non-Executive Director. 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

REPORT OF THE BOARD AUDIT COMMITTEE

properly maintained and the financial statements give a true and fair view of the Entity's operations and finances. The Chief Executive Officer's and Chief Financial Officer's Statement is published on page 406 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.

REPORTING TO THE BOARD

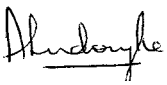
The Committee ensures timely and transparent reporting to the Board through formal meeting reports, highlighting key deliberations, decisions, and recommendations. Forward-looking dashboards and management reports provide insights on financial performance, risk exposures, internal controls, and audit outcomes. Significant risks or emerging issues are escalated promptly, supported by analysis and recommended actions. Periodic updates from Internal Audit, External Auditors, and management enable informed oversight, while deep-dive sessions address complex or high-impact matters.

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.

FUTURE FOCUS

- Advance the integrity of financial stewardship by strengthening oversight of financial reporting, internal controls, risk management, and regulatory compliance, ensuring continued transparency, accountability, and stakeholder trust.
- Stay ahead of regulatory and reporting changes through early identification and proactive management of evolving accounting standards, regulatory and tax developments, and complex judgment-based matters, enhancing the relevance and timeliness of financial disclosures.
- Elevate enterprise-wide risk oversight by broadening focus to emerging and non-financial risks, aligning risk governance with the Company's strategic direction and an increasingly complex operating environment.
- Preserve audit quality and independence by maintaining rigorous oversight of the external audit process and strengthening coordination between internal and external auditors in line with global best-practice governance standards.
- Strengthen a risk-based internal audit approach to enable continuous assurance, timely remediation of control gaps, and effective safeguarding of the Company's assets.



Ms A A Ludowyke
Chairperson – Board Audit Committee

25 February 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Reinforcing ethical conduct by reviewing related party dealings to prevent conflicts of interest and protect value...



COMPOSITION AND MEETINGS

The Board Related Party Transactions Review Committee (the BRPTRC) during the year under review comprised of the following Independent Non- Executive Directors in conformity with the requirements of the Section 9.14.2 of the Listing Rules of the CSE and the Section D 5.2 of the Code of Best Practices on Corporate Governance -2023 issued by CA Sri Lanka.

Name	Category	Meeting Attendance
W W L R A Fernando (Chairman) (Resigned w.e.f.31.12.2025)	Independent Non-Executive Director	4/4
A A Ludowyke (Chairman) (appointed w.e.f.31.12.2025)	Independent Non-Executive Director	4/4
Prof S K Chandrasekera	Non-Independent Non-Executive Director	4/4
E R C Moraes (Appointed w.e.f.31.12.2025)	Independent Non-Executive Director	N/A

The Company Secretary functions as the Secretary to the Related Party Transactions Review Committee. The Senior Executive Director / CFO and Deputy CFO attend the meetings by invitation.

PURPOSE OF THE COMMITTEE

The Committee was established to review Related Party Transactions (RPTs) and to determine whether such transactions comply with applicable laws and standards, the corporate governance framework and the listing rules of the Colombo Stock Exchange (CSE) relating to related party transactions. Acting on behalf of the Board, the Committee evaluates proposed transactions to safeguard the interests of shareholders, ensuring that Directors, Senior Management and/or substantial shareholders do not exploit their positions to the detriment of the Company or its stakeholders.

TERMS OF REFERENCE

The Committee is governed by the Terms of Reference approved by the Board of Directors, which define its purpose, duties, and responsibilities. The Terms of Reference were reviewed and updated in line with new regulations and approved by the Board. The Committee exercises oversight to ensure compliance with the Listing Rules of the Colombo Stock Exchange, the Code of Best Practices on Corporate Governance issued by CA Sri Lanka, and LKAS 24.

KEY RESPONSIBILITIES

- Review related party transactions of the Company either prior to execution or, if conditional on review, before completion of the transaction.
- Seek any information required from management, employees, or external parties regarding transactions entered into with related parties.
- Obtain competent independent professional advice to assess all aspects of proposed related party transactions when necessary.
- Access data and information pertaining to Related Parties and call for clarifications from Management, as well as from Internal and External Auditors, on any associated matters.

Through these responsibilities, the Committee ensures transparency, integrity, and compliance in all related party dealings, thereby reinforcing shareholder trust and upholding high standards of corporate governance.

GOVERNANCE FRAMEWORK AND METHODOLOGY ADOPTED

Related Party Transactions (RPTs) are identified through the Company's core operating systems and continuously monitored by designated officers, with overall oversight provided by the Company Secretary. In line with Section 9.14 of the Listing Rules of the Colombo Stock Exchange, all proposed RPTs, except those specifically exempted under Rule 9.14.10, are subject to prior review by the Related Party Transactions Review Committee (RPTRC) and thereafter approved or ratified by the Board of Directors.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Where transactions qualify as material RPTs exceeding stipulated asset or revenue thresholds, falling outside the ordinary course of business, or not conducted on arm's length terms the Company seeks shareholder approval by way of a Special Resolution, ensuring transparency and equitable treatment of all stakeholders.

The Company maintains a comprehensive central register of RPTs and obtains quarterly declarations from Directors and Key Management Personnel to ensure completeness and accuracy of disclosures. These transactions are reported to the RPTRC and the Board in a timely manner to facilitate effective oversight and governance.

Disclosures relating to RPTs are made in compliance with the CSE Listing Rules through the Annual Report, together with a formal affirmation by the Board confirming adherence to all applicable regulatory requirements governing Related Party Transactions.

ACTIVITIES IN 2025 AND AS AT DATE OF THIS REPORT

The Related Party Transactions Review Committee plays a critical role in safeguarding the integrity and transparency of the Company's financial and governance processes. During the year, the Committee focused on ensuring that all transactions with related parties were conducted in accordance with regulatory requirements, internal policies, and best governance practices, thereby protecting the interests of the Company and its stakeholders.

- Reviewed the details of related party transactions conducted during the year, as disclosed in Note 44 to the financial statements, and obtained quarterly declarations from key related parties, including directors.
- Reported all Committee proceedings to the Board, providing recommendations to enhance the reporting and oversight of related party transactions.
- Reviewed and updated the Committee's Terms of Reference to ensure clarity, relevance, and alignment with best governance standards.
- Examined the Related Party Transactions Policy and Procedure to confirm their adequacy, effectiveness, and compliance with applicable laws and regulations.
- Completed the annual evaluation by the Board, which reaffirmed the Committee's effectiveness in fulfilling its mandate and responsibilities.
- The Committee carried out its self assessment in terms of the Terms of Reference.

PROFESSIONAL ADVICE

The Committee is vested with the authority to obtain independent legal or other professional advice, either internally or externally, whenever deemed necessary for the effective discharge of its responsibilities, with such services procured at the Company's expense.

CONFIRMATIONS

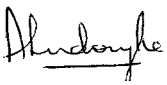
The Company has not entered into non-recurrent related party transactions exceeding 10% of the equity or 5% of the total assets whichever is lower or recurrent related party transactions exceeding 10% of the gross revenue/ income requiring disclosure in the Annual Report during the year under review. 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.

FUTURE FOCUS

Ensuring transparency and robust governance in Related Party Transactions (RPTs) is a key priority for the Committee. In a dynamic regulatory environment, the Committee remains committed to upholding the highest standards of integrity, accountability, and compliance, thereby safeguarding the interests of the Company, its stakeholders, and policyholders.

The Committee will continue to strengthen oversight of RPTs, ensuring full transparency, timely disclosures, and ongoing compliance through systematic periodic declarations from Directors and other key related parties.

- Transparency & Compliance: Strengthen oversight of RPTs through timely disclosures and periodic declarations from Directors and key related parties.
- Policy Review: Regularly review RPT policies, procedures, and Committee Terms of Reference to align with regulatory and Listing Rule requirements.
- Board Reporting: Ensure effective and timely reporting to the Board to support informed decision making and consistent governance practices.
- Continuous Improvement: Focus on enhancing Committee effectiveness, building on annual Board evaluation outcomes and evolving regulatory expectations.



A A Ludowyke

Chairperson - Related Party Transactions Review Committee

25 February 2026

REPORT OF THE BOARD INVESTMENT COMMITTEE

Driving robust investment governance and strategy that balance growth, risk, and long-term value creation...



COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year, including as of 31st December 2025.

Name	Category	Meeting Attendance
R. Renganathan	Executive Chairman	4/4
E. T. L. Ranasinghe	Managing Director / CEO	3/4
P. A. Jayawardena	Executive Director / CFO	3/4
S. R. Abeynayake	Executive Director / Deputy CEO	4/4
E. R. S. G. S. Hemachandra (Appointed w.e.f. 24.04.2025)	Executive Director / COO	2/2
R. S. W. Senanayake	Consultant	4/4
D. M. G. L. Alwis (Appointed w.e.f.25 February 2026)	DGM – Portfolio Head of Investments - Front Officet	N/A

The Company Secretary acts as the secretary to the Board Investment Committee. The Chief Risk Officer, attended meetings by invitation. Mr R S W Senanayake, an industry veteran acts as a Consultant to the Committee.

PURPOSE OF THE COMMITTEE

The Board of Directors established the Investment Committee to ensure full compliance with the Insurance Regulatory Commission of Sri Lanka (IRCSL) "Guidelines on Investment for Insurance Companies" and to uphold highest standards of governance in managing the Company's investment portfolio.

The Committee provides strategic oversight of all investment activities, ensuring that the Company's funds are managed prudently, responsibly and in alignment with the Company's objectives, risk appetite, regulatory requirements, and long-term interest of policyholders / shareholders.

TERMS OF REFERENCE

The Committee operates under a formal Terms of Reference that clearly define its composition, authority, responsibilities, and meeting procedures. These Terms of References ensure adherence to regulatory requirements as well as internal governance standards.

The Committee reports regularly to the Board of Directors, providing updates on investment performance, risk exposures, compliance with Board-approved policies, strategic recommendations and key matters requiring Board oversight.

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 indicators and providing 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 2025

In 2025, the investment environment remained challenging amid domestic and global uncertainties, prompting the Committee to maintain a prudent,

REPORT OF THE BOARD INVESTMENT COMMITTEE

risk-aware, and long term approach in managing policyholder funds. Emphasizing clarity and conservatism to uphold organizational values and trust, the Committee met four times during the year to provide strategic oversight and direction. Key activities include:

1. Prudent Investments

The Committee reviewed and recommended all significant investment proposals and strategies to the Board, ensuring decisions were grounded in rigorous analysis and aligned with the Company's long-term objectives. It upheld prudent investment practices by maintaining alignment with diverse risk profiles and strategic investment goals, while effectively positioning and managing funds to meet the expectations of key stakeholders including policyholders, shareholders, and regulators.

In addition, the Committee ensured that a robust Risk Management Framework was maintained to identify, monitor, and mitigate risks arising from investment activities. It provided the necessary oversight to support the effective and efficient management of the investment portfolio, reinforcing resilience and long term value creation.

2. Review of Counterparties and Investment Limits

A comprehensive evaluation of all authorized counterparties and investment limits was conducted to ensure alignment with the Company's risk appetite, market conditions, and regulatory requirements.

3. Quarterly Investment Reporting

The Committee reviewed detailed quarterly investment reports, covering:

- Portfolio performance
- Asset allocation
- Credit quality
- Capital adequacy
- Market developments
- Compliance with internal guidelines
- Related party investments

These reviews supported timely and informed decision-making.

4. Review of Committee Charter and Composition

The Committee reviewed its Charter to ensure governance structures remain robust and effective. The composition was updated to reflect evolving strategic needs and ensure adequate expertise.

5. Approval of the BIC Report

The BIC report, summarizing all activities, reviews, recommendations, and portfolio performance, was formally approved, confirming governance oversight and adherence to investment mandates.

PROFESSIONAL ADVICE

The Committee is authorized to obtain external professional advice whenever necessary on matters within its purview. During the year, such expertise was sought specifically in relation to market interest rate movements, the anticipated trajectory of monetary and fiscal policy, and the analysis of key macroeconomic variables. This ensured that the Committee's decisions were informed, timely, and aligned with prevailing economic conditions.

COMPLIANCE

The Committee ensured robust governance over the Company's investment activities, exercising due care and diligence to safeguard the interests and rights of Policyholders at all times. The Committee also reviewed and confirmed full compliance with applicable laws, regulations, determinations, and guidelines issued by the IRCSL and other relevant regulatory authorities.

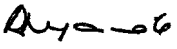
FUTURE FOCUS

Looking ahead, the Company remains committed to navigating emerging opportunities and challenges with prudence, resilience, and strategic foresight, ensuring sustained growth and continued protection of policyholders' interests.

- Continued Oversight: Continuously enhance the Company's investment governance framework, including regular review of authorized counterparties, investment limits, and compliance with Board approved policies.
- Performance & Risk Monitoring: Monitor investment performance and risk exposures through quarterly investment summary reviews, ensuring alignment with approved investment objectives, asset liability management principles, and internal/ regulatory limits.
- Policy Review & Updates: Periodically review and update the investment-related policies to maintain relevance in response to changing market conditions, regulatory guidelines, industry trends and stakeholder interests.
- Committee Governance: Maintain effective governance by reviewing the Committee Charter, composition, and reporting mechanisms, fostering clear accountability and informed decision making.
- Board Reporting: Provide timely and comprehensive reports and recommendations to the Board, enabling prudent investment decisions while safeguarding the interests of policyholders and stakeholders.

COMMITTEE EVALUATION

The annual evaluation of the Committee's performance was carried out by the Board, and the Committee was deemed to be operating effectively.



R Renganathan
Chairman - Board Investment Committee

25 February 2026

REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE

Strengthening accountability through effective enterprise-wide risk oversight...



COMPOSITION AND MEETINGS

The Board Risk Management Committee during the year under review comprised of the following Board Members in conformity with the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

Name	Category	Meeting Attendance
Mr. O G V J Senanayake (Chairman)	Independent Non-Executive Director	6/6
Ms. R J Moraes	Independent Non-Executive Director	5/6
Ms N M Boralessa (Appointed w.e.f. 24.04.2025)	Independent Non-Executive Director	4/4
Dr R C J Ferdinands (Appointed w.e.f. 24.04.2025)	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, has acted as a consultant to the Committee since 27th July 2023.

PURPOSE OF THE COMMITTEE

The Committee was established to assist the Board in overseeing the adequacy and effectiveness of the Company's Enterprise Risk Management (ERM) Framework. This includes reviewing significant risk exposures faced by the Company and ensuring that appropriate measures are in place to identify, monitor, and manage such risks in line with the Company's approved risk appetite.

TERMS OF REFERENCE

The Terms of Reference of the Board Risk Management Committee clearly define the Committee's composition, authority, roles, responsibilities, and the procedures governing the conduct of its meetings, ensuring alignment with applicable regulatory requirements and corporate governance standards. The Committee operates as a key oversight body, working closely with the Chief Risk Officer, Corporate Management, Heads of Divisions, Consultants, and Senior Managers responsible for managing principal risk categories, including business, financial, regulatory, ICT, insurance, demographic, and operational risks.

The Committee provides independent oversight over the Company's enterprise risk management framework, ensuring that risk exposures are identified, assessed, monitored, and managed within the approved risk appetite and tolerance levels. It also reviews the adequacy and effectiveness of internal controls, risk mitigation strategies, and compliance with relevant laws, regulations, and internal policies. Matters deliberated by the Committee, together with its recommendations and observations, are regularly reported to the Board of Directors to facilitate informed decision-making and strengthen overall governance and risk oversight.

KEY RESPONSIBILITIES

- The Board Risk Management Committee is entrusted with providing strategic oversight of the Company's risk management framework. The Committee's work supports informed decision-making, protects stakeholder interests, and contributes to sustainable long-term value creation as follows:
- The Committee is committed to fostering a strong risk-aware culture throughout the organisation, ensuring that risk considerations are embedded in decision-making at all levels. It provides strategic guidance on risk governance best practices, aligning with regulatory expectations, global standards, and emerging industry trends.
- The Committee ensures that Management maintains comprehensive processes for identifying, assessing, and monitoring all risks including existing, emerging, and evolving exposures. Special attention is given to the integration of ESG-related risks, including climate, social responsibility, and governance risks, into enterprise-wide risk assessments. Interdependencies between risks are evaluated to ensure a holistic understanding of the Company's risk profile.
- Enhancements to the Enterprise Risk Management (ERM) Framework are reviewed and approved to maintain its relevance,

REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE

robustness and responsiveness to the dynamic operating environment. The Committee oversees the effectiveness of risk measurement methodologies, monitoring tools, internal controls, and reporting systems, and reviews the Company's risk profile against Board-approved risk appetite and tolerance limits.

- The Committee evaluates the effectiveness of risk mitigation strategies and ensures that significant risks are escalated promptly to the Board and other governance bodies. Organizational preparedness for operational, technological, environmental, or systemic disruptions is assessed, with oversight of business continuity management, disaster recovery capabilities, and crisis response protocols. Post-incident assessments are reviewed to strengthen future resilience.
- Clear allocation of risk oversight responsibilities among Board Sub-Committees is ensured, promoting coordination and avoiding duplication of effort. The Committee also monitors adherence to regulatory, statutory, and internal compliance requirements, evaluating the effectiveness of compliance management processes and recommending improvements as necessary.

Through these measures, the Committee strengthens the organization's ability to manage risk proactively, safeguard stakeholder interests, and support sustainable growth.

ACTIVITIES IN 2025 AND AS AT DATE OF THIS REPORT

During the year, the Committee held six meetings, including two special sessions, which provided a platform for in-depth review, discussion, and strategic guidance on the Company's risk management framework. These meetings encompassed a wide range of activities and deliberations, including the assessment of existing and emerging risks, evaluation of the effectiveness of risk mitigation strategies, review of regulatory and compliance requirements, oversight of enterprise risk management processes, and consideration of ESG-related risks. The Committee also engaged with Management and external advisors, ensuring that decisions were informed, forward-looking, and aligned with the Company's strategic objectives.

- Strengthened enterprise-wide risk governance, enhancing oversight across financial, operational, technological, regulatory, and ESG domains.
- Reinforced organisational resilience through proactive stress testing, disaster recovery, business continuity planning, and cyber risk management.
- Maintained a dynamic ERM Framework aligned with evolving regulatory requirements, sustainability disclosure standards (SLFRS S1 & S2), and global best practices.
- Integrated climate, environmental, social, and governance risks into enterprise risk management processes to support long-term value creation.
- Enhanced digital and data governance through ISO 27001:2022 alignment, advanced cybersecurity controls, and strengthened data protection protocols.
- Promoted adoption of predictive risk analytics and data-driven monitoring tools to anticipate emerging risks and operational vulnerabilities.
- Strengthened crisis response strategies, recovery planning frameworks, and simulation exercises to improve organizational preparedness for disruptive events.
- Monitored operational effectiveness of the Network Operations Centre (NOC) and implemented recommendations from Business Continuity Planning gap analyses.
- Oversaw sustainability-related risks, ensuring alignment with reporting standards and understanding financial and operational implications.
- Strengthened governance around data privacy, cloud adoption, and digital platform risks.
- Enhanced vendor and third-party risk management frameworks, ensuring resilience across outsourced service providers and digital ecosystem partners.
- Continued monitoring of capital adequacy, solvency resilience, stress testing outcomes, and market/reinvestment risks to maintain financial stability.
- Supported development of strategies to optimize capital allocation while maintaining prudent risk thresholds.
- Fostered a culture of accountability and continuous improvement through periodic review of risk appetite, policies, and Committee performance.

PROFESSIONAL ADVICE

The Committee is vested with the authority to obtain independent legal or other professional advice, either internally or externally, whenever deemed necessary for the effective discharge of its responsibilities, with such services procured at the Company's expense.

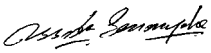
In carrying out its oversight responsibilities, the Committee may also seek the views, guidance, and collaboration of other Board Sub-Committees, where matters under review overlap with or have implications for their respective mandates. The Committee ensures that any significant developments, risk exposures, or regulatory concerns relevant to the scope of other Board Sub-Committees

are communicated in a timely manner to support coordinated governance and informed decision-making.

FUTURE FOCUS

As the Company looks ahead, it remains committed to building resilience, driving sustainable growth and proactively navigating an increasingly complex and dynamic business environment. The focus on the future encompasses the following which includes strategic innovation, robust risk management and the integration of ESG principles, ensuring that the organization is well-positioned to create long-term value for all stakeholders.

- Continue to advance the enterprise-wide risk management framework to support resilient and sustainable growth, with heightened focus on capital adequacy, forward-looking stress testing, and dynamic alignment with the Board-approved Risk Appetite.
- Strengthen the Company's ability to anticipate and respond to key, emerging, and systemic risks through enhanced risk intelligence, evolving risk classification methodologies, and robust escalation and early-warning mechanisms.
- Elevate oversight of information security, data protection, and digital resilience by driving alignment with ISO 27001:2022 standards, strengthening disaster recovery and business continuity capabilities, and proactively addressing evolving technology and cyber-related threats.
- Enhance preparedness for regulatory, legislative, and sustainability-related developments by promoting proactive compliance, strengthening governance integration, and embedding sustainability considerations within enterprise risk management practices.
- Foster continuous improvement in risk governance through regular review and refinement of the Risk Management Policy, ERM Framework, Risk Appetite Statement, and Committee effectiveness, ensuring ongoing alignment with emerging business, regulatory, and stakeholder expectations.



O G V J Senanayake
Chairperson - Board Risk Management Committee

25 February 2026

REPORT OF THE BOARD ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Enhancing ESG oversight and strategic direction to ensure sustainable operations and positive community outcomes...



COMPOSITION AND MEETINGS

The ESG Committee during the year under review comprised of the following Board Members in conformity of Section 9.11.4 of the Listing Rules of the CSE and Section A 7.1 of the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

Name	Category	Meeting Attendance
Mr R Renganathan (Chairperson)	Chairman	3/4
Mr E T L Ranasinghe	Managing Director/ Chief Executive Officer	4/4
Mr P D M Cooray	Senior Executive Director	4/4
Mr P A Jayawardena	Senior Executive Director/ Chief Financial Officer	4/4
Mr S R Abeynayake	Executive Director/ Deputy Chief Executive Officer	4/4
Mr E R S G S Hemachandra Appointed w.e,f. 24.04.2025)	Executive Director / Chief Operating Officer	2/2
Ms N M Boralessa Appointed w.e,f. 24.04.2025)	Independent Non-Executive Director	2/2

The Board Environmental, Social and Governance Committee (Board ESG Committee) was established on 30 October 2024 to strengthen oversight of ESG-related matters. The Company Secretary functions as the Secretary to the Committee. The Deputy Chief Operating Officer, Subcommittee members representing ESG, Heads of Departments, or any other individuals the Committee deems appropriate may be invited to attend Committee meetings.

PURPOSE OF THE COMMITTEE

The ESG Committee is established to provide strategic oversight and governance leadership over the organisation's Environmental, Social and Governance agenda, ensuring sustainability principles are embedded within corporate strategy, risk management, operations and stakeholder engagement.

The Committee supports the Board in strengthening long-term resilience and responsible value creation by guiding sustainability-related policies, frameworks, and initiatives, while ensuring alignment with regulatory requirements, emerging global sustainability standards and stakeholder expectations.

It oversees climate-related risks and opportunities, environmental stewardship, social responsibility, and ethical governance practices, while monitoring the organisation's transition towards sustainable and inclusive growth. The Committee also ensures the integrity and transparency of sustainability-related disclosures, including compliance with SLFRS S1 and S2, and promotes accountability and a sustainability-driven organisational culture that supports responsible business conduct and stakeholder trust.

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. The Committee is governed by the Terms of Reference which has been prepared in line with the Rules set out in the Rules of the Colombo Stock Exchange and the principles of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of the Sri Lanka. It provides an outline of the objectives, composition, role and responsibilities of the Committee.

KEY RESPONSIBILITIES

- To oversee the identification, assessment, and integration of sustainability and ESG-related risks and opportunities, including climate-related risks and opportunities, into the Company's business model, strategy, financial planning, and risk management processes across the short, medium, and long term, in alignment with SLFRS S1 and SLFRS S2 requirements.
- To oversee stakeholder engagement processes to ensure that material sustainability and ESG matters are identified and addressed, taking into consideration evolving stakeholder expectations and

emerging environmental, social, and climate-related risks and opportunities.

- To establish and maintain an effective governance framework to oversee sustainability and ESG matters, ensuring appropriate policies, controls, and management systems are in place to support compliance, performance monitoring, and accountability for environmental, social, and governance responsibilities.
- To oversee management's processes for identifying, assessing, managing, monitoring, and measuring sustainability and ESG-related risks and opportunities, including the use of relevant financial and non-financial metrics, targets, and performance indicators consistent with SLFRS S1 and SLFRS S2 disclosure requirements.
- To review and recommend for Board approval the Company's sustainability and climate-related disclosures, including those included in the Annual Report and other public disclosures, ensuring transparency, completeness, reliability, and consistency with applicable reporting standards and regulatory requirements.

ACTIVITIES IN 2025 AND AS AT THE DATE OF THIS REPORT

During the period under review, the Committee continued to strengthen its governance oversight responsibilities by closely monitoring sustainability, regulatory compliance, and digital transformation initiatives, ensuring alignment with statutory requirements, emerging global standards, and stakeholder expectations as follows:

- Reviewed ongoing construction and infrastructure development projects, with emphasis on environmental stewardship, resource efficiency, and alignment with sustainability commitments and long-term environmental risk mitigation strategies.
- Strengthened internal monitoring mechanisms to ensure project implementation remains consistent with the organisation's ESG objectives.
- Reviewed and approved revisions to the ESG Sustainability Policy to reflect evolving regulatory requirements, industry best practices, and stakeholder expectations, while reinforcing governance, accountability, and performance monitoring frameworks.
- Evaluated management's progress in conducting the FY2025 carbon footprint assessment, including assessment methodologies, data integrity controls, and reporting protocols, and provided guidance on strengthening climate-related disclosures and transition readiness towards a low-carbon operating model.
- Maintained oversight of the organisation's progressive adoption of SLFRS S1 and SLFRS S2, ensuring alignment with global sustainability disclosure frameworks and monitoring governance readiness and cross-functional integration.
- Reviewed the roadmap for embedding sustainability-related financial disclosures within reporting structures, ensuring adequate internal controls and assurance mechanisms.
- Supported structured awareness and capacity-building initiatives across business functions to strengthen accountability and governance ownership relating to SLFRS S1 and S2 implementation.
- Reviewed the revised Customer Charter to ensure compliance with IRCSL Circular No. 02 of 2025, with strengthened safeguards relating to customer protection, service transparency, and accountability.
- Reinforced the importance of embedding customer-centric principles across operational policies and service delivery frameworks.
- Reviewed updates on compliance with the Data Protection Act, including governance structures, risk management protocols, and internal control frameworks established to safeguard organisational and customer data.
- Emphasised continuous monitoring, staff awareness, and strengthening data governance practices to mitigate emerging cyber and privacy risks.
- Reviewed progress of key IT and digital transformation initiatives, focusing on strengthening operational resilience, digital sustainability, and long-term value creation.
- Strengthened oversight of technology governance, cybersecurity risk management, data integrity safeguards, and alignment of digital initiatives with the organisation's strategic sustainability agenda.

PROFESSIONAL ADVICE

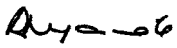
The Committee is empowered to obtain professional advice—legal, financial, technical, or otherwise—as it considers necessary to effectively discharge its duties. Such advice may be sought internally or from external experts, at the Company's expense, ensuring that decisions are well-informed, compliant with applicable laws and regulations, and aligned with the Company's strategic objectives. The Committee may also consult with other Board Subcommittees or senior management for insights relevant to its mandate.

REPORT OF THE BOARD ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

FUTURE FOCUS

Our strategy is anchored on strengthening operational resilience, accelerating digital transformation, and embedding sustainability across our business model. This disciplined approach positions us to navigate uncertainty while delivering consistent and sustainable value.

- To support and oversee the phased adoption and implementation of SLFRS S1 and SLFRS S2, enhancing sustainability and climate-related disclosures, organisational readiness, internal controls, and alignment with evolving reporting and regulatory expectations.
- •To monitor and review the environmental impact of the Company's construction activities and digital initiatives, including oversight of carbon footprint measurement, climate-related performance indicators, and initiatives that promote long-term environmental sustainability and resilience.
- To oversee regulatory, ethical, and data governance compliance, including adherence to the Data Protection Act and ensuring customer-related policies and practices remain aligned with evolving regulatory and stakeholder expectations.
- To promote a culture of accountability and continuous improvement in ESG practices through periodic review of sustainability and ESG policies, oversight of capacity-building and training initiatives, and regular reporting to the Board on ESG performance and emerging risks and opportunities.



R Renganathan
Chairperson – Board ESG Committee

25 February 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

This Statement outlines the responsibilities of the Board of Directors of Ceylinco Life Insurance Limited (CLIL) with respect to the preparation and presentation of the Company's Financial Statements. In accordance with Sections 150(1), 151, 152 and 153(1) & (2) of the Companies Act No. 07 of 2007 and its amendments, the Board is entrusted with maintaining proper accounting records for all Company transactions and ensuring that Financial Statements are prepared to present a true and fair view of the Company's financial position as at the end of the financial year, and its performance for the year. The Financial Statements include the Statement of Financial Position as at 31 December 2025, the Income Statement, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and the accompanying Notes.

The Board confirms that the Financial Statements fairly present:

- The financial position of CLIL as at 31 December 2025; and
- The financial performance of the Company for the year then ended.

COMPLIANCE

The Board acknowledges its responsibility for the accuracy, integrity and objectivity of the Financial Statements. The Directors further confirm that:

1. Appropriate accounting policies have been chosen and applied consistently, and any material departures have been disclosed and explained.
2. Reasonable and prudent estimates and judgements have been applied to reflect transactions in their proper substance.
3. Adequate accounting records have been kept to ensure the Financial Statements accurately reflect the Company's financial position and comply with Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007.
4. The Financial Statements have been prepared on a going concern basis, and the Company has sufficient funds and resources to support continued operations and planned future investments.
5. Appropriate internal control systems-including internal audits, risk assessments and financial controls-have been implemented to safeguard Company assets and ensure the reliability of records, while helping prevent and detect fraud and irregularities.
6. In compliance with Sections 166(1) and 167(1) of the Companies Act, the Annual Report has been prepared within the required timeframe and a copy provided to Ceylinco Holdings PLC, the sole shareholder.
7. The External Auditors, Messrs. Ernst & Young (re appointed at the Annual General Meeting on 27th March 2025), were given full access to all financial records, related information and minutes of shareholder and Board meetings necessary to conduct their audit and issue their Independent Auditors' Report.
8. To the best of the Directors' knowledge, all statutory dues payable to regulatory and statutory bodies as at the reporting date have either been settled or appropriately provided for.

Based on the above, the Board is satisfied that it has fulfilled the responsibilities described in this Statement.

By Order of the Board,



Sandeepa Silva
Company Secretary

25th February 2026
Colombo

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S STATEMENT

FINANCIAL REPORTING RESPONSIBILITY

The Financial Statements of Ceylinco Life Insurance Limited for the year ended 31 December 2025 have been prepared in full compliance with:

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka);
- The Companies Act No. 07 of 2007 and its amendments;
- The Regulation of Insurance Industry Act No. 43 of 2000 (as amended);
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- The Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Accounting Policies used are appropriate and applied consistently unless otherwise disclosed in the Notes. Comparative information has been reclassified where necessary to align with the current year's presentation. Significant Accounting Policies and areas involving considerable judgement were reviewed with the Board Audit Committee and the External Auditors.

Fair Presentation and Going Concern

To the best of our knowledge and belief:

- The Financial Statements, Significant Accounting Policies and accompanying financial information fairly present, in all material respects, the financial position, performance, and cash flows of the Company for the year under review.
- Estimates and judgements have been made prudently and on a reasonable basis.
- The Company has adequate resources to continue in operation, and the Going Concern assumption has been appropriately applied.

Internal Controls and Assurance

The Company maintains a sound system of internal controls and accounting records, reviewed and strengthened on an ongoing basis to ensure:

- Accuracy and completeness of accounting information;
- Prevention and detection of fraud and irregularities;
- Compliance with established procedures and regulatory requirements.

The Company has established a robust framework to facilitate a seamless transition to SLFRS 17 & SLFRS 9, which comes into effect on 1st January 2026. As part of this initiative, all relevant stakeholders have been duly engaged and educated on the new requirements. The Company has also appointed KPMG and Willis Towers Watson as independent consultants to provide specialized expertise and support throughout the transition process.

Furthermore, the Company has engaged an external Consultant to oversee the implementation of the SLFRS S1 and S2 sustainability reporting standards, which become mandatory with effect from 1st January 2025.

Internal control systems are periodically updated, and all procedure manuals are revised as required and made accessible to staff.

The Internal Audit function carries out periodic audits to provide reasonable assurance that Company policies and procedures are effectively followed. While these controls provide reasonable assurance, inherent limitations in any internal control system are duly acknowledged.

The Financial Statements for the year ended 31 December 2025 were audited by Messrs. Ernst & Young, whose Independent Auditor's Report appears on pages 410 to 412 of this Annual Report.

Oversight by the Audit Committee

The Audit Committee meets quarterly and invites Internal and External Auditors as necessary to:

- Review audit procedures and outcomes;
- Discuss significant findings, internal control issues, and reporting matters;
- Ensure the effectiveness and independence of audit functions.

Both Internal and External Auditors have unrestricted access to the Board Audit Committee to discuss any matter of importance.

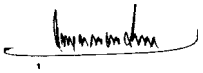
Regulatory Compliance

We further confirm, to the best of our knowledge, that:

- The Company has complied with all applicable laws, regulations, and prudential requirements;
- There have been no material non-compliances during the year;
- No material litigation is pending against the Company.



E. T. L. Ranasinghe
Managing Director / Chief Executive Officer



P. A. Jayawardena
Senior Executive Director / Chief Financial Officer

25th February 2026

Colombo

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REPORT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Ceylinco Life Insurance Limited (the Company) is pleased to present this Report on the Company's Risk Management and Internal Control systems, prepared in accordance with section D.1.5 of the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

RESPONSIBILITY

The Board holds ultimate responsibility for ensuring that the Company maintains an adequate and effective framework for risk management and internal controls, aimed at safeguarding shareholder interests and the Company's assets. These systems are designed to manage key risks within an acceptable risk appetite rather than to eliminate all risks or guarantee the achievement of business objectives. Accordingly, the Board can provide reasonablethough not absolute assurance against material misstatements in financial or management information as well as protection from financial losses or fraud.

The Company has implemented core processes to uphold the integrity and reliability of financial reporting and to manage significant risks within the defined risk appetite. These processes are subject to continual review by Board Committees responsible for overseeing operations, assessing associated risks, and ensuring alignment with approved objectives, strategies, and policies. The Board is satisfied that internal controls/ practices related to financial reporting are robust and sufficient to ensure reliable reporting and compliance with relevant accounting standards and regulatory requirements. The Board also affirms its satisfaction with the Company's overall risk management framework.

KEY INTERNAL CONTROL PROCESSES

- **Board Risk Management Committee (BRMC)**

The BRMC supports the Board in overseeing the Company's principal risks. It executes the Risk Management Framework through the Executive Risk Committee, meets quarterly to review key risk areas, initiates necessary corrective actions, and escalates significant matters to the Board. Further details of activities carried out by these Committees are provided in the Risk Management section of this Report (pages 91 to 103).

- **Internal Audit & Information Systems Audit Departments**

The Internal Audit and IS Audit Departments evaluate the design and effectiveness of internal controls, management information systems, and compliance with applicable legal and regulatory requirements.

Audits are conducted across all branches and departments based on a risk based approach incorporating Senior Management input. Independent reports are mandatory, and specialized external consultants are engaged where necessary. The annual audit plan, prepared by both Audit Departments, is reviewed and approved by the Audit Committee.

In the risk management structure, Internal Audit and IS Audit functions operate as the third line of defense, ensuring the adequacy of controls relating to key risks.

- **Audit Committee**

The Audit Committee reviews quarterly reports on significant non-compliances or weaknesses highlighted by Internal Audit and IS Audit. It also evaluates matters raised by External Auditors and monitors corrective actions taken. In addition, the Committee reviews quality assurance programs of the Audit functions and assesses the performance of External Auditors to determine the effectiveness of the Company's risk management and internal control systems.

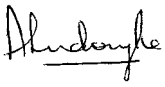
Comments from External Auditors on prior-year internal control matters were reviewed, and corrective actions were implemented where necessary. Minutes and recommendations of the Audit Committee are regularly submitted to the Board. Further details of the Committee's activities are presented in the Audit Committee Report (pages 392 to 394).

CONFIRMATION

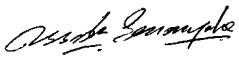
Based on ongoing reviews conducted by the Internal Audit and IS Audit teams, and oversight by the Audit Committee, the Board confirms that the Company's financial reporting system provides reasonable assurance regarding the accuracy and reliability of financial information, and that Financial Statements are prepared in compliance with Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, and the Insurance Industry Act No. 43 of 2000 (as amended).

The Board further confirms based on oversight by the Board Risk Management Committee that the Company maintains an Enterprise Risk Management Framework capable of identifying, evaluating, and managing key risks in a timely manner.

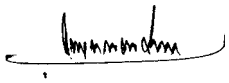
By order of the Board



(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
Executive Chairman

25th February 2026
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 2025

EY
Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

SCOPE

We have been engaged by Ceylinco Life Insurance Limited to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, 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 2025 (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 22 November 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 requires that we design, implement and

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manalunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

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.

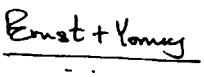
EMPHASIS OF MATTER

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 2025, in order for it to be in accordance with the Criteria.



Chartered Accountants

17 March 2026
Colombo

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF CEYLINCO LIFE INSURANCE LIMITED ON THE INTEGRATED ANNUAL REPORT 2025

EY
Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

SCOPE

We have been engaged by Ceylinco Life Insurance Limited to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, 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 2025 (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 Ceylinco Life Insurance Limited on 22 November 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 quality management standards, which requires that we design, implement and operate a system

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manalunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

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.

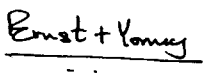
EMPHASIS OF MATTER

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 2025, in order for it to be in accordance with the Criteria.



Chartered Accountants

17 March 2026
Colombo

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF CEYLINCO LIFE INSURANCE LIMITED ON THE SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES PRESENTED IN THE INTEGRATED ANNUAL REPORT 2025

EY
Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

SCOPE

We have been engaged by Ceylinco Life Insurance Limited to perform a 'limited assurance engagement,' as defined by Sri Lanka Standards on Assurance Engagements, here after referred to as the engagement, to report on Ceylinco Life Insurance Limited 's SLFRS Sustainability-related Financial Disclosures (the "Subject Matter") contained in Ceylinco Life Insurance Limited's (the "Company's") Integrated Annual Report in page no 4 to 10 for the year ended 31 December 2025 (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 SLFRS Sustainability-related Financial Information, Ceylinco Life Insurance Limited applied the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures (Criteria). Such Criteria were specifically designed for the disclosure of material information on sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity; As a result, the subject matter information may not be suitable for another purpose.

CEYLINCO LIFE INSURANCE LIMITED'S RESPONSIBILITIES

Ceylinco Life Insurance Limited 's management is responsible for selecting the Criteria, and for presenting the SLFRS Sustainability-related Financial Disclosures 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 Ceylinco Life Insurance Limited 22 November 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 quality management standards which require that we design, implement and operate a system of quality management including policies or procedures regarding compliance

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manalunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

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 people responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

OUR PROCEDURES INCLUDED:

- Conducted interviews with selected key management personnel and relevant staff to understand the business, value chain and sustainability reporting process of the Company.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Performed procedures to understand the Company's disclosures in relation to the Conceptual Foundation of SLFRS S1, including fair presentation, materiality, reporting entity, and connected information.
- Conducted procedures to understand the governance processes, controls and procedures employed by the Company to monitor, manage and oversee sustainability-related risks and opportunities, supported by relevant evidence.
- Perused the minutes of the Board of Directors and Board Audit Committee meetings from the financial year to ensure alignment with the content of governance-related disclosures.
- Conducted procedures to comprehend the Company's strategy for managing identified sustainability-related risks and opportunities, supported by relevant evidence and calculations.
- Performed analytical procedures to obtain explanations and supporting evidence regarding the Company's processes for identifying, assessing, prioritizing, and monitoring sustainability-related risks and opportunities, including their integration into the overall risk management framework.
- Conducted analytical procedures to gather explanations and supporting evidence to evaluate the Company's performance in relation to its identified sustainability-related risks and opportunities, including progress towards any targets the Company has set.
- Performed procedures to assess the Company's disclosures and compliance with the General Requirements of SLFRS S1.
- Conducted procedures to evaluate the disclosures regarding judgments and uncertainties in the process of preparing the Company's sustainability-related financial disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

EMPHASIS OF MATTER

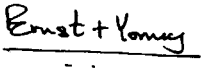
There are inherent limitations in the identification, measurement and disclosure of underlying Subject Matter against the applicable Criteria due to forward looking information, uncertainties and management judgements. For clarity, our engagement does not extend to providing assurance on the accuracy or achievability of these forward-looking information, uncertainties and management judgements.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to SLFRS Sustainability-related Financial Disclosures for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

RESTRICTED USE

This report is intended solely for the information and use of Ceylinco Life Insurance Limited for the purpose of providing an assurance conclusion on the Subject Matter based on the Criteria and is not intended to be and should not be used by anyone other than those specified parties.



Chartered Accountants

17 March 2026
Colombo

FINANCIAL PERFORMANCE

Financial strength that endures. Industry's North Star of assurance.

Ceylinco Life's financial performance stands as a testament to the resilience and reliability that define the industry's North Star. Through economic cycles, market volatility and national challenges, the Company continues to deliver strong and consistent results year after year. This enduring financial strength ensures that every promise made to policyholders is honoured with certainty, providing lasting assurance and stability to millions of Sri Lankans.



FINANCIAL CALENDAR

Annual Report	
2026	25 February
2025	20 February

Annual General Meeting	
2026	26 March
2025	27 March

Final Dividend payment (for previous year)	
2026	April
2025	16 May

Final Dividend proposed	
2026	25 February
2025	20 February

ACTUARY'S REPORT

23 February 2026

To The Directors of Ceylinco Life Insurance Limited

Actuarial Valuation as at 31 December 2025

I have carried out an actuarial valuation of the Life Fund of Ceylinco Life Insurance Limited ("the Company") as at 31 December 2025. 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 2025 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 2025, 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
Managing Director
Head of Insurance Consulting & Technology, India and Subcontinent

Willis Towers Watson India Private Limited
Registered Office:
7th floor, Emaar Capital Tower II, Sector 26
Sikanderpur, MG Road, Gurugram - 122022
Haryana, India

T: +91 124 4322800
F: +91 124 4322801
E: TW.Fin.India@willistowerswatson.com
W: wtwco.com
CIN – U67190HR1996PTC051336

INDEPENDENT AUDITORS' REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

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 2025, 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 2025, 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 ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's 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 Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT

Shape the future with confidence

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 and amendments thereto, 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.



25 February 2026
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Assets						
Intangible Assets	437	6	140,911	198,841	135,987	193,121
Property, Plant and Equipment	441	7	18,438,002	16,984,533	15,124,208	13,721,111
Right-of-use Asset	453	8(a)	213,773	224,606	196,378	222,671
Investment Properties	455	9	1,978,315	1,809,465	5,013,850	4,755,200
Investment in Subsidiaries	461	10	-	-	1,511,000	1,511,000
Investment in Associates	462	11.(a)	9,637,313	8,385,699	2,641,672	2,641,672
Financial Instruments						
Held to Maturity Financial Assets	467	12(a)	101,631,640	120,106,107	100,988,436	119,151,154
Loans and Receivables	468	12(b)	139,900,264	94,405,809	138,647,691	93,648,345
Available-For-Sale Financial Assets	469	12(c)	4,840,086	895,550	4,621,881	798,888
Financial Assets at Fair Value Through Profit or Loss	471	12(d)	2,057	2,359	2,057	2,359
Employee Gratuity Benefit Asset	479	13	6,266,939	5,561,859	6,266,939	5,561,859
Employee Pension Benefit Asset	482	14(a)	3,919,999	3,623,649	3,919,999	3,623,648
Reinsurance Receivables	484	15	429,754	545,635	429,754	545,635
Income Tax Receivables	487	16(a)	-	6,869	-	-
Loans to Life Policyholders	490	17(a)	2,669,765	3,008,273	2,669,765	3,008,273
Premium Receivables	491	18	449,783	423,419	449,783	423,419
Other Assets	492	19	634,737	955,847	357,016	680,180
Cash and Balances with Banks	492	20	4,056,743	954,750	4,047,185	948,618
Total Assets			295,210,081	258,093,268	287,023,601	251,437,154
Equity and Liabilities						
Equity Attributable to Equity Holders of Parent						
Stated Capital	493	21(a)	500,001	500,001	500,001	500,001
Retained Earnings	494	21(c)	61,805,984	53,798,801	53,798,801	48,741,674
AFS Reserve	494	21(d)	(1,005)	12,250	(1,005)	12,250
Revaluation Reserves	494	21(e)	1,446,006	1,209,396	889,476	723,700
Restricted Regulatory Reserve	495	21(g)	3,456,184	3,456,184	3,456,184	3,456,184
Special Reserve	494	21(f)	7,311,651	7,311,651	7,311,651	7,311,651
Total Ordinary Shareholders' Equity			74,518,821	66,288,283	67,860,168	60,745,459
Non-Controlling Interests			10,952	10,042	-	-
Total Equity			74,529,773	66,298,325	67,860,168	60,745,459

STATEMENT OF FINANCIAL POSITION

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Liabilities						
Insurance Contract Liabilities - Life	497	22 (a)	201,816,844	180,898,094	201,814,463	180,895,714
Insurance Contract Liabilities - Unit Linked	497	22 (a)	637,578	200,674	637,578	200,674
Insurance Contract Liabilities-Family Takaful	497	22 (a)	22,611	19,441	22,611	19,441
Individual Investment Fund - ISF	497	22 (a)	426,332	427,762	426,332	427,762
Employee Gratuity Benefit Liability	479	13(a)	19,006	14,701	-	-
Deferred Tax Liabilities	488	16(c)	1,956,610	1,461,408	937,898	691,449
Reinsurance Payables	501	24	837,118	913,880	837,118	913,880
Trade and Other Payables	502	25	6,747,802	6,286,049	6,295,836	5,970,252
Lease Liabilities	454	8 (b)	204,896	216,229	195,710	221,305
Interest Bearing Borrowings	500	23(a)	3,401,710	-	3,401,710	-
Bank Overdraft	492	20	4,609,801	1,356,705	4,594,177	1,351,226
Total Liabilities			220,680,308	191,794,943	219,163,433	190,691,702
Total Equity and Liabilities			295,210,081	258,093,268	287,023,601	251,437,154

The above Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements on pages 426 to 542 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. Jayawardena
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

25th February, 2026

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December,	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Group Change %	Company 2025 Rs.'000	Company 2024 Rs.'000	Company Change %
Net Income			72,037,839	65,462,371	10.04	71,766,967	64,998,690	10.41
Gross Written Premiums	503	26(a)	44,181,612	37,139,573	18.96	44,182,751	37,140,416	18.96
Premiums Ceded to Reinsurers	504	26(c)	(669,367)	(549,963)	21.71	(669,367)	(549,963)	21.71
Net Written Premiums			43,512,245	36,589,610	18.92	43,513,384	36,590,453	18.92
Revenue from Subsidiaries	504	26(f)	522,284	444,129	17.60		-	
			44,034,529	37,033,739	18.90	43,513,384	36,590,453	18.92
Fees and Commission Income	505	27	80,365	232,301	(65.40)	80,365	232,301	(65.40)
Investment Income	505	28(a)(b)	27,337,380	27,774,793	(1.57)	27,507,952	27,743,534	(0.85)
Realised Gains/(Losses)	506	29	231,249	191,948	20.47	231,249	191,948	20.47
Fair Value Gains/ (Losses)	506	30	337,426	193,198	74.65	417,179	207,342	101.20
Other Operating Revenue			16,890	36,392	(53.59)	16,838	33,112	(49.15)
Other Revenue			28,003,310	28,428,632	(1.50)	28,253,583	28,408,237	(0.54)
Gross Benefits and Claims Paid	507	31	(31,374,861)	(25,298,611)	24.02	(31,374,861)	(25,298,611)	24.02
Claims Ceded to Reinsurers	507	31	299,899	249,992	19.96	299,899	249,992	19.96
Gross Change in Contract Liabilities	507	31	(20,681,104)	(23,051,748)	(10.28)	(20,681,104)	(23,051,748)	(10.28)
Net Benefits and Claims			(51,756,066)	(48,100,367)	7.60	(51,756,066)	(48,100,367)	7.60
Direct Costs of Subsidiaries			(194,375)	(216,318)	(10.14)	-	-	
Acquisition Cost	508	32	(2,868,468)	(2,478,258)	15.75	(2,868,468)	(2,478,258)	15.75
Other Operating and Administrative Expenses	508	33	(6,100,994)	(4,715,394)	29.38	(5,838,700)	(4,285,131)	36.25
Finance Cost	510	34	(92,727)	(83,264)	11.37	(90,701)	(82,853)	9.47
Total Other Expenses			(9,256,564)	(7,493,234)	23.53	(8,797,869)	(6,846,242)	28.51
Total Benefits, Claims and Other Expenses			(61,012,630)	(55,593,602)	9.75	(60,553,935)	(54,946,609)	10.21
Profit Before Share of Associates			11,025,209	9,868,769	11.72	11,213,032	10,052,081	11.55
Share of Profit of Associates	463	11(b)	1,448,527	1,205,144	20.20	-	-	
Profit Before Tax			12,473,736	11,073,913	12.64	11,213,032	10,052,081	11.55
Tax Expense	510	35(a)	(3,657,783)	(3,071,087)	19.10	(3,365,834)	(2,980,594)	12.92
Profit for the Year			8,815,953	8,002,826	10.16	7,847,198	7,071,487	10.97
Profit Attributable to:								
Equity Holders of the Parent			8,815,043	8,002,280	10.16	7,847,198	7,071,487	10.97
Non-Controlling Interests	511	36(b)	910	546	66.67	-	-	
			8,815,953	8,002,826	10.16	7,847,198	7,071,487	10.97
Basic Earnings Per Share	512	37(a)	176.30	160.05	10.16	156.94	141.43	10.97
Dividend Per Share	512	38(a)	-	-	-	19.60	17.70	10.73

The above Income Statement is to be read in conjunction with the notes to the Financial Statements on pages 426 to 542 which form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Profit for the Year			8,815,953	8,002,826	7,847,198	7,071,487
Other Comprehensive Income						
Items that will not be reclassified subsequently to income statement						
Revaluation Surplus/ (Deficit) During the Year	513	39	1,350,878	606,906	1,249,686	572,604
Actuarial Gain/(Loss) on Defined Benefit Plans	513	39	(682,395)	(592,453)	(682,655)	(591,685)
Share of Other Comprehensive Income of Equity Accounted Investees	513	39	225,263	90,351		
Items that may be reclassified subsequently to income statement						
Net Gain/(Loss) on Available-For-Sale Assets	513	39	41,740	77,637	41,740	77,637
Income Tax relating to Components of Other Comprehensive Income	513	39	(101,712)	(34,777)	(71,046)	(24,923)
Other Comprehensive Income for the Year, Net of Tax			833,774	147,663	537,724	33,633
Total Comprehensive Income for the Year, Net of Tax			9,649,727	8,150,490	8,384,923	7,105,120
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent			9,648,817	8,149,947	8,384,923	7,105,120
Non-Controlling Interests			910	543	-	-
			9,649,727	8,150,490	8,384,923	7,105,120

The above Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements on pages 426 to 542 which form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Page	Note	Attributable to Equity holders of the Parent								
			Stated Capital Rs.'000	Special Reserve Rs.'000	Restricted Regulatory Reserve Rs.'000	Revaluation Reserves Rs.'000	Retained Earnings Rs.'000	Available-for-Sale Reserve Rs.'000	Total Ordinary Share-Holders' Equity Rs.'000	Non-Controlling Interests Rs.'000	Total Equity Rs.'000
Balance As At 1st January 2024			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
Dividends paid during the year			-		-	-	(750,001)		(750,001)	-	(750,001)
Transferred to Long Term Insurance Fund						(490,444)	591,685	(84,220)	17,021	-	17,021
Share of change in equity of associates'							(70,039)		(70,039)		(70,039)
Balance As At 31st December 2024			500,001	7,311,651	3,456,184	1,209,396	53,798,801	12,250	66,288,280	10,042	66,298,322
Net Profit for the Year						-	8,815,043		8,815,044	910	8,815,954
Other Comprehensive Income for the Year						1,249,474	(682,702)	41,740	608,512		608,512
Share of profit of associate							225,263		225,263		225,263
Total Comprehensive Income for the Year			-	-	-	1,249,474	8,357,605	41,740	9,648,819	909	9,649,729
Dividends paid during the year	513	38		-			(885,001)		(885,001)		(885,001)
Transferred to Long Term Insurance Fund						(1,012,864)	682,655	(54,995)	(385,204)		(385,204)
Share of change in equity of associates'						-	(148,076)		(148,076)	-	(148,076)
Balance As At 31st December 2025			500,001	7,311,651	3,456,184	1,446,006	61,805,984	(1,005)	74,518,817	10,951	74,529,769

Company	Page	Note	Stated Capital Rs.'000	Special Reserve Rs.'000	Restricted Regulatory Reserve Rs.'000	Revaluation Reserves Rs.'000	Retained Earnings Rs.'000	Available-for-Sale Reserve Rs.'000	Total Ordinary Share-Holders' Equity Rs.'000	Non-Controlling Interests Rs.'000	Total Equity Rs.'000
Balance As At 1st January 2024			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
Dividends paid during the year			-		-	-	(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		60,745,459
Net Profit for the Year			-		-	-	7,847,198	-	7,847,198		7,847,198
Other Comprehensive Income for the Year			-	-	-	1,178,640	(682,655)	41,740	537,725		537,725
Total Comprehensive Income for the Year			-		-	1,178,640	7,164,543	41,740	8,384,923		8,384,923
Dividends paid during the year	38						(885,011)		(885,011)		(885,011)
Transferred to Long Term Insurance Fund			-	-		(1,012,864)	682,655	(54,995)	(385,205)		(385,205)
Balance As At 31st December 2025			500,001	7,311,651	3,456,184	889,476	55,703,866	(1,006)	67,860,166		67,860,166

STATEMENT OF CASH FLOWS

For the Year Ended 31 December	Page	Notes	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Cash Flows from Operating Activities						
Premiums/Revenue received from Customers			44,155,249	37,121,183	44,156,387	37,122,026
Reinsurance premium paid			(796,392)	(665,538)	(796,392)	(665,538)
Commission Paid			(2,750,037)	(2,464,402)	(2,750,037)	(2,464,402)
Claims and Benefits Paid			(31,171,292)	(25,068,101)	(31,171,292)	(25,068,101)
Reinsurance Receipts in respect of Claims & Benefits			415,780	387,781	415,780	387,781
Interest and Dividends Received			20,147,180	14,285,064	20,371,611	14,253,806
Other Operating Cash Payments			(5,688,696)	(5,265,906)	(6,091,158)	(5,347,791)
Other Income			690,376	545,464	690,376	545,464
Gratuity/Pension Payments			(727,821)	(210,974)	(727,616)	(209,489)
Income Taxes Paid			(1,558,984)	(1,821,160)	(1,529,636)	(1,798,915)
Interest Paid			(354,810)	(368,658)	(354,467)	(367,059)
Net Cash Flows from Operating Activities	424	Note A	22,360,554	16,474,752	22,213,556	16,387,781
Cash Flows from Investing Activities						
Acquisition of Investment Property			(22,997)	(17,783)	(22,997)	(17,783)
Acquisition of Financial Investments	473	12 (h)	(504,169,811)	(437,189,177)	(504,205,690)	(436,850,040)
Proceeds from Financial Investments	473	12 (h)	479,428,968	426,475,218	479,773,890	425,934,646
Acquisition of Property , Plant & Equipment	444	7(b)	(317,761)	(884,401)	(308,886)	(611,695)
Proceeds from Disposal of Property , Plant & Equipment			72,106	31,244	72,106	31,244
Acquisition of Intangible Assets	438	6	(27,495)	(89,398)	(27,463)	(83,753)
REPO borrowings / (settlements) - (net)			3,401,710	(4,053,575)	3,401,710	(4,053,575)
Net Cash Flows from Investing Activities			(21,464,295)	(15,727,873)	(21,317,330)	(15,650,955)
Cash Flows from Financing Activities						
Interest Paid			-	(6,150)		-
Lease Rental Paid			(162,360)	(153,076)	(155,610)	(153,076)
Net dividends paid to Equity holders			(885,001)	(750,001)	(885,001)	(750,001)
Net Cash Flows from Financing Activities			(1,047,361)	(909,227)	(1,040,611)	(903,077)
Increase / (Decrease) in Cash and Balances with Banks	425	Note B	(151,103)	(162,348)	(144,385)	(166,251)
Note A.						
Reconciliation of Profit Before Tax with Net Cash Flows from Operating Activities						
Profit before tax			12,473,736	11,073,913	11,213,032	10,052,081
Adjustments for:						
Depreciation including Right-to Use Assets	441 & 453	7 & 8.(a)	417,877	412,919	350,534	333,939
Interest Income			(7,572,288)	(14,017,898)	(7,415,491)	(13,828,033)
Share of profit of associate			(1,174,426)	(1,054,658)	-	-
Provision for Gratuity & Pension			(951,698)	(1,456,272)	(956,467)	(1,460,431)
Amortisation of Intangible Assets	437	6	85,426	151,012	84,597	150,866
Change in Trade and Other Receivables			317,761	(113,356)	296,801	(116,421)
Change in Reinsurance Receivable			115,881	137,789	115,881	137,789

For the Year Ended 31 December	Page	Notes	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Change in AFS Transaction Cost			1,362	8,582	1,362	8,582
Increase in Life Insurance Funds	507	31	20,533,545	23,374,818	20,533,545	23,374,818
Increase in Unit-linked Fund			436,905	(28,100)	436,905	(28,100)
Increase in Takaful Fund			1,856	(202)	1,856	(202)
Increase in Individual Investment Fund (IFS)			(28,902)	(21,952)	(28,902)	(21,952)
Movement in Loans Policyholders			338,508	(77,292)	338,508	(77,292)
Change in Trade and Other Payables			305,559	509,200	217,642	504,342
Change in Reinsurance Payable			(76,762)	(234,510)	(76,762)	(234,510)
Realised Gains/(Losses)	506	29	(239,454)	36,090	(225,053)	(191,948)
Fair value Gain recorded in Income Statement	506	30	(337,426)	(193,198)	(417,179)	(207,342)
Income Tax Paid			(1,558,984)	(1,821,160)	(1,529,636)	(1,798,915)
Payment to gratuity and pension funds	479 & 482	13(b) &14	(727,921)	(210,974)	(727,616)	(209,489)
Net Cash Flows from Operating Activities			22,360,553	16,474,752	22,213,556	16,387,781
Note B						
Cash and Balances with Banks at 1st January			(401,955)	(239,608)	(402,608)	(236,357)
Cash and Balances with Banks at 31st December	425	Note C	(553,058)	(401,955)	(546,992)	(402,608)
Increase / (Decrease) in Cash and Balances with Banks			(151,103)	(162,348)	(144,384)	(166,251)
Note C						
Cash at Bank and in Hand	492	20	4,056,743	954,750	4,047,185	948,618
Bank Overdraft	492	20	(4,609,801)	(1,356,705)	(4,594,177)	(1,351,226)
			(553,058)	(401,955)	(546,992)	(402,608)

The above Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements on pages 426 to 542 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 28. 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 2025 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 Fnancial 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 405.

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 2025 were authorized for issue by the the Board of Directors on 25th February 2026.

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)	256
Financial assets at fair value through profit or loss and available-for-sale financial assets – LKAS 39	Fair value	12(c), 12(d)	469, 471
Policyholder liabilities – SLFRS 4	Valued actuarially	41(a).2	517
Net defined benefit assets or liabilities – LKAS 19	Valued actuarially and recognized at present value	13(d) 14(c)	480, 479

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 2025, 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 544 to 545.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Critical Judgements	Note	Page
Deferred Tax Asset and Liabilities	16 (i)	489
Significant Judgment in determining the insurance contract liabilities	22(a)	497
Measurement of defined benefit obligation	13(d), 14(c)	480, 482

3.2 Accounting assuptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a risk of resulting in material adjustments for the year ended 31 December 2025 are included in the following notes.

Critical Judgements	Note	Page
Key actuarial assumptions used in valuing Life Insurance Contract Liabilities	41.(a)(2)	517
Fair value of Investment Properties	9(a)	456
Determination of Fair Value and Fair Value Hierarchy	12.(g)	471
Useful lifetime of property, plant and equipment	7	453
Fair value of land and buildings	7(a)	443
Key actuarial assumptions used in Measurement of defined benefit obligation	13(d), 14(c)	480, 483
Impairment of non-financial assets	12(a), 12(a).1, 12(b).1, 12(c).1	466, 467, 468, 470
Going concern of Associates and Subsidiaries	11	461
Liability Adequacy Test (LAT)	22(a)	497
Deferred Tax Asset and Liabilities	16(i)	489
Financial Assets and Financial Liabilities that have a short-term maturity	12(i)	474

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
Notes To The Statement Of Financial Position		
Assets		
Intangible Assets	6	436
Property, Plant And Equipment	7	439
Right-Of-Use Assets	8	453
Investment Properties	9	455
Investment In Subsidiaries-Company	10	459
Investment In Associates	11	461
Financial Instruments And Fair Values Of Financial Instruments	12	464
Pensions And Other Post-Employment Benefits	13/14	478 & 482
Reinsurance Receivables	15	484
Taxation	16	485
Loans To Policy Holders	17	490
Premium Receivables	18	491
Other Assets	19	492
Cash and Balances with Banks	20	492
Liabilities		
Insurance Contract Liabilities	22	496
Financial Liabilities	23	500
Reinsurance Payables	24	501
Trade And Other Payables	25	502

Content	Note	Pg No
Notes To The Income Statement		
Net Premiums	26	503
Fees And Commission Income	27	504
Investment Income	28	505
Realised Gains	29	506
Fair Value Gains And Losses	30	506
Net Benefits And Claims	31	507
Acquisition Costs	32	508
Other Operating And Administrative Expenses	33	508
Finance Costs	34	510
Income Tax Expense	35	510
Notes To The Statement Of Comprehensive Income		
Income Tax Effects Relating To Other Comprehensive Income	39	513
Notes To The Statement Of Changes In Equity		
Stated Capital	21(a)	493
Retained Earnings	21(c)	494
AFS Reserve	21(d)	494
Revaluation Reserves	21(e)	494
Restricted Regulatory Reserve	21(g)	495
Special Reserve	21(f)	494
Other Disclosures		
Non Controlling Interests (Nci)	36	511
Basic/Diluted Earnings Per Share	37	512
Dividends	38	512
Risk Management Framework	41	516
Provisions, Commitments And Contingencies	42	530
Related Party Disclosures	44	531
Events After the Reporting Period	45	539

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. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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 Determinations.
	Products offered	Whole life, endowment, anticipated endowment, term insurance, IRCSL 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 shareholders fund
	Revenue driver	Annually, a portion of the surplus from policyholder funds is transferred to the Shareholder Fund based on actuarial guidance. Additionally, the Company has set aside a one-time surplus from policy liability valuation changes as a restricted reserve within this fund.
Healthcare segment	Nature of business	Ceylinco Healthcare Services Ltd, specializes in treatment and detection of Cancer.
	Products offered	The Ceylinco Healthcare Centre provides facilities through cancer screening and radiation treatments.
	Revenue driver	Fee income from the 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 2025

	Life Insurance						
	Policyholders	Shareholders	Total	Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Premiums	44,182,751	-	44,182,751			(1,139)	44,181,612
Premiums Ceded to Reinsurers	(669,367)	-	(669,367)				(669,367)
Net Premiums	43,513,384	-	43,513,384	-	-	(1,139)	43,512,245
Revenue from Subsidiaries			-	430,612	96,195	(4,523)	522,284
Fees and Commission Income	80,365		80,365				80,365
Investment Income	21,181,244	6,326,708	27,507,952	109,020	50,662	(330,253)	27,337,381
Realised Gains/(Losses)	108,927	122,323	231,250				231,250
Fair Value Gains/(Losses)	295,562	121,617	417,179	10,047		(89,800)	337,426
Other Operating Revenue	16,838		16,838	487	312	(747)	16,890
Other Revenue	21,682,935	6,570,648	28,253,583	550,166	147,169	(425,323)	28,525,595
Segment Revenue	65,196,319	6,570,648	71,766,967	550,166	147,169	(426,462)	72,037,840
Gross Benefits and Claims Paid	(31,374,861)	-	(31,374,861)				(31,374,861)
Claims Ceded to Reinsurers	299,899	-	299,899				299,899
Gross Change in Contract Liabilities	(20,681,104)	-	(20,681,104)				(20,681,104)
Net Benefits and Claims	(51,756,066)	-	(51,756,066)	-	-	-	(51,756,066)
Direct Cost of Subsidiaries				(153,683)	(30,121)	(10,571)	(194,375)
Acquisition Cost	(2,868,468)		(2,868,468)				(2,868,468)
Other Operating and Administrative Expenses	(5,531,029)	(307,671)	(5,838,700)	(243,690)	(76,608)	58,004	(6,100,994)
Finance Costs	(90,699)	(2)	(90,701)	(767)	(1,259)		(92,727)
Other Expenses	(8,490,196)	(307,673)	(8,797,869)	(398,140)	(107,988)	47,433	(9,256,564)
Segment Benefits, Claims and Other Expenses							
Share of Profit of Associates						1,448,527	1,448,527
Income tax expense	(1,449,774)	(1,916,060)	(3,365,835)	(93,088)	(9,626)	(189,235)	(3,657,784)
Segment Results for the year	3,500,283	4,346,914	7,847,197	58,938	29,555	(568,264)	8,815,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment income statement for the year ended 31 December 2024

	Life Insurance						
	Policyholders	Shareholders	Total	Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Premiums	37,140,416	-	37,140,416	-	-	(843)	37,139,573
Premiums Ceded to Reinsurers	(549,963)	-	(549,963)	-	-		(549,963)
Net Premiums	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

5.(b) Segment Statement of Financial Position as at 31 December 2025

	Life Insurance						
	Policyholders	Shareholders	Total	Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Intangible Assets	-	135,986	135,987	210	4,858	(144)	140,911
Property, Plant & Equipment	10,989,450	4,134,758	15,124,208	453,898	25,177	2,834,720	18,438,003
Right-of-use Asset	196,379	-	196,378		18,422	(1,028)	213,773
Investment Property	2,172,750	2,841,100	5,013,850			(3,035,534)	1,978,316
Investment in Associates	42,990	2,598,682	2,641,672			6,995,640	9,637,312
Investment in Subsidiaries	15,000	1,496,000	1,511,000				-
Financial Instruments	194,286,659	49,973,406	244,260,065	1,479,847	634,134	(1,511,000)	246,374,046
Reinsurance Assets	429,754	-	429,754				429,754
Loans to Policyholders	2,669,765	-	2,669,765				2,669,765
Premium Receivables	449,783	-	449,783				449,783
Other Assets	6,515,592	8,075,544	14,591,140	15,306	14,139	257,837	14,878,418
Total Assets	217,768,122	69,255,476	287,023,601	1,949,261	696,730	5,540,492	295,210,081
Insurance Contract Liabilities	202,474,653	-	202,474,653			(657,809)	201,816,844
Other Liabilities	15,293,469	1,395,306	16,688,775	257,065	65,784	1,194,412	18,206,036
Total Liabilities	217,768,122	1,395,306	219,163,428	257,065	65,784	536,603	220,022,880

Segment Statement of Financial Position as at 31 December 2024

	Life Insurance						
	Policyholders	Shareholders	Total	Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Intangible Assets	-	193,120	193,120	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 Asset	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.(c) Segment Statement of Cash Flows

For the Year Ended 31 December 2025	Notes	Life Insurance	Healthcare	Retirement Resort	Adjustments and Eliminations	Group
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net Cash Flows from Operating Activities		22,213,556	(5,474)	152,472	-	22,360,554
Net Cash Flows from Investing Activities		(21,317,330)	11,615	(158,580)	-	(21,464,295)
Net Cash Flows from Financing Activities		(1,040,611)	-	(6,750)	-	(1,047,361)
Increase / (Decrease) in Cash and Balances with Banks		(144,385)	6,141	(12,858)	-	(151,102)
Cash and Balances with Banks at 1st January		(402,608)	(546)	1,198		(401,955)
Cash and Balances with Banks at 31st December	Note A	(546,992)	(6,654)	589		(553,058)
Increase / (Decrease) in Cash and Balances with Banks		(144,384)	(6,108)	(609)	-	(151,102)
Note A						
Cash at Bank and in Hand		4,047,185	9,025	589	-	4,056,743
Bank Overdraft		(4,594,177)	(15,679)	-	-	(4,609,801)
		(546,992)	(6,654)	589	-	(553,058)

For the Year Ended 31 December 2024	Notes	Life Insurance	Healthcare	Retirement Resort	Adjustments and Eliminations	Group
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net Cash Flows from Operating Activities		16,387,781	102,814	(15,843)	-	16,474,752
Net Cash Flows from Investing Activities		(15,650,955)	(99,530)	22,612	-	(15,727,873)
Net Cash Flows from Financing Activities		(903,077)	-	(6,150)	-	(909,227)
Increase / (Decrease) in Cash and Balances with Banks		(166,251)	3,284	619	-	(162,348)
Cash and Balances with Banks at 1st January		(236,357)	(3,830)	580		(239,608)
Cash and Balances with Banks at 31st December	Note A	(402,608)	(546)	1,198		(401,955)
Increase / (Decrease) in Cash and Balances with Banks		(166,251)	3,285	619	-	(162,348)
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.(d) Disclosure Under Paragraph 23 (a) to (i) of SLFRS 08

As at 31st December	2025			2024		
	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	-	467	671	(843)	125	718
Revenue from External Customers	44,182,751	-	-	37,139,573	-	-
Interest Income	27,507,952	109,020	50,662	27,743,534	120,190	69,671
Interest Expenses Recognized on Lease Creditors	(30,215)	-		(28,126)	-	
Depreciation on Property, Plant and Equipment	(283,291)	(54,346)	(8,359)	(267,459)	(4,237)	(8,194)
Amortisation of Intangible Assets	(84,597)	(45)	(785)	(150,866)	(46)	(99)
Depreciation of Right of Use Assets	(71,804)	-	(4,638)	(66,479)	-	(4,272)

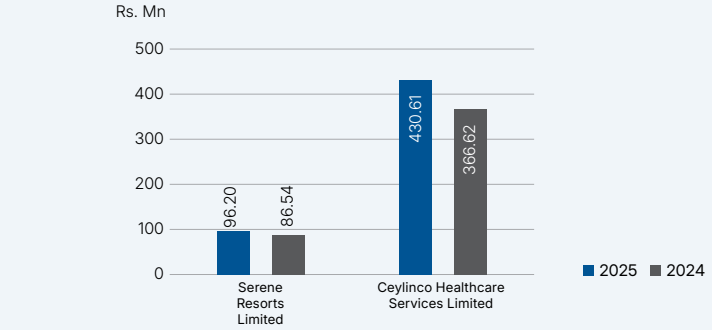
5.(e) Disclosure Under Paragraph 24 (a & b) of SLFRS 08

As at 31st December	2025			2024		
	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Life Insurance Rs.'000	Ceylinco Healthcare Services Limited Rs.'000	Serene Resort Limited Rs.'000
Additions to Property, Plant and Equipment	311,584	12,907	7,898	614,395	268,568	12,688
Additions to Intangible Assets	27,463	234	5,443	83,753		5,646

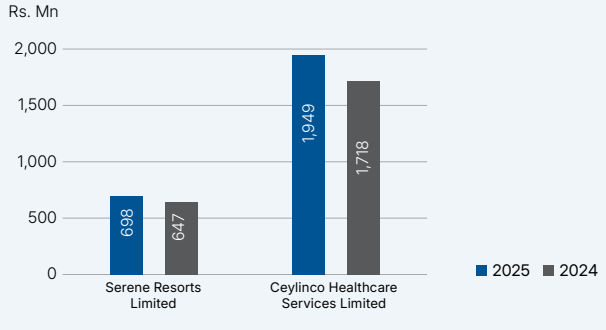
5.(f) Summarised information of Significant Subsidiaries

Summarised Income Statement	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	96,195	86,537	430,612	366,624
Cost of Sales	(40,692)	(38,175)	(135,683)	(178,143)
Other Income	312	238	487	3,075
Administrative Expenses	(65,076)	(57,923)	(229,195)	(364,437)
Selling & Distribution Expenses	(960)	(982)	(14,495)	(7,053)
Finance Income/ (Cost)	50,662	67,671	109,020	120,194
Profit Before Tax	39,181	57,356	152,026	(50,784)

Revenue



Total Assets



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Summarised Statement of Financial Position	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Assets	10,802	8,802	1,495,154	1,225,568
Non-Current Assets	685,928	637,804	454,107	492,305
Total Assets	696,730	646,606	1,949,261	1,717,873
Current Liabilities	37,484	33,781	164,120	25,244
Non-Current Liabilities	28,300	11,434	92,945	59,323
Equity	630,946	601,391	1,692,196	1,633,306
Total Equity and Liabilities	696,730	646,606	1,949,261	1,717,873

Summarised Statement of Cash Flows	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating Cash Flows	(5,474)	(15,843)	152,472	102,814
Investing Cash Flows	11,615	22,612	(158,580)	(99,530)
Financing Cash Flows	(6,750)	(6,150)	-	-
Net Increase /(Decrease) In Cash and Balances with Banks	(610)	619	(6,108)	3,285
Cash and Cash Equivalent at the Beginning of the Year	1,198	580	(546)	(3,830)
Cash and Cash Equivalent at the End of the Year	589	1,198	(6,654)	(545)

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.

			Group		Company	
			Computer Software & License	Total	Computer Software & License	Total
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost						
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 1January 2025			1,156,262	1,156,262	1,138,642	1,138,642
Addition			27,495	27,495	27,463	27,463
At 31 December 2025			1,183,757	1,183,757	1,166,105	1,166,105
Accumulated Amortisation and Impairment						
At 1 January 2024			806,410	806,410	794,654	794,654
Amortisation	508	33	151,012	151,012	150,866	150,866
At 1 January 2025			957,421	957,421	945,521	945,521
Amortisation	508	33	85,426	85,426	84,597	84,597
At 31 December 2025			1,042,846	1,042,846	1,030,118	1,030,118
Carrying amount						
at 01 January 2024			260,455	260,455	260,235	260,235
At 1January 2025			198,841	198,842	193,121	193,121
At 31 December 2025			140,911	140,911	135,987	135,987

6 (a) Other changes to the intangible assets

Other than disclosed in above note, there were no other changes to the intangible assets during the period under review (2024 - Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 (b) Acquisition of Intangible Assets during the year

Group

During the year, the Group acquired intangible assets amounting to Rs.27.49 Million (2024- Rs. 89.4 Million) .

Company

During the year, the Company acquired intangible assets amounting to Rs.27.46 Million (2024- Rs. 83.8 Million) .

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 cost amounts of Rs. 830.87 Million. (2024- Rs. 745.4 Million).

Company

Intangible Assets includes fully amortized Computer software which are in the use of normal business activities having cost amounts of Rs. 819. 41Million. (2024- Rs. 733.94 Million).

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 (2024 - Nil).

6 (f) Assessment of impairment of Intangible Assets

The Group has assessed potential impairment indicators of intangible assets as at 31st December 2025. 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. (2024 - 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 life inusrance contract liabilities.

Criteria	Assessment
Carrying Amount	27.7 Mn (25.9% of the total NBV of the group intangible assets) - (Material)
Profit Impact	CSM calculation and other IFRS 17 related accounting treatments - (Material)
Amortization Effect	Rs. 13.8 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 acqusition of intangible assets at the reporting date

6 (k) Revaluation of intangible assets

Since 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.

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 valuation techniques mentioned in the note 7(a) in page 443 Land and buildings are revalued with sufficient regularity so that the carrying value does not differ materially from the fair value at the reporting date. The revaluation surplus is recognised on the net carrying value of the asset. Any revaluation gain or loss attributable to policyholders is recognised in the Life Insurance Fund, whereas any revaluation gain or loss attributable to shareholders is recognised in revaluation reserve.

Initial measurement

Initially items of property, plant and equipment are measured at its cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are also capitalised.When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Replacement Cost

The cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in Profit or Loss as incurred.

Repairs and maintenance

Repairs and maintenance are charged to Profit or Loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Group and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The assets are depreciated from the month it is available for use and cease to depreciate from the month of disposal. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The estimated useful lives for property, plant and equipment are as follows:

Item	Depriciation Rate	Useful Life	Residual Value
Buildings	2%	50 years	Nil
Furniture and fittings	20%-10%	5-10 years	5%
Office equipment	33.33%-10%	3-10 years	5%
Computer equipment	50%-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 statements in the period in which expense incur.

Derecognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in Income Statement in the year the asset is de-recognised. When a previously revalued asset is de-recognised, the revaluation reserve pertaining to such asset is directly transferred to retained earnings.

Movement of Property, Plant and Equipment (PPE) -Group

	Page	Note	Freehold Land Rs.'000	Building Rs.'000	Plant & Machinery Rs.'000	Motor Vehicles Rs.'000	Office Equipment Rs.'000	Computer Equipment Rs.'000	Furniture & Fittings Rs.'000	Capital WIP Rs.'000	Total Rs.'000
At Cost/Valuation											
At 01 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
Revaluation			352,928	148,219	-	-	-	-	-	-	501,147
Disposals			-	-	(504,367)	(10,622)	(4,654)	(4,627)	(2,561)	-	(526,832)
Revaluation Adjustment			-	(105,758)	-	-	-	-	-	-	(105,758)
Asset Written off			-	-	-	(26,328)	(18,444)	(6,155)	(879)	-	(51,806)
Transfers			-	8,546	-	-	-	-	-	(8,546)	-
Other Changes			-	(152,931)	-	-	3,299	(409)	5,171		(144,870)
At 01 January 2025			9,895,614	5,569,815	749,117	888,900	810,959	698,213	361,996	20,975	18,995,588
Additions			35	14,963	10,732	127,718	27,243	17,246	7,818	149,531	355,285
Revaluations			773,751	577,127	-	-	-	-	-	-	1,350,878
Revaluation Adjustment			-	(111,432)	-	-	-	-	-	-	(111,432)
Disposal			-	-	-	(52,028)	(10,658)	(15,793)	8,174	-	(70,305)
Asset Written off			-	-	-	-	(3,360)	(3,312)	(28)	-	(6,700)
Transfers / Reclassification			-	272,920	-	-	(206)	(335)	455	(161,345)	111,490
At 31 December 2025			10,669,400	6,323,394	759,849	964,590	823,979	696,018	378,415	9,161	20,624,804
Accumulated Depreciation at Cost/ Valuation											
At 01 January 2024			-	103,053	506,927	493,386	484,334	291,236	300,498	(75,342)	2,104,091
Depreciation	508	33	-	107,914	54,064	46,168	45,685	80,146	12,463	-	346,440
Disposals			-		(276,329)	(21,928)	(19,987)	(9,467)	(2,989)	-	(330,700)
Other Changes			-	(1,133)	-	-	(420)	(1,439)	(27)		(3,018)
Revaluation			-	(105,758)	-	-	-	-	-	-	(105,758)
At 01 January 2025			-	104,076	284,662	517,626	509,612	360,476	309,946	(75,342)	2,011,055
Depreciation	508	33	-	112,539	50,470	37,943	48,288	89,962	13,626	-	352,827
Disposals/Written off			-		-	(28,862)	(9,898)	(15,543)	(5,141)	-	(59,444)
Written off							(3,289)	(2,930)	(27)		(6,245)
Reclassification			-	-	-	-	697	(473)	(184)	-	40
Revaluation			-	(111,432)	-	-	-	-	-	-	(111,432)
At 31 December 2025			-	105,183	335,132	526,706	545,411	431,493	318,220	(75,342)	2,186,802
Carrying Amount											
At 01 January 2024			9,383,300	5,431,178	491,879	350,801	295,228	123,658	54,920	87,248	16,218,213
At 01 January 2025			9,895,614	5,465,740	464,455	371,274	301,347	337,737	52,050	96,317	16,984,533
At 31 December 2025			10,669,400	6,218,211	424,717	437,884	278,568	264,525	60,195	84,503	18,438,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movement of Property ,Plant and Equipment (PPE) -Company

	Page	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 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
Revaluation Adjustment			-	(94,556)	-	-	-	-	-	(94,556)
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 1January 2025			8,258,114	4,431,800	888,900	725,661	676,806	266,680	2,700	15,250,661
Additions			35	14,284	127,718	18,694	17,195	7,024	123,936	308,886
Revaluation			742,451	507,235	-	-	-	-	-	1,249,686
Revaluation Adjustment			-	(100,040)	-	-	-	-	-	(100,040)
Disposals			-	-	(52,028)	(10,658)	(15,793)	(6,227)	-	(84,707)
Assets Written off			-	-	-	(3,360)	(3,312)	(28)		(6,700)
Transfers/ Reclassification			-	275,920	-	(206)	(335)	455	(123,820)	149,014
At 31 December 2025			9,000,600	5,126,200	964,591	730,131	674,560	267,903	2,814	16,766,800
Accumulated Depreciation at Cost/ Valuation										-
At 01 January 2024			-	-	493,386	437,481	271,107	210,930	-	1,412,903
Depreciation	508	33	-	94,556	46,168	38,872	78,736	9,128	-	267,459
Disposals			-		(21,928)	(19,987)	(9,467)	(2,989)	-	(54,371)
Revaluation			-	(94,556)	-	-	-	-	-	(94,556)
Other Changes			-	-	-	(420)	(1,439)	(27)		(1,885)
At 01 January 2025			-	-	517,625	455,946	338,937	217,043	-	1,529,550
Depreciation	508	33	-	100,040	37,943	41,192	89,551	10,005	-	278,730
Revaluation Adjustment			-	(100,040)	-	-	-	-		(100,040)
Disposals/Written off			-		(28,862)	(13,186)	(18,472)	(5,168)	-	(65,689)
Transfers/ Reclassification			-	-	-	697	(473)	(184)	-	40
At 31 December 2025			-	-	526,706	484,648	409,543	221,696	-	1,642,592
Carrying Amount										
At 01 January 2024			7,759,400	4,271,401	350,802	262,427	123,874	52,009	-	12,819,913
At 01 January 2025			8,258,114	4,431,801	371,275	269,715	337,869	49,637	2,700	13,721,111
At 31 December 2025			9,000,600	5,126,200	437,884	245,482	265,019	46,209	2,815	15,124,208

7. (a) Valuation of Freehold Land and Building

The company performed a valuation of the freehold land and buildings as at 31 December 2025 and significant changes in the market value of the properties at the reporting date have been recongnized in revaluation reserve.

As at 31 December 2025, 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 2025

Valuation models used for valuation include Cost Basis method, Investment Method and Comparison Method are in compliance with the SLFRS/LKAS and also in accordance with the 8th Edition of International Valuation Standards recommended by the International Valuation Standards Committee.

There were no transfers between Levels 1 and 2 or to Level 3 during the year.

Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below;

Valuation Technique	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Market Comparable Method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land Price per square foot for buildings	Fair Value (Increase) when price per perch (Increase) Fair Value (Decrease) when price per perch (Decrease) Fair Value (Increase) when price per square foot (Increase) Fair Value (Decrease) when price per square foot (Decrease) Fair Value (Increase) when depriciation rate (Decrease) Fair Value (Decrease) when depriciation rate (Increase)
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	Fair Value (Increase) when price per perch (Increase) Fair Value (Decrease) when price per perch (Decrease) Fair Value (Increase) when price per square foot (Increase) Fair Value (Decrease) when price per square foot (Decrease) Fair Value (Increase) when depriciation rate (Decrease) Fair Value (Decrease) when depriciation rate (Increase)
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	Fair Value (Increase) when price per perch (Increase) Fair Value (Decrease) when price per perch (Decrease) Fair Value (Increase) when price per square foot (Increase) Fair Value (Decrease) when price per square foot (Decrease) Fair Value (Increase) when depriciation rate (Decrease) Fair Value (Decrease) when depriciation rate (Increase)
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 (Increase) when gross annual rental (increase) Fair Value (Decrease) when gross annual rental (Decrease)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. 355.2million(2024- Rs. 895.6 million). Cash payments amounting to Rs. 317.7 Mn (2024 - Rs. 884.4 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. 311.6 million(2024 - 614.3 million) - Cash payments amounting to Rs. 311.6 million (2024- Rs. 611.7 million) were made during the year for purchase of Property, Plant and Equipment.

7.(c) Capital Commitments

The Company has committed to pay an amount of Rs.65 Mn (2024 Rs. 166.6 Mn) as at the reporting date under contract entered into on Capital expenditure projects.

7.(d) Title Restrictions on Property, Plant and Equipment

There were no restriction 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 were no temporarily idle Property, Plant and Equipment's as at year ended 31 December 2025

7.(f) Assessment of Impairment

The Group has assessed the potential Impairment indicators of Property, Plant and Equipment's as at 31 December 2025. Based on the assessment conducted, no impairment indicators were identified concluded that no impairment is necessary for any of the Group's Property, Plant and Equipments as at the reporting date.

7.(g) Capitalization of Borrowing Cost

There are no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year. (2024 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 (2024 - Nil)

7 (j) Permanent fall in value of property, plant and equipment

There were 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 2025

7 (k) Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated property, plant and equipment which are still in use as at reporting date is as follows;

At 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Plant and Machinery	128,936	128,936	-	-
Computer Equipment	208,350	186,172	188,105	166,035
Office Equipment's	78,333	80,228	51,230	57,455
Furniture and Fittings	90,233	88,075	3,859	3,668
Motor Vehicles	6,787	6,787	6,787	6,787
	512,640	490,198	249,981	233,945

7 (l) Property Plant and Equipment under Construction

Refer the capital WIP column of the Movement of Property, Plant and Equipment (PPE) in note 7 in page 441 - Group/ Company as at 31.12.2025

Below is the breakup of the Capital work-in-progress as at 31.12.2025

Capital work-in-progress - Negambo - Rs. 2.8 Mn

7 (m) Details of Freehold Land & Buildings of Company

Group/ Company

					2025				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.115, Greens Road, Negombo	13169	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch	5,000,000	75,000	143,200	218,200	2025-12-31
				Price per Sq ft	15,000				
No.115, Greens Road, Negombo	7345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch	4,500,000	168,800	115,300	284,100	2025-12-31
				Price per Sq ft	15,700				
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	5,000,000	80,400	106,600	187,000	2025-12-31
				Price per Sq ft	15,000				
No.163, Dharmapala Mawatha, Anuradhapura	22015	A-0-R-1-P-6	Contractor's Test Method	Price per perch	L1-6,500,000, L2-3,650,000	253,400	247,600	501,000	2025-12-31
				Price per Sq ft	15,000				
No.144 ,Hambanthota Road, Kachcheriyagama, Tissamaharama	8130	A-0-R-1-P- 00.00	Contractor's Test Method	Price per perch	L1-3,100,000, L2-900,000	80,000	76,200	156,200	2025-12-31
				Price per Sq ft	12,500				
No .45,Dharmapala Mawatha , Rathnapura	2560	A-0-R-0-P-35.50	Contractor's Test Method	Price per perch	3,200,000	113,600	21,500	135,100	2025-12-31
				Price per Sq ft	12,000				
No .45,Dharmapala Mawatha , Rathnapura (New Building)	8102	-	Contractor's Test Method	Price per Sq ft	20,000		145,800	145,800	2025-12-31
No. 401, Main Street , Panadura	7116	A-0-R-1-P-4.12	Contractor's Test Method	Price per perch	6,000,000	264,700	107,300	372,000	2025-12-31
				Price per Sq ft	18,500				
No. 423, Main Street , Kalutara	12001	A-0-R-0-P-32.75	Contractor's Test Method	Price per perch	4,000,000	131,000	163,000	294,000	2025-12-31
				Price per Sq ft	17,000				
No, 327, Badulla Road , Bandarawela	8970	A-0-R-0-P-17.01	Contractor's Test Method	Price per perch	3,000,000	51,000	111,000	162,000	2025-12-31
				Price per Sq ft	15,000				
No. 106, Havelock Road, Colombo 05	61630	A-0-R-0-P-35.27	Contractor's Test Method	Price per perch	20,000,000	705,400	924,400	1,629,800	2025-12-31
				Price per Sq ft	20,000				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

					2025				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No. 32, Mistry Hills, Nuwara Eliya	5227	A-0-R-0-P-26.9	Contractor's Test Method	Price per perch	1,250,000	33,600	65,300	98,900	2025-12-31
				Price per Sq ft	12,500				
No15 , Rex dias Piyanama Mawatha, Wennappuwa	8664	A-0-R-0-P-37.40	Contractor's Test Method	Price per perch	1,750,000	65,000	104,000	169,000	2025-12-31
				Price per Sq ft	15,000				
No 91, Bauddhaloka Mawatha, Gampaha	9458	A-0-R-0-P-32.5	Contractor's Test Method	Price per perch	7,500,000	243,800	132,600	376,400	2025-12-31
				Price per Sq ft	17,000				
No. 40, Rajapihilla Road, Kurunegala	10485	A-0-R-0-P-15.5	Contractor's Test Method	Price per perch	4,000,000	62,000	147,000	209,000	2025-12-31
				Price per Sq ft	17,000				
No.90/4, Kurunegala Road, Munneswaram, Chilaw	6385	A-0-R-0-P-30.0	Contractor's Test Method	Price per perch	1,500,000	45,000	108,500	153,500	2025-12-31
				Price per Sq ft	17,000				
No 406, Galle Road, Rawatawatta, Moratuwa	6874	A-0-R-0-P.39.72	Contractor's Test Method	Price per perch	4,500,000	178,700	13,700	192,400	2025-12-31
				Price per Sq ft	2,000				
No. 37,39 & 41, Kannarthiddy Road, Vannarponnai ,Jaffna	4144	A-0-R-1-P-7.9	Contractor's Test Method	Price per perch	4,000,000	191,600		191,600	2025-12-31
				Price per Sq ft					
No. 37,39 & 41, Kannarthiddy Road, Vannarponnai ,Jaffna - New Building	13710		Contractor's Test Method	Price per Sq ft	15,000		185,000	185,000	2025-12-31
No.22 (New 32), Lloyd's Avenue, Batticaloa	12317	A-0-R-0-P-23.83	Contractor's Test Method	Price per perch	3,500,000	83,400	167,500	250,900	2025-12-31
				Price per Sq ft	17,000				
No.02, Gower Street, Colombo-05	2610	A-0-R-1-P-27.25	Contractor's Test Method	Price per perch	20,000,000	1,345,000	14,300	1,359,300	2025-12-31
				Price per Sq ft	11,000				
No. 20 & 22/3 , Along Kandy Road, Trincomalee	11310	A-0-R-1-P-20	Contractor's Test Method	Price per perch	2,000,000	120,000	173,000	293,000	2025-12-31
				Price per Sq ft	17,000				
No.38 & 38/B Rajapilla Road, Kurunegala	0	A-0-R-0-P-23.93	Sales Comparision Method	Price per perch	4,000,000	95,700		95,700	2025-12-31
No.92 & 98 Jampetah Street, Colombo - 13	18480	A-0-R-1-P-11.22	Contractor's Test Method	Price per perch	7,000,000	358,500	125,000	483,500	2025-12-31
				Price per Sq ft	L-11,000, L2-13,000				
No.70, Park Street, Colombo 02	4510	A-0-R-1-P-32.4	Contractor's Test Method	Price per perch	20,000,000	1,448,000	125,800	1,573,800	2025-12-31
				Price per Sq ft	31,000				
No.615, Galle Road, Mount Lavinia	4315	A-0-R-1-P-12.44	Contractor's Test Method	Price per perch	7,500,000	393,300	23,600	416,900	2025-12-31
				Price per Sq ft	7,800				

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2025 Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.274, Panadura Road, Horana	5860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch	4,000,000	102,000	87,000	189,000	2025-12-31
				Price per Sq ft	17,000				
No.63, King Street, Kandy	14650	A-0-R-1-P-1.125	Contractor's Test Method	Price per perch	Front - Rs.12,500,500, Rear land -Rs.8,680,000	452,400	95,200	547,600	2025-12-31
				Price per Sq ft	10,000				
No.45, Anagarika Dharmapala Mawatha, Matara	7232	A-0-R-0-P-26.44	Contractor's Test Method	Price per perch	8,500,000	224,700	41,200	265,900	2025-12-31
				Price per Sq ft	12,000				
No.213/1, 213/2 & 213/3, , Highlevel Road, Nugegoda	2250	A-0-R-0-P-23.75	Contractor's Test Method	Price per perch	6,000,000	142,500	20,200	162,700	2025-12-31
				Price per Sq ft	10,000				
No.15A, Jaya Mawatha, Kadawatha	5914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch	3,300,000	62,000	88,000	150,000	2025-12-31
				Price per Sq ft	17,000				
No.26 , Expressway Access Road, Ja -Ela	7230	A-0-R-0-P-32	Contractor's Test Method	Price per perch	2,750,000	88,000	198,800	286,800	2025-12-31
					27,500				
No 198, Horana Road, Mampe, Piliyandala	5683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch	5,000,000	126,700	86,900	213,600	2025-12-31
				Price per Sq ft	17000				
No 43 & 45, Galle Road, Wellawatta, Colombo 6	14338	A-0-R-0-P-25.31	Contractor's Test Method	Price per perch	18,000,000	455,600	51,600	507,200	2025-12-31
				Price per Sq ft	16200				
No.582 , Malabe Road, Malabe.	5600	A-0-R-0-P-29	Contractor's Test Method	Price per perch	5,750,000	166,700	101,100	267,800	2025-12-31
				Price per Sq ft	19,000				
No 301/A, point pedro Rd, Nelliady, Karaveddy	9462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch	1,200,000	53,200	140,700	193,900	2025-12-31
				Price per Sq ft	17,000				
No 301/A, point pedro Rd, Nelliady, Karaveddy		A-0-R-1-P-13.78	Sales Comparision Method	Price per perch	475,000	25,500		25,500	2025-12-31
Wewagedara, Divulapitiya.	5229	A-0-R-0-P-40	Contractor's Test Method	Price per perch	1,750,000	70,000	80,000	150,000	2025-12-31
				Price per Sq ft	17,000				
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	3750000	117,300	164,300	281,600	2025-12-31
					33500				
No.101, Veyangoda Road, Minuwangoda	3475	A-0-R-0-P-37.23	Contractor's Test Method	Price per perch	2,000,000	74,400	79,900	154,300	2025-12-31
				Price per Sq ft	23,000				
No 394, Neboda Road,Matugama	1400	A-0-R-1-P-2.74	contractor's method	Price per perch	1,400,000	59,800	25,200	85,000	2025-12-31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

					2025				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
				Price per Sq ft	14500				
251/B/4 Colombo Road, Horagollawatha, Nittambuwa	5789	A-0-R-0-P-35.90	contractor's method	Price per perch	2,500,000	89,700	97,000	186,700	2025-12-31
					16,750				
No.207-G Tangalle Road, Ambalantota	3990	A-0-R-1-P-8	Contractor's Test Method	Price per perch	1,400,000	67,200	59,800	127,000	2025-12-31
					15,000				
67C, Delovita, Kirindiwela	-	A-0-R-0-P-30	Sales Comparision Method	Price per perch	Front -1,300,000, Rear - 1,000,000	36,000		36,000	2025-12-31
No.02, Gower Street, Colombo-05	2610		contractor's method	Price per Sq ft	11,000		20,000	20,000	2025-12-31
No.70, Park Street, Colombo 02	4510		contractor's method	Price per Sq ft	35,000		142,100	142,100	2025-12-31
Total						9,000,600	5,126,200	14,126,800	

Group/ Company

					2024				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.115, Greens Road, Negombo	13169	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch	Rs. 4,500,000	67,500	126,000	193,500	2024-12-31
				Price per Sq ft	Rs. 13,200				
No.115, Greens Road, Negombo	7345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch	Rs. 4,500,000	168,800	115,300	284,100	2024-12-31
				Price per Sq ft	Rs. 15,700				
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	Rs. 4,500,000	72,400	85,400	157,800	2024-12-31
				Price per Sq ft	Rs. 12,000				
No.163, Dharmapala Mawatha, Anuradhapura	22015	A-0-R-1-P-10.68	Contractor's Test Method	Price per perch	Rs. 4,250,000	215,400	198,100	413,500	2024-12-31
				Price per Sq ft	Rs. 12,000				
No.144 ,Hambanthota Road, Kachcheriyagama, Tissamaharama	8130	A-0-R-1-P- 00.00	Contractor's Test Method	Price per perch	Rs.800,000-2,800,000	72,000	69,100	141,100	2024-12-31
				Price per Sq ft	Rs. 11,333				

					2024				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No .45,Dharmapala Mawatha , Rathnapura	2560	A-0-R-0-P-35.50	Contractor's Test Method	Price per perch	Rs. 3,0000,000	106,500	18,800	125,300	2024-12-31
				Price per Sq ft	Rs. 10,500				
No .45,Dharmapala Mawatha , Rathnapura (New Building)	8102	-	Contractor's Test Method	Price per Sq ft	Rs. 18,500	-	134,900	134,900	2024-12-31
No. 401, Main Street , Panadura	7116	A-0-R-1-P-4.12	Contractor's Test Method	Price per perch	Rs. 5,250,000	231,600	104,400	336,000	2024-12-31
				Price per Sq ft	Rs. 18,000				
No. 423, Main Street , Kalutara	12001	A-0-R-0-P-32.75	Contractor's Test Method	Price per perch	Rs. 3,500,000	114,600	136,300	250,900	2024-12-31
				Price per Sq ft	Rs. 14,200				
No, 327, Badulla Road , Bandarawela	8970	A-0-R-0-P-17.01	Contractor's Test Method	Price per perch	Rs. 2,250,000	38,300	95,100	133,400	2024-12-31
				Price per Sq ft	Rs. 12,850				
No. 106, Havelock Road, Colombo 05	61630	A-0-R-0-P-35.27	Contractor's Test Method	Price per perch	Rs. 18,600,000	656,000	893,700	1,549,700	2024-12-31
				Price per Sq ft	Rs. 19,335				
No. 32, Mistry Hills, Nuwara Eliya	5227	A-0-R-0-P-26.9	Contractor's Test Method	Price per perch	Front -Rs. 1,200,000 Rear -Rs. 1,000,000	29,600	52,300	81,900	2024-12-31
				Price per Sq ft	Rs. 10,000				
No15 , Rex dias Piyanama Mawatha, Wennappuwa	8664	A-0-R-0-P-37.40	Contractor's Test Method	Price per perch	Rs. 1,600,000	59,800	83,200	143,000	2024-12-31
				Price per Sq ft	Rs 12,000				
No 91, Bauddhaloka Mawatha, Gampaha	9458	A-0-R-0-P-32.5	Contractor's Test Method	Price per perch	Rs. 7,000,000	227,500	118,200	345,700	2024-12-31
				Price per Sq ft	Rs. 15151				
No. 40, Rajapihilla Road, Kurunegala	10485	A-0-R-0-P-15.5	Contractor's Test Method	Price per perch	Rs. 3,850,000	59,700	138,400	198,100	2024-12-31
				Price per Sq ft	Rs. 16,000				
No.90/4, Kurunegala Road, Munneswaram, Chilaw	6385	A-0-R-0-P-30.0	Contractor's Test Method	Price per perch	Rs.800,000 - 1,800,000	39,000	99,000	138,000	2024-12-31
				Price per Sq ft	Rs. 15,500				
No 406, Galle Road, Rawatawatta, Moratuwa	6874	A-0-R-0-P.39.72	Contractor's Test Method	Price per perch	Rs. 4,300,000	170,800	12,000	182,800	2024-12-31
				Price per Sq ft	Rs.1,430 - 2,000				
No. 37,39 & 41, Kannarthiddy Road, Vannarponnai ,Jaffna	4144	A-0-R-1-P-7.9	Contractor's Test Method	Price per perch	Rs. 3,500,000	167,700	11,200	178,900	2024-12-31
				Price per Sq ft	Rs. 6,000				
No. 37,39 & 41, Kannarthiddy Road, Vannarponnai ,Jaffna - New Building	13710		Contractor's Test Method	Price per Sq ft	Rs. 13,500	-	166,600	166,600	2024-12-31
No.22 (New 32), Lloyd's Avenue, Batticaloa	12317	A-0-R-0-P-23.83	Contractor's Test Method	Price per perch	Rs. 3,000,000	71,500	147,800	219,300	2024-12-31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2024 Estimation for Unobservable Inputs	2024 Value of Land Rs.'000	2024 Value of Buildings Rs.'000	2024 Cost/ Revaluation Rs.'000	2024 Date of the Valuation
				Price per Sq ft	Rs. 15,000				
No.02, Gower Street, Colombo-05	2610	A-0-R-1-P-27.25	Market comparable method/ Contractor's Test Method	Price per perch	Rs. 18,500,000	1,244,100	13,000	1,257,100	2024-12-31
				Price per Sq ft	Rs. 10,000				
No. 20 & 22/3 , Along Kandy Road, Trincomalee	11310	A-0-R-1-P-20	Contractor's Test Method	Price per perch	Rs. 1,800,000	108,000	152,700	260,700	2024-12-31
				Price per Sq ft	Rs. 15,000				
No.38 & 38/B Rajapilla Road, Kurunegala	0	A-0-R-0-P-23.93	Market comparable methodss	Price per perch	Rs. 3,850,000	92,100	-	92,100	2024-12-31
No.92 & 98 Jampetah Street, Colombo - 13	18480	A-0-R-1-P-11.22	Contractor's Test Method	Price per perch	Rs. 6,500,000	332,900	119,500	452,400	2024-12-31
				Price per Sq ft	Rs. 9,480-12,500				
No.70, Park Street, Colombo 02	4510	A-0-R-1-P-32.4	Contractor's Test Method	Price per perch	Rs.18,500,000	1,339,400	122,600	1,462,000	2024-12-31
				Price per Sq ft	Rs. 30,200				
No.615, Galle Road, Mount Lavinia	4315	A-0-R-1-P-12.44	Market comparable method	Price per perch	Rs. 7,300,000	367,500	22,700	390,200	2024-12-31
				Price per Sq ft	Rs. 7,500				
No.274, Panadura Road, Horana	5860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch	Rs. 3,850,000	98,200	82,000	180,200	2024-12-31
				Price per Sq ft	Rs. 16,000				
No.63, King Street, Kandy	14650	A-0-R-1-P-1.125	Contractor's Test Method	Price per perch	Front - Rs. 12,000,000, Rear -Rs. 8,255,000	433,100	85,700	518,800	2024-12-31
				Price per Sq ft	Rs. 9,000				
No.45, Anagarika Dharmapala Mawatha, Matara	7232	A-0-R-0-P-26.44	Contractor's Test Method	Price per perch	Rs. 8,000,000	211,500	34,400	245,900	2024-12-31
				Price per Sq ft	Rs. 10,000				
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	Rs. 4,300,000	102,100	20,300	122,400	2024-12-31
				Price per Sq ft	Rs. 10,000				
No.15A, Jaya Mawatha, Kadawatha	5914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch	Rs. 2,800,000	54,600	77,600	132,200	2024-12-31
				Price per Sq ft	Rs. 15,000				
No.26 , Expressway Access Road, Ja -Ela	7230	A-0-R-0-P-32	Contractor's Test Method	Price per perch	Rs. 2,500,000	80,000	195,200	275,200	2024-12-31
					Rs. 27,000				
No 198, Horana Road, Mampe, Piliyandala	5683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch	Rs. 4,500,000	114,000	81,800	195,800	2024-12-31
				Price per Sq ft	Rs. 16,000				

					2024				
Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Buildings	Cost/ Revaluation	Date of the Valuation
						Rs.'000	Rs.'000	Rs.'000	
No 43 & 45, Galle Road, Wellawatta, Colombo 6	14338	A-0-R-0-P-25.31	Market comparable method/ Contractor's Test Method	Price per perch	Rs. 17,500,000	442,900	47,000	489,900	2024-12-31
				Price per Sq ft	Rs. 3,700 - 11,000				
No.582 , Malabe Road, Malabe.	5600	A-0-R-0-P-29	Contractor's Test Method	Price per perch	Rs. 5,500,000	159,500	98,400	257,900	2024-12-31
				Price per Sq ft	Rs. 18,500				
No 301/A, point pedro Rd, Nelliady, Karaveddy	9462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch	Rs. 900,000	39,900	132,500	172,400	2024-12-31
				Price per Sq ft	Rs. 16,000				
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	2024-12-31
Wewagedara, Divulapitiya.	5229	A-0-R-0-P-40	Contractor's Test Method	Price per perch	Rs. 1,500,000	60,000	73,000	133,000	2024-12-31
				Price per Sq ft	Rs. 15,500				
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	100,500	164,000	264,500	2024-12-31
					Rs. 33,450				
No.101, Veyangoda Road, Minuwangoda	3475	A-0-R-0-P-37.23	Contractor's Test Method	Price per perch	Rs. 1,850,000	68,900	78,200	147,100	2024-12-31
				Price per Sq ft	Rs. 22,500				
No 394, Neboda Road,Matugama	1400	A-0-R-1-P-2.74	Market comparable method	Price per perch	Rs. 1,300,000	55,600	25,400	81,000	2024-12-31
				Price per Sq ft	Rs.14,500				
251/B/4 Colombo Road, Horagollawatha, Nittambuwa	5789	A-0-R-0-P-35.90	Market comparable method	Price per perch	Rs..2,000,000	71,800	-	71,800	2024-12-31
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	2024-12-31
								-	
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	2024-12-31
Total						8,258,114	4,431,800	12,689,914	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 (n) Movement of Revalued Freehold Land & Buildings, if Accounted on Cost.

	Freehold land	Building
At Cost		
As at 1 January 2024	3,103,297	2,735,444
Addition during the year	159,386	30,065
As at 31 December 2024	3,262,683	2,765,509
As at 1 January 2025	3,262,683	2,765,509
Addition during the year	35	14,284
As at 31 December 2025	**3,262,718**	**2,779,793**
Depreciation		
As at 1 January 2024	-	398,166
Addition during the year		601
As at 31 December 2024	-	398,767
As at 1 January 2025	-	398,767
Addition during the year		286
As at 31 December 2025	**-**	**401,529**
Carrying amount		
As at 1 January 2024	3,103,297	2,337,278
As at 31 December2024	3,262,683	2,366,742
As at 31 December2025	**3,262,718**	**2,380,740**

7. (0) Transfer of Property, Plant and Equipment to Investment Property

During the year, the following assets were transferred from Property, Plant and Equipment (PPE) to Investment Property, following a change in use in accordance with LKAS 40 and LKAS 16.

Transfer of Land and Buildings

Asset Description	Date of transfer	Fair Value of the Asset transferred Rs. ('000')
Assets Transferred from Property, Plant and Equipment to Investment Property		
No. 37 39 & 41 Kannathiddy Road Jaffna	31.12.2025	(13,000)
Assets Transferred from Investment Property to Property, Plant and Equipment		
No. 02 Gower Street Colombo 05	31.12.2025	20,000
No. 70 Park Street Colombo 02	31.12.2025	142,100
Net impact to Property Plant and Equipment		149,100

7. (p) Transfer of Capital Work in Progress to Property, Plant and Equipment

During the year, buildings under construction were transferred from Capital Work in Progress to Property, Plant and Equipment upon completion and commencement of use, in accordance with LKAS 16.

Transfer of Land and Buildings

Asset Description	Date of transfer	Cost of the Asset transferred Rs. ('000')
No.251/B/4 Colombo Road, Horagollawatha, Nittambuwa	01.12.2025	76.597
No. 27 Fifth cross Street Nambimulla, Ambalanthota	31.12.2025	47.223

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's 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 Company assesses whether:

- the contract involves the use of an identified asset
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use and
- the Company 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 assets and lease liability as result of property rented out by the Company to the subsidiary, such right-of-use asset and lease liability are eliminated in the Consolidated Financial Statements.

Subsequent Measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets

The Group has elected not to recognise Right of Use Assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

8.(a) Assets held under lease recognized as Right-of Use Assets

			Group		Company	
			2025	2024	2025	2024
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1January			224,606	181,424	222,671	179,490
Impact of new leases			104,109	109,660	78,164	109,660
Preclosure of Leases			(38,500)	-	(32,653)	
Depreciation for the year			(76,442)	(66,479)	(71,804)	(66,479)
As at31 December	508	33	213,773	224,606	196,378	222,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.(b) Lease liabilities

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	216,229	176,790	221,305	181,867
Impact of new leases	97,847	109,660	77,750	109,660
Preclosure of Leases	(38,500)	-	(38,500)	-
Accretion of Interest	31,130	28,126	30,215	28,126
Rental paid during the year	(98,210)	(86,644)	(91,460)	(86,644)
Rental paid in Advance	(3,600)	(11,705)	(3,600)	(11,705)
As at 31 December	204,896	216,229	195,710	221,305

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:

For the year ended 31st December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	54,164	57,875	54,164	57,875
After one year but not more than three years	124,876	128,768	124,876	128,768
After three years but not more than five years	19,900	19,588	19,900	19,588
More than five years	8,264	15,074	8,264	15,074
Total operating lease rentals payable	207,204	221,305	207,204	221,305

8.(d) Amounts recognised in profit or loss

For the year ended 31st December			Group		Company	
			2025	2024	2025	2024
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation Charge for the year	508	33	76,442	66,479	71,804	66,479
Interest on lease liabilities			(31,130)	(28,126)	(30,215)	(28,126)

8.(e) Amounts recognised in statement of cash flows

For the year ended 31st December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advance paid to Right of Use Asset	(3,600)	(11,705)	(3,600)	(11,705)
Payment of Lease Liabilities	(98,210)	(86,644)	(91,460)	(86,644)

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 sales and lease 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 Convenants imposed by the leases

There were no restrictions or convenants 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 10.69% remaining the same at the beginning and the end of the year.

9. INVESTMENT PROPERTIES

ACCOUNTING POLICY

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production of supply of goods or services or for administrative purposes.

Initial Measurement

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Where a subsidiary company occupies a significant portion of the investment property of the Company, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements and accounted using Group accounting policy for property,plant and equipment.

Subsequent Measurement

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the year in which they arise.

Fair values are evaluated annually by an accredited external independent valuator applying the relevent valuation models.

Transfers

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes investment property, the Company and the Group account for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Derecognition

Investment properties are de-recognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Income Statement in the year of retirement or disposal.

	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
At 1 January			1,809,465	1,589,299	4,755,200	4,646,800
Additions			23,083	17,783	23,083	17,783
Reclassification			(149,100)	134,867	(149,100)	-
Fair Value Gains	506	30	294,867	67,517	384,667	90,617
At 31 December			1,978,315	1,809,465	5,013,850	4,755,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. (a) Valuation of Investment Properties

As at 31 December 2025 the fair values of the land and building held for investment purpose are based on valuations performed by an accredited independent valuer, Mr. Chandrasena Weerasinghe.

Valuation models used for valuation include Cost Basis method, Investment Method and Comparison Method, which are in compliance with the SLFRS/LKAS and also in accordance with the 8th Edition of International Valuation Standards recommended by the International Valuation Standards Committee.

The Effective date of valuation of the land and building held for investment purpose is 31 December 2025

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	Fair Value (Increase) when Price per Perch (Increase) Fair Value (Decrease) when Price per Perch (Decrease) Fair Value (Increase) when Price per Square Foot (Increase) Fair Value (Decrease) when Price per Square foot (Decrease) Fair Value (Increase) when Depriciation Rate (Decrease) Fair Value (Decrease) when Depriciation Rate (Increase)
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 of the Land and Building held the as 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 are no temporarily idle Investment property as at year ended 31 December 2025

9.(c) Assessment of Impairment

The Group has assessed the potential Impairment indicators of Investment Properties as at 31 December 2025 . Based on the assessment, no impairment indicators were identified and concluded that no impairment is necessary for any of the Group's Investment Property as at year end.

9.(d) Capital commitments and assets pledged

There were no capital commitments as at reporting date under contract 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. (2024 Nil)

9.(g) Details of Investment Properties of Company

					2025				
	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
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.190-Rs.250	170,000	34,500	204,500	2025-12-31
No.24A, New Galle Road, Nammimulla, Ambalangoda	4,614	A-0-R-0-P-20	Contractor's Test Methods	Rent per Sq.ft per month	Rs.150-Rs.200	110,000	37,000	147,000	2025-12-31
No. 428 & 428/2/1, R. A. De Mel Mawatha, Colombo 03	8,249	Condominium	Investment Method	Rent per Sq.ft per month	Rs.90-Rs.200	-	165,000	165,000	2025-12-31
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.220-Rs.330	770,800	325,700	1,096,500	2025-12-31
No. 06, Railway Station Road, Matara	2,982	A-0-R-0-P-25.88	Contractor's Test Method	Rent per Sq.ft per month	Rs.120-Rs.180	138,200	10,100	148,300	2025-12-31
Serene Resorts, Bopitiya Road, Uswetakeiyawa	38,177	A-2-R-3-P-30	Contractor's Test Methods	Price per perch	Rs.700,000	329,000	302,400	631,400	2025-12-31
No 38, Abdul Gafoor Mawatha ,Colombo 03	-	A-0-R-1-P-4.5	Contractor's Test Methods	Price per perch	Rs.22,000,000	979,250	-	979,250	2025-12-31
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.9,500-9,500	249,000	36,000	285,000	2025-12-31
No 63, Janadhipathi Mawatha Colombo 1	-	A-0-R-0-P-13.84	Sales Comparision Method	Price per perch	Rs.23,500,000	325,200	-	325,200	2025-12-31
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.11,000	364,500	31,200	395,700	2025-12-31
No.42/1, Dickmon road, Havelock town, Colombo 05	3885	A-0-R-0-P-20.00	Investment Method	Price per perch	Rs.13,000,000	260,000	125,000	385,000	2025-12-31
No 1 A Gower Street, Colombo 5	3260	A-0-R-0-P-10.75	Contractor's Test Methods	Price per perch	Rs.19,000,000	204,000	34,000	238,000	2025-12-31
No. 37 39 & 41 Kannathiddy Road, Jaffna	4144	-	Contractor's Test Methods	Price per Sq.ft per	Rs.80 - Rs.190		13,000	13,000	2025-12-31
						3,899,950	1,113,900	5,013,850	

					2024				
	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
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	2024-12-31
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	2024-12-31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

					2024				
	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
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	2024-12-31
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	2024-12-31
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	2024-12-31
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	2024-12-31
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	2024-12-31
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	2024-12-31
No. 02 Gower Street Colombo 05	2,610	-	Investment Method	Price per Sq.ft per	Rs.10,000 - 10,000	-	19,700	19,700	2024-12-31
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	2024-12-31
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	2024-12-31
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	2024-12-31
No.42/1, Dickmon road, Havelock town, Colombo 05	3885	A-0-R-0-P-20.00	Contractor's test method / Market comparable method	Price per perch	Rs.12,655,000	253,100	121,000	374,100	2024-12-31
No 1 A Gower Street, Colombo 5	3260	A-0-R-0-P-10.75	Contractor's test method / market comparable method	Price per perch	Rs.17,000,000	182800	26,100	208900	2024-12-31
Total						3,584,300	1,170,900	4,755,200	

The fair value of investment property reflects the actual market value as at reporting date.

No Depreciation/Amortization recognized for the investments properties carried at Fair Value.

9.(h) Rental Income

	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rental Income Derived from Investment Properties	505	28	41,397	35,608	97,861	43,728
Direct operating Expenses Generating Rental Income			-	(308)	-	(308)
Direct operating Expenses that did not Generating Rental Income			(3,233)	(3,368)	(3,233)	(3,368)
Net Profit Arising From Investment Properties			38,164	31,933	94,628	40,053

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 eleminated 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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	103,238	28,993	103,238	28,993
After one year but not more than three years	110,557	33,873	110,557	33,873
After three years but not more than five years	43,245	24,988	43,245	24,988
More than five years	16,467	18,514	16,467	18,514
Expected Future Rentals	273,507	106,368	273,507	106,368

9. (J) Transfer of Investment Property to Property, Plant and Equipment

During the year, the following assets were transferred from Investment PropertyÂ (IP) to Property, Plant and Equipment (PPE), following a change in use in accordance with LKAS 40 and LKAS 16.

Transfer of Land and Buildings

Asset Description	Date of transfer	Fair Value of the Asset transferred Rs.('000')
Assets Transferred from Property, Plant and Equipment to Investment Property		
No. 37 39 & 41 Kannathiddy Road Jaffna	31.12.2025	13,000
Assets Transferred from Investment Property to Property, Plant and Equipment		
No. 02 Gower Street Colombo 05	31.12.2025	-20,000
No. 70 Park Street Colombo 02	31.12.2025	-142,100
Net impact to Investment Property		-149,100

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 acqusition date and the amount of any non-controlling interest in the acquire. For each business combination, the Group measures the non-controlling interest in the acquire at fair value or at the proportionate share of the acquirer's identifiable net assets. Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in Income Statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with LKAS 39 either in Income Statement or as a change to Other Comprehensive Income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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

Unquoted Shares

	% of Direct Holding		Number of Shares		Cost	
	2025	2024	2025	2024	2025	2024
					Rs.'000	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 2025.

11. INVESTMENT IN ASSOCIATES

ACCOUNTING POLICY

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies. The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The Income Statement reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Income Statement outside operating profit and represents profit or loss after tax.

The Financial Statements of the associate is prepared for the same Reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. At each Reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the Income Statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in Income Statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
Citizen 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 specialities such as cardiology, orthopaedics, urology and general surgery

11.(a) Investments in Associates

Group	% Holding		Number of Shares		Value	
	2025	2024	2025	2024	2025	2024
					Rs.'000	Rs.'000
Quoted Investment (At Cost)						
Citizens Development Business Finance Ltd	29.98%	30.34%	21,498,096	21,498,096	807,672	807,672
UnQuoted Investment (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	-	-	-	-	7,213,364	6,057,518
Kings Hospital Colombo (Pvt.) Limited	-	-	-	-	(321,473)	(417,240)
Group Investment in Associates (Equity Basis)					9,637,313	8,385,699

Company	% Holding		Number of Shares		Value		Fair Value	
	2025	2024	2025	2024	2025	2024	2025	2024
					Rs.'000	Rs.'000	Rs.'000	Rs.'000
Quoted Investments (At Cost)								
Citizens Development Business Finance PLC	29.98%	30.34%	21,498,096	21,498,096	807,672	807,672	8,223,022	5,310,030
					807,672	807,672	8,223,022	5,310,030
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	10,057,022	7,144,030

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	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Associate's Statement of Financial Position								
Total Assets	203,765,169	143,540,286	62,515,154	44,038,160	8,782,108	8,533,222	3,836,903	3,728,165
Total Liabilities	(176,660,704)	(120,573,030)	(54,199,504)	(36,991,806)	4,004,079	(3,886,626)	1,749,382	(1,698,067)
Net Assets	27,104,465	22,967,256	8,315,650	7,046,354	12,786,188	4,646,596	5,586,285	2,030,098
Associate's Revenue and Profit	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	28,472,966	25,984,765	8,535,005	7,972,126	5,363,417	4,558,767	2,343,513	1,991,725
Profit Before Tax	6,252,603	5,645,534	1,874,269	1,732,050	482,062	181,755	210,634	79,409
Profit After Tax	4,512,836	3,856,900	1,352,760	1,183,297	219,176	(18,858)	95,767	(8,239)
Other Comprehensive Income	751,484	287,193	225,263	88,111		-	-	-

Above summarized financials includes share of following account balances

	Citizens Development Business Finance PLC				Kings Hospital Colombo (Pvt.) Limited			
	Total -Associate		Share of Associate		Total -Associate		Share of Associate	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash and Cash Equivalent	2,677,066	3,597,285	802,472	1,091,522	512,533	119,896	223,948	52,388
Non Current Financial Liabilities	171,699,140	116,422,131	51,468,226	35,325,889	4,004,079	3,886,626	1,749,558	1,698,238
Current Financial Liabilities	2,719,511	1,598,481	815,196	485,026	1,413,675	1,501,418	617,697	656,036
Interest Income	25,162,972	23,421,767	7,542,807	7,106,851	-	-	-	-
Interest Expenses	12,516,743	11,826,210	3,751,996	3,588,419	(321,445)	(413,276)	(140,453)	(180,579)
Income Tax Expense	1,739,767	1,788,634	521,509	542,724	(262,886)	(200,615)	(114,867)	(87,657)

	Citizens Development Business Finance PLC				Kings Hospital Colombo (Pvt.) Limited			
	Total -Associate		Share of Associate		Total -Associate		Share of Associate	
	2025	2024	2025	2024	2025	2024	2025	2024
	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	(8,701,638)	-	(2,608,387)	-	989,382	730,040	432,309	318,987
Cash flows from investment activites	224,503	-	67,297	-	(107,159)	(284,425)	(46,822)	(124,278)
Cash flows from financing activities	7,060,382	-	2,116,407	-	(334,441)	(434,163)	(146,132)	(189,705)

* Cashflow information - As Citizens Development Business Finance PLC's financial year-end differs from the group's, its Cash flows from Financial Activites was unavailable at the time of preparation and is therefore not included in the above note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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) in page 462.

11.(d) Impairment of Investment in Associates

Having evaluated the business continuity plans and the cash flows of the investment in associate, the Group determined that no impairment provision is required for the carrying value of investment in associate as at 31 December 2025.

12. FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

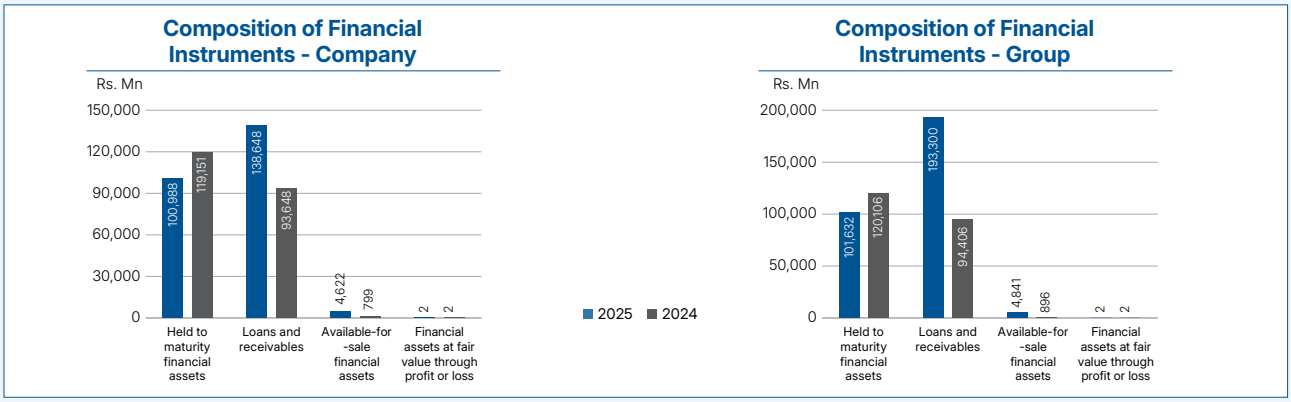
ACCOUNTING POLICY

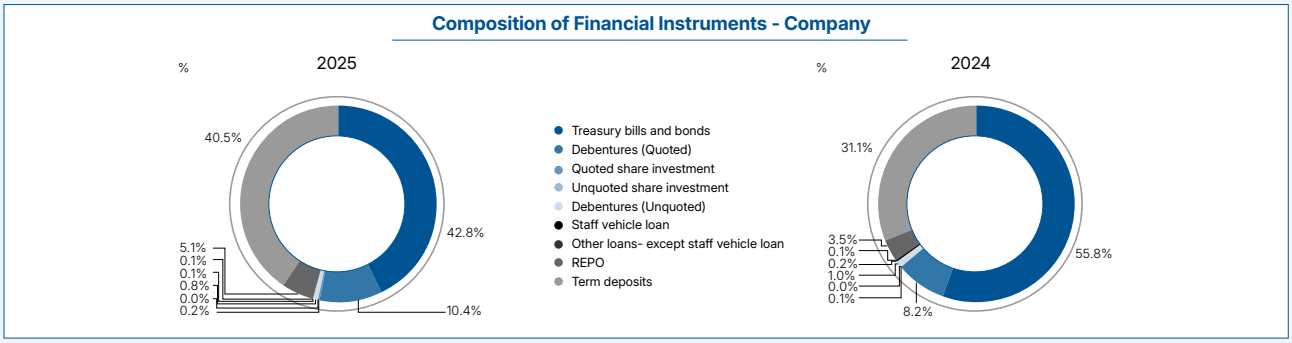
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

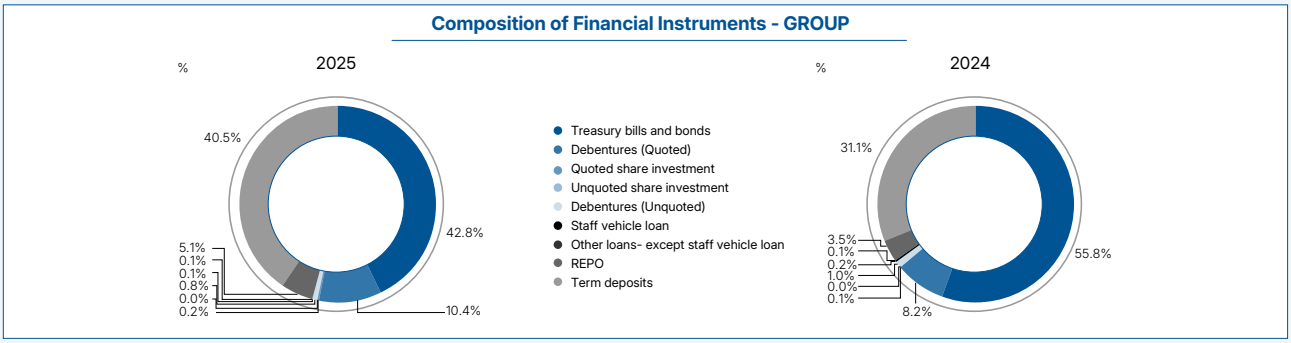
Classification of Financial Assets

Depending on the intention and ability to hold the invested assets, the Company classifies its non-derivative financial assets into following categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Held-to-maturity (HTM)
- Loans and receivables (L&R) and
- Available-for-sale (AFS) financial assets as appropriate.







Initial Recognition

The Group/Company initially recognises loans and receivables, and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group/Company becomes a party to the contractual provisions of the instrument. In the case of financial assets not at fair value through profit or loss, a financial asset is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Income and expenses are presented on a net basis only when permitted under SLFRS/LKAS, or for gains and losses arising from a group of similar transactions such as in the Group trading activity.

Subsequent measurement

Subsequent measurement of each classes of financial assets are disclosed in respective sub-notes.

Fair Value through Profit or Loss investments and Available-For-Sale investments are valued at fair value. Held to maturity investments and loans and receivable investments are valued at amortised cost.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to maturity financial assets	466	12(a)	101,631,640	120,106,107	100,988,436	119,151,154
Loans and receivables	468	12(b)	139,900,264	94,405,809	138,647,691	93,648,345
Available-for-sale financial assets	469	12(c)	4,840,086	895,550	4,621,881	798,888
Financial assets at fair value through profit or loss	470	12(d)	2,057	2,359	2,057	2,359
Total Financial Instruments			246,374,047	215,409,825	244,260,065	213,600,746

The following table compares the fair values of the financial instruments to their carrying values:

As at 31 December	Group				Company			
	2025		2024		2025		2024	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to maturity financial assets	101,631,640	102,883,300	120,106,107	124,833,552	100,988,436	102,883,300	119,151,154	123,877,565
Loans and receivables	139,900,264	139,900,264	94,405,809	93,615,296	138,647,691	138,647,691	93,648,345	93,615,296
Available-for-sale financial assets	4,840,086	4,840,086	895,550	895,550	4,621,881	4,621,881	798,888	798,888
Financial assets at fair value through profit or loss	2,057	2,057	2,359	2,359	2,057	2,057	2,359	2,359
Total Financial Instruments	246,374,047	247,625,707	215,409,825	219,346,757	244,260,065	246,154,929	213,600,746	218,294,108

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.

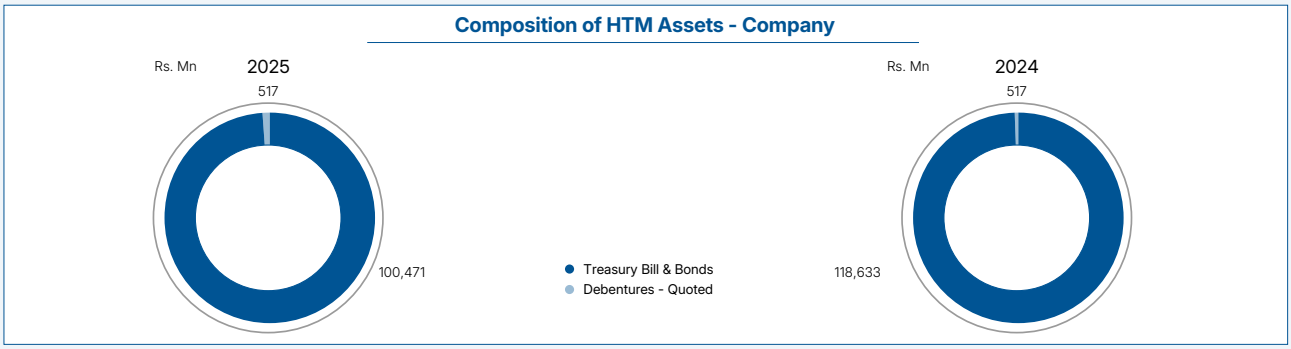
Impairement

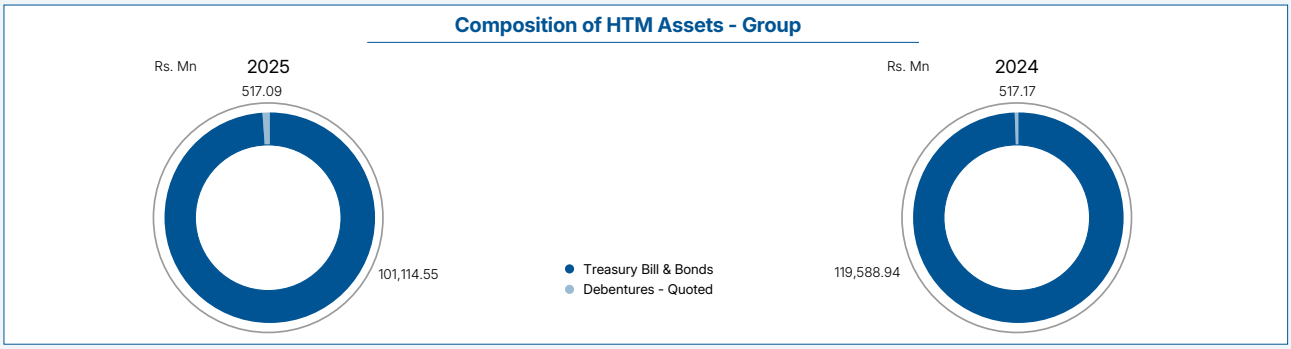
Any impairment loss on an HTM investment is recognized as finance cost in income statement.

De-recognition

Gains and losses are recognised in Profit or Loss when the investments are de-recognised or impaired, as well as through the amortisation process.

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Fair value						
Treasury Bill & Bonds			102,408,300	124,340,983	102,408,300	123,384,996
Debentures - Quoted			475,000	492,568	475,000	492,568
Total Held to Maturity Financial Assets at Fair Value			102,883,300	124,833,552	102,883,300	123,877,564
Amortised Cost						
Treasury Bill & Bonds			101,114,546	119,588,942	100,471,342	118,633,989
Debentures - Quoted	475	12(j)(1)	517,094	517,165	517,094	517,165
Total Held to Maturity Financial Assets at Amortised Cost			101,631,640	120,106,107	100,988,436	119,151,154





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 431.

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.

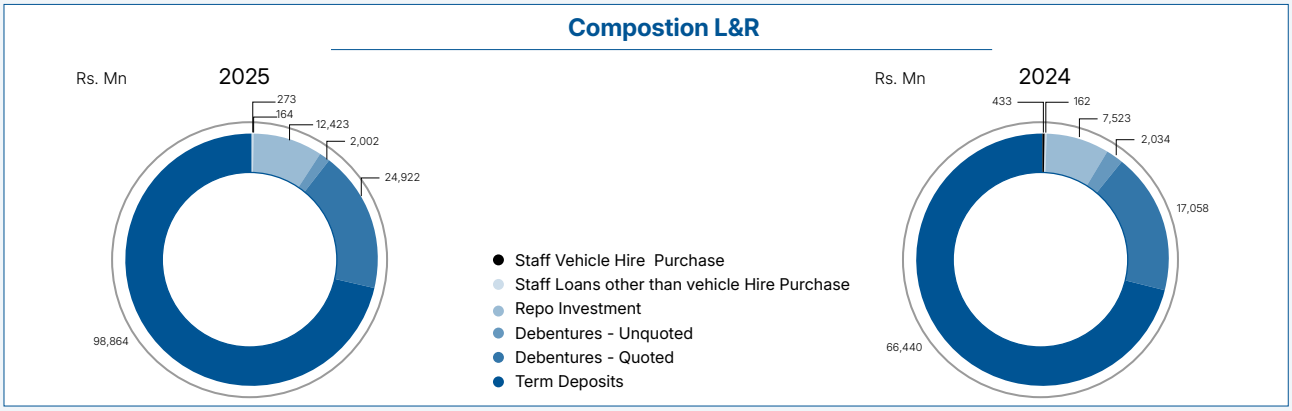
Impairment

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 Profit or Loss when the investments are de-recognised or impaired, as well as through the amortisation process.

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Staff Vehicle Hire Purchase			273,427	433,115	273,427	433,115
Staff Loans other than vehicle Hire Purchase			164,047	161,852	164,047	161,852
Repo Investment			12,856,155	7,523,175	12,422,542	7,522,760
Debentures - Unquoted	475	12 (j)(3)	2,001,667	2,033,634	2,001,667	2,033,634
Debentures - Quoted	475	12 (j)(2)	24,922,147	17,057,357	24,922,147	17,057,357
Term Deposits	476	12 (j)(4)	99,682,821	67,196,676	98,863,861	66,439,627
Total			139,900,264	94,405,809	138,647,691	93,648,345



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 471.

12. (c) Available-For-Sale Financial Assets

ACCOUNTING POLICY

Initail 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

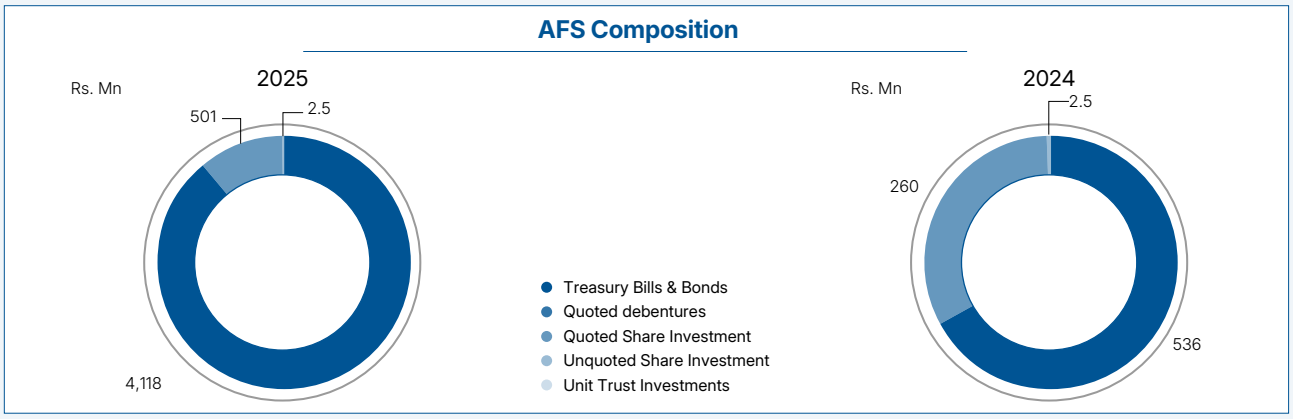
Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses on available-for sale equity instruments are recognised in Other Comprehensive Income and presented within equity in the available-for-sale reserve. Fair value changes of Available For 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 Profit or Loss as 'Dividend Income' when the right of the payment has been established

De- recognition

When an investment is derecognized, the cumulative gain or loss in Other Comprehensive Income is transferred to the Income Statement.

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Treasury Bills & Bonds			4,118,275	536,251	4,118,275	536,251
Quoted Share Investment	476	12 (j)(5)	501,082	260,112	501,082	260,112
Unquoted Share Investment	476	12 (j)(6)	2,525	2,525	2,525	2,525
Unit Trust Investments			218,205	96,662	-	-
Total Available-For-Sale Financial Assets at Fair Value			4,840,086	895,550	4,621,881	798,888

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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 measurment which is described in the Note 12(g) in page 472.

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 / Bonds unless otherwise have been classified as available-for-sale.

As at 31 December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair Value						
Treasury Bills & Bonds			-	814	-	814
Short Term Investment - Quoted	477	12 (j)(7)	2,057	1,545	2,057	1,545
Total Financial Assets at Fair Value Through Profit or Loss			2,057	2,359	2,057	2,359

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 472.

12.(e) Accrued Investment Income

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Investments	2,107,595	2,643,054	2,107,595	2,643,054
Loans & Receivables	948,475	701,849	919,060	698,516
Available for sale investments	78,371	4,621	78,371	4,621
	3,134,441	3,349,524	3,105,026	3,346,191

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 number 532.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 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
Treasury Bills	Average buying yield as per secondary market daily report published by the Central Bank of Sri Lanka plus accrued interest
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	2025				2024			
	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets								
Financial Assets at Fair Value Through Profit/Loss								
Equity securities	2,057	-	-	2,057	1,545	-	-	1,545
Debt securities	-	-	-	-	814	-	-	814
	2,057	-	-	2,057	2,359	-	-	2,359
Available-For-Sale Financial Assets:								
Equity securities	501,082	-	2,525	503,607	260,112	-	2,525	262,637
Debt securities	4,118,275	-	-	4,118,275	536,251	-	-	536,251
	4,619,356	-	2,525	4,621,881	796,363	-	2,525	798,888
Held to Maturity Financial Assets								
Debt securities	102,408,300	475,000		102,883,300	120,759,510	475,000		121,234,510
	102,408,300	475,000	-	102,883,300	120,759,510	475,000	-	121,234,510
Total Financial Assets	107,029,713	475,000	2,525	107,507,238	121,558,232	475,000	2,525	122,035,757
Property Plant and Equipment's								
Land			9,000,600	9,000,600			8,258,114	8,258,114
Buildings			5,126,200	5,126,200			4,431,801	4,431,801
	-	-	14,126,800	14,126,800			12,689,915	12,689,915
Investment Properties	-		5,013,850	5,013,850	-		4,755,200	4,755,200
	107,029,713	475,000	19,143,175	126,647,888	121,558,232	475,000	17,447,640	139,480,872
Financial Liabilities							-	-
Interest Bearing Borrowings	-		3,401,710	3,401,710	-		-	-
	-	-	3,401,710	3,401,710	-	-	-	-

* 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	Loans and Receivables	Available For-Sale	Fair value Through Profit or Loss	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January 2024	111,819,800	70,646,195	4,216,305	4,430,354	191,112,654
Purchases	116,540,069	266,320,376	6,731,651	51,613,032	441,205,128
Maturities	(113,593,751)	(249,258,082)	(10,455,634)	(421,168)	(373,728,635)
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	39,492
Amortisation adjustment	5,169,631	6,840,350	153,745	842,939	13,006,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group	Held to Maturity	Loans and Receivables	Available For-Sale	Fair value Through Profit or Loss	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January 2025	120,106,107	94,405,809	895,550	2,359	215,409,826
Purchases	61,878,493	404,354,679	12,584,121	28,834,826	507,652,120
Maturities	(84,366,654)	(360,567,461)	(564,810)	(817)	(445,499,742)
Disposals	-	-	(8,385,611)	(29,118,670)	(37,504,281)
Fair value gains recorded in the income statement	-	(4,470)	193,221	32,512	221,263
Interest Accrual Adjustment	4,013,694	1,711,704	117,613	251,850	6,094,861
As at 31 December 2025	101,631,641	139,900,262	4,840,085	2,057	246,374,046

Company	Held to Maturity	Loans and Receivables	Available For-Sale	Fair value Through Profit or Loss	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
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 1 January 2025	119,151,150	93,648,345	798,889	2,358	213,600,746
Purchases	60,695,550	402,348,692	12,326,621	28,834,826	504,205,690
Maturities	(82,845,069)	(359,006,613)	(417,110)	(817)	(442,269,609)
Disposals			(8,385,611)	(29,118,670)	(37,504,281)
Fair value gains recorded in the income statement		(4,470)	183,174	32,512	211,216
Amortisation & Interest Accrual Adjustment	3,986,804	1,661,735	115,918	251,850	6,016,307
As at 31 December 2025	100,988,435	138,647,690	4,621,881	2,057	244,260,068

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.

Instruments Category - Fair Value Basis

Government Securities	Measurement Basis
Treasury Bonds	Average of the buy/sell yields included in the weekly economic indicators published daily by CBSL
Treasury Bills	Average of the buy/sell yields included in the weekly economic indicators published daily by CBSL
Investment in Listed Shares	Weighted Average (VWA) prices
Corporate Debt - Unlisted	Last traded price (plus accrued interest)
Corporate Debt - Unlisted	Discounted Cash Flow (DCF) Method (Cost plus accrued interest)
Fixed and Term Deposits	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	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Bank of Ceylon PLC	517,094	517,165	517,094	517,165

12 (j)(2) Loans and Receivables -Debentures (Quoted)

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Seylan Banl PLC	1,695,287		1,695,287	
Vallibel Finance PLC	262,403	-	262,403	-
Sampath Banl PLC	1,133,380	-	1,133,380	-
Commercial Bank of Ceylon PLC	8,757,148	8,479,605	8,757,148	8,479,605
DFCC Bank PLC	3,058,776	2,635,502	3,058,776	2,635,502
Hatton National Bank PLC	8,450,239	4,427,457	8,450,239	4,427,457
National Development Bank PLC	1,564,913	1,514,793	1,564,913	1,514,793
Total	24,922,147	17,057,357	24,922,147	17,057,357

12 (j)(3) Loans and Receivables -Debentures (Unquoted)

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Kings Hospital Colombo Private Limited	1,556,584	1,585,254	1,556,584	1,585,254
Nations Trust Bank PLC	445,082	448,380	445,082	448,380
Total	2,001,667	2,033,634	2,001,667	2,033,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 (j)(4) Loans and Receivables - Fixed Deposits

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank of Ceylon	13,985,808	14,653,321	13,985,808	14,551,358
Central Finance Company PLC	-	499,998	-	499,998
Citizens Development Business Finance PLC	632,558	635,127	529,012	635,127
Commercial Bank of Ceylon PLC	17,450,198	6,886,656	17,450,198	6,886,656
DFCC Bank PLC	4,248,692	-	4,248,692	-
Hatton National Bank PLC	14,255,072	7,386,550	14,233,564	7,043,395
National Development Bank PLC	3,289,164	2,742,186	3,289,164	2,742,186
National Savings Bank	12,905,134	13,106,401	12,526,551	13,106,401
People's Bank	14,959,829	14,418,239	14,959,829	14,418,239
Sampath Bank PLC	14,481,452	4,177,456	14,318,805	4,017,342
Seylan Bank PLC	3,474,916	2,690,741	3,322,240	2,538,924
Total	99,682,821	67,196,676	98,863,861	66,439,627

12 (j)(5) Available-For-Sale Financial Assets - Quoted Shares

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Credit and Finance PLC	-	228,846	-	228,846
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
National Development Bank PLC	66,084	-	66,084	-
Aitken Spence PLC	37,344	-	37,344	-
Asiri Surgical Hospital PLC	1,266	-	1,266	-
Sampath Bank PLC	58,600	-	58,600	-
National Development Bank PLC	87,396	-	87,396	-
Commercial Bank of Ceylon PLC	158,392	-	158,392	-
Chevron Lubricants Lanka PLC	92,000	-	92,000	-
Total	501,082	260,112	501,082	260,112

12 (j)(6) Available-For-Sale Financial Assets - Unquoted Shares

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	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	
	2025	2024	2025	2024
	Fair Value	Fair Value	Fair Value	Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Banking, Finance and Insurance				
National Development Bank PLC	19	15	19	15
Commercial Bank of Ceylon PLC	95	68	95	68
DFCC Bank PLC	321	243	321	243
Central Finance PLC	58	41	58	41
Manufacturing, Plantations				
Chevron Lubricants Lanka PLC	92	80	92	80
Tokyo Cements Company PLC	146	90	146	90
Dipped Products PLC	214	191	214	191
Chemical Industries Colombo PLC	52	27	52	27
Hayleys PLC	196	131	196	131
Kotagala Plantation	2	1	2	1
Service				
John Keels Holdings PLC	99	104	99	104
Aitken Spense PLC	348	323	348	323
Hemas Holdings PLC	220	131	220	131
Dialog Axiata PLC	104	41	104	41
Royal Palms Beach Hotels PLC	6	4	6	4
Asiri Surgical Hospital Holdings PLC	41	36	41	36
Ceylon Hospitals PLC	45	19	45	19
Total	2,057	1,545	2,057	1,545

12(k) Collateral held as security under REPOs

The fair value as at 31st December 2025 of the collateral placed under the Company's reverse repo agreements is presented in the following table.

Type of Collateral	Agreed Amount of the Collateral	Fair Value of the Collateral
	Rs. '000	Rs. '000
Treasury Bonds	12,279,373	13,300,723
Treasury Bills	34,000	33,516
	12,313,373	13,334,239

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 0f 1983, the liability for gratuity payments to an employee arises on the completion of five years of continued service with the company. The provision is externally funded.

Recognition

Actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to income statement in subsequent periods.

Past service costs are recognised in income statement on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises restructuringrelated 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 terms interest rate will increase the plan libility

Longevity risk

Present value of the defined 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 plans libility.

Salary risk

Present value of the defined benefit plan libility is calculated by reference to the future salaries of plan participants will increase the plan's liability.

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current service cost	91,129	63,830	91,129	62,660
Interest cost on benefit obligation	194,142	258,360	194,142	257,436
Expected return on plan assets	(839,318)	(1,494,159)	(839,318)	(1,494,159)
	(554,047)	(1,171,967)	(554,047)	(1,174,063)
Net actuarial gain/ (loss) recognised in other comprehensive income	(533,808)	(2,876,493)	(533,808)	(2,875,726)

The amounts recognised in the statement of financial position at the reporting date are as follows:

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Present value of the defined benefit obligation	479	13.(a)	(2,304,293)	(1,673,635)	(2,304,293)	(1,673,635)
Fair value of plan assets	479	13.(b)	8,571,232	7,235,494	8,571,232	7,235,494
Employee Gratuity Benefit Asset			6,266,939	5,561,859	6,266,939	5,561,859

13.a) The Movement in the Defined Benefit Liability is as follows:

As at 31 December	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Defined Gratuity Benefit obligation of the company				
At 1 January	1,673,635	1,446,271	1,673,635	1,446,271
Current service cost	91,129	62,660	91,129	62,660
Interest cost	194,142	257,436	194,142	257,436
Benefits paid	(94,000)	(145,647)	(94,000)	(145,647)
Actuarial (gains)/ losses	439,387	52,915	439,387	52,915
As at 31 December	2,304,293	1,673,635	2,304,293	1,673,635
Gratuity Liability -Subsidiaries	19,006	14,701	-	-

As at 31 December 2025, 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:

	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
As at 1 January	7,235,494	8,394,151	7,235,494	8,394,151
Contribution Paid by employer	684,841	315,644	684,841	315,644
Expected return on plan assets	839,318	1,494,157	839,318	1,494,157
Actuarial gains /(Loss)	(94,421)	(2,822,811)	(94,421)	(2,822,811)
Benefit Paid	(94,000)	(145,647)	(94,000)	(145,647)
As at 31 December	8,571,232	7,235,494	8,571,232	7,235,494

13.(c) Details of Plan Assets:

The distribution of the Plan Assets at the reporting date is as follows:

	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
As at 31 December				
Investment in shares	5,188,344	3,610,740	5,188,344	3,610,740
Commercial Papers & Other Short Term Investments	245,351	-	245,351	-
Fixed Deposits	1,237,976	744,300	1,237,976	744,300
Other Assets	1,899,561	2,880,456	1,899,561	2,880,456
Total Plan Assets	8,571,232	7,235,496	8,571,232	7,235,496

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. (5,188,343,890) as at the reporting date.(2024 - Rs. 3,610,740,381).

13.(d). Principal Acturial Assumptions

The principal actuarial assumptions used in determining the gratuity benefit obligation for the Group's plan assets are as follows:

	2025	2024
Financial Assumptions		
Future salary increases	11.00%	11.00%
Discount rate	11.00%	11.60%
Expected rate of return on plan assets	11.00%	11.60%
Demographic Assumptions		
Retirement Age	60 Yrs	60 Yrs
Attrition Rate	1%	1%
Mortality Table	IALM2012-14	IALM2006-08

13.(e) Change in the defined benefit obligation and fair value of the plan assets

Company

2025			Amounts charged to Profit or Loss			Remeasurement gains/(Losses) in other comprehensive income					
	As at 01 January	Service cost	Net interest	Sub total included in profit or loss	Benefit paid	Return on plan assets (Excluding amounts included in net interest expenses)	Actuarial changes arising from changes in 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
Defined Benefit Obligation	(1,673,635)	(91,129)	(194,142)	(285,271)	94,000	-		(439,387)	(439,387)		(2,304,293)
Fair value of plan assets	7,235,494		-	-	(94,000)	839,318	-	(94,421)	(94,421)	684,841	8,571,232
Benefit assets/ (Liability)	5,561,859	(91,129)	(194,142)	(285,271)	-	839,318	-	(533,808)	(533,808)	684,841	6,266,939

2024		Amounts charged to Profit or Loss				Remeasurement gains/(Losses) in other comprehensive income						
	As at 01 January	Service cost	Net interest	Sub total included in profit or loss	Benefit paid	Return on plan assets (Excluding amounts included in net interest expenses)	Actuarial changes arising form 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

Gratuity benefit asset has been in excess of the Gratuity benefit liability due to share investment which has share appreciation annually. Retirement age - 60 Years

13.(f). A quantitative sensitivity analysis for significant assumptions are as follow:

Sensitivity level		Discount Rate		Rate of Future salary increasement rate		Rate of Employee Turnover	
		Increase 1%	Decrease 1%	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Impact on defined benefit obligation (Rs. 000)	2025	(160,496)	182,030	180,298	(161,867)	(647)	658
Impact on defined benefit obligation (Rs. 000)	2024	(131,284)	148,991	148,424	(133,077)	5,298	(5,929)

13(g) Method and Assumptions Used in Preparing the Sensitivity Analysis

The above sensitivity analyses are based on a change in significant assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method "Projected Unit Credit method (PUC)" has been applied as when calculating the defined benefit obligation recognised in the balance sheet as at the reporting date. The methods and types of assumptions used in preparing the sensitivity did not change compared to the prior period. However, the discount rate has changed from 11.60.% to 11.00% during the year to reflect the increment in market interest rates and there is no change in the future salary increment rate.

13.(h). Following payments are expected contributions to the defined benefit plan obligation in the future years

	2025 Rs.'000	2024 Rs.'000
Within the next 12 Months	85,316	40,641
2nd Following Year	85,909	66,139
3rd Following Year	113,837	67,361
4th Following Year	591,684	92,748
5th Following Year	231,727	197,012
Between 5 and 10 Years	1,806,136	1,370,048
Sum of Years 11 and above	4,233,341	4,264,989

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PENSION BENEFIT OBLIGATION

The Company has two defined benefit pension plans, both of which require contributions to be made to separately administered funds namely Pension Trust Fund of Ceylinco Holding PLC and Pension Fund of Ceylinco Holding PLC.

As at 31 December 2025, and as at the end of the comparative period the pension liability was actuarially valued under the Projected Unit Credit (PUC) method by Consultant Actuary K A Pandit, as required by Sri Lanka Accounting Standard (LKAS) 19 – 'Employee Benefits'.

Pension benefit obligation is valued by K A Pandit Actuarial Valuers.

According to LKAS 19 - Employee Benefits, the re-measurements of the net defined benefit liability, assets, which comprise actuarial gains and losses are recognised in Other Comprehensive Income.

14.(a). Change in the defined benefit obligation and fair value of the plan asset

Pension benefit asset has been excess over the Pension benefit liability due to appreciation in the value of the investment in shares over the previous financial year end.

Group/ Company

2025	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	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	(992,990)	(59,243)	(59,243)	8,816	-	(50,427)	23,861	23,861		(1,019,556)
Fair value of plan assets	4,616,640	-	-	(8,816)	461,665	452,849	(172,708)	(172,708)	42,775	4,939,556
Total recognised benefit (liability) / Asset	3,623,649	(59,243)	(59,243)	-	461,665	402,422	(148,847)	(148,847)	42,775	3,919,999

2024	Remeasurement gains/(losses) in other comprehensive income													
	As at 01 January	Current Service cost	Interest cost on benefit obligation	Sub total Included in Profit/Loss	Benefit paid	Return on plan assets (excluding amounts in net interest expenses)	Past service costs recognised	Recognised in Income Statement Note	Actuarial changes arising from changes in demographic assumptions	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	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

14.(b) Distribution of Plan Asset

The distribution of the Plan Assets at the reporting date is as follows:

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31 December				
Investment in shares	3,718,088	3,390,020	3,718,088	3,390,020
Fixed Deposits	-	691,884	-	-
Other Assets	1,221,464	534,736	1,221,464	534,736
Total Plan Assets	4,939,552	4,616,637	4,939,552	4,616,637

Plan Assets include investment in equity shares of Ceylinco Holdings PLC , market value amounting to Rs. 3,718,088,000/ - at the Reporting date. (2024 - Rs. 3,390,020,000 /-)

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:

	2025	2024
Financial Assumptions		
Discount rate	11.00%	10.00%
Expected rate of return on plan assets	11.00%	10.00%
Future salary increases	8%	8%
Attrition rate	1% p.a	1% p.a
Retirement age	60 Yrs	60 Yrs
Mortality Table	IALM2012-14	IALM2006-08

The overall expected rate of return on assets is determind 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 assumption as at 31 December are as follow:

		Discount Rate	
		Increase	Decrease
		1%	1%
Sensitivity level			
Impact on defined benefit obligation (Rs. 000)	2025	(35,546)	38,672
Impact on defined benefit obligation (Rs. 000)	2024	(41,511)	45,478

The average duration of defined benefit plan obligating at the end of the reporting period is 15 years (2024: 15 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. REINSURANCE RECEIVABLES

ACCOUNTING POLICY

Reinsurance receivables consist of short term balances due from reinsurers that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance is recorded gross in the Statement of Financial Position unless a right to offset exists.

Impairment

Reinsurance assets are reviewed for impairment at each Reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group 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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reinsurance Receivable - Swiss Re	88,036	235,456	88,036	235,456
Reinsurance Receivable - Munich Re	341,717	310,179	341,717	310,179
Total Reinsurance Receivables	429,754	545,635	429,754	545,635

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Up to 90 Days	130,313	135,945	130,313	135,945
91 - 180 Days	139,832	75,157	139,832	75,157
181 - 365 Days	94,690	98,417	94,690	98,417
More than 365 Days	64,919	236,115	64,919	236,115
Total	429,754	545,635	429,754	545,635

15.(b) Fair Value Measurement

The carrying value of reinsurance receivables approximate the fair value at the reporting date.

15.(c) Impairment Losses on Reinsurance Receivables

The Company has assessed potential impairment loss of reinsurance receivables as at 31st December 2025 and the Company does not indentify any objective evidences which require an impairement 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.

15.(d) Collateral Details

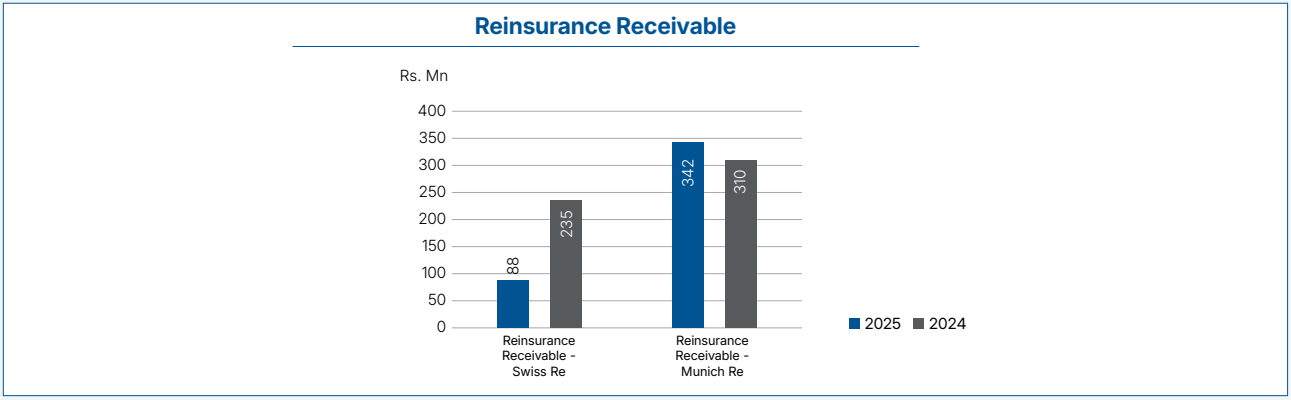
The Group does not hold any collateral as security against potential default by reinsurers

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 & Page No 516 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 2025 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 Health Care Services Ltd is liable to pay income taxes on below rates for year 2025 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 2025 as per the act.

1. Business income @ 30%
2. Investment income @ 30%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 recognized for all taxable temporary differences, except where deferred tax liability arising from the initail recognition of goodwill or of an assest or liability in a transaction that is not a business combination and, at the time of 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.

Offsetting

Deferred tax assets and libilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Measurment 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 Compreshensive Income (OCI) or directly in equity.

Tax Benefits in Business Combinations

If tax benefits from a business combination do not meet new recognition criteria initially, they may be recongnized 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 Rates

Deferred tax assets and liabilities are measurred 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

	page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January			6,869	6,620		-
Estimated tax expense for the period			(3,264,295)	(2,856,004)	(3,190,431)	(2,856,004)
Tax Payable Recognized			1,794,745	2,013,341	1,722,080	2,013,341
Notional tax/ WHT recognized	487	16.(b)	1,469,548	842,911	1,468,352	842,663
Tax Written off During the Year			(6.867)	-	-	-
As at 31 December			-	6,869	-	-

16. (b) Notional Tax / WHT Recognized

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Notional Tax Receivable	616,131	652,386	616,131	652,386
WHT Credits	853,417	190,525	852,221	190,277
Total	**1,469,548**	**842,911**	**1,468,352**	**842,663**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 .(c) Deferred Tax Liability- Group

	Consolidated Other Comprehensive Income Statement		Consolidated Income Statement		Consolidated Statement of Financial Position	
	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Losses carried forward	-	-	-	3,383	23,164	-
Temporary Difference from Retirement Benefit Liability - Gratuity	308	(436)	(781)	(587)	2,930	2,457
Temporary Difference from Property Plant and Equipment	30,358	10,291	53,387	25,341	(447,310)	(363,565)
Temporary Difference from Investment Properties	-	-	124,099	25,745	(184,398)	(60,299)
Temporary Difference from Revaluation reserve	71,046	24,648	-	-	(330,271)	(259,225)
Temporary Difference from Available for sale financial assets	-	-	-	-	(50,932)	(50,932)
Deferred Tax on Share of profit of Associate	-	-	216,786	143,274	(969,793)	(753,007)
Deferred Tax Expense/ (Income)	101,712	34,503	393,491	197,156	-	-
Deferred Tax Liability	-	-	-	-	(1,956,610)	(1,461,408)

	Group	
	2025	2024
	Rs.'000	Rs.'000
As at 1 January	1,461,408	1,229,749
Amounts recorded in the income statement	176,705	53,882
Amounts recorded in other comprehensive income	101,712	34,503
Deferred Tax on Share of profit of Associate	216,786	143,274
As at 31 December	1,956,611	1,461,408

16.(d) Deferred Tax Liability- Company

	Other Comprehensive Income Statement		Income Statement		Statement of Financial Position	
	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Temporary Difference from Property Plant and Equipment	-	-	24,364	91,914	(184,454)	(160,090)
Temporary Difference from Investment Properties	-	-	151,039	32,675	(372,240)	(221,201)
Temporary Difference from Revaluation reserve	71,046	24,648	-	-	(381,204)	(310,157)
Deferred Tax Expense/ (Income)	71,046	24,648	175,403	124,590	-	-
Deferred Tax Liabilities					(937,898)	(691,449)

Total Deferred Tax Liability

	Company	
	2025	2024
	Rs.'000	Rs.'000
As at 1 January	691,449	542,211
Amounts recorded in the income statement	175,403	124,590
Amounts recorded in other comprehensive income	71,046	24,648
As at 31 December	937,898	691,449

16. (e) Expiry date of carried forward tax loss

Expiry date of carried forward tax loss as per the Inland Revenue Department Act No. 24 of 2017 is maximum of six years, As of the reporting date there is no carried forward tax loss.

16. (f) Unrecognized deferred tax liabilities

As at the reporting date, there is no unrecognized deferred tax liabilities (2024 - Nil)

16. (g) Deferred tax and income tax on items directly recognized in equity

During the period ended 31 December 2025, the group did not recognize any deferred tax and income tax expense on transactions which are directly recorded in equity (2024 - Nil)

16.(h) Unrecognized deferred tax assets

As at the reporting date, there are no unrecognized deferred tax assets (2024 - Nil)

16.(i) Unrecognized tax losses and unused tax credits

As at 31.12.2025, the group has not reported any accumulated tax losses. Therefore, there is no necessity of recognizing deferred tax asset on accumulated tax losses.

Further there were no unused tax credits for the company to recognize a deferred tax asset as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. LOANS TO POLICY HOLDERS

Accounting Policy

Policyholder Loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate. Policyholder loans are initially measured at Fair value of Loan amount granted and subsequently measured at the amortised cost. If the policyholder dies before the full repayment of the loan, the loan balance is deducted from the death benefit. Policyholder Loans are reviewed for impairment at each reporting date. Loans receivable as at reporting date as follows.

17.(a) Movement of Policy Loans

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as of 1st January	3,008,273	2,930,981	3,008,273	2,930,981
Loans Granted//Capitalization During the Period	2,594,051	2,919,204	2,594,051	2,919,204
Repayment During the Period	(2,932,559)	(2,841,912)	(2,932,559)	(2,841,912)
Total Policy Holder Loans as at 31 December	2,669,765	3,008,273	2,669,765	3,008,273

17.(b) Fair value of loans to life policyholders

The fair value of the policyholder loans are equal to its carrying value as those are given at competitive market rates.

17.(c) Concentration risk of loans to life policyholders

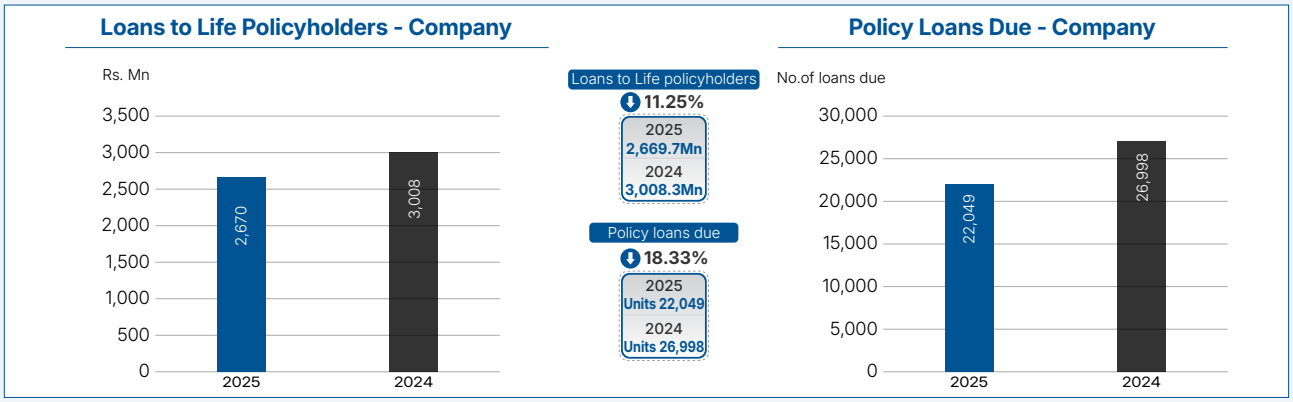
There is lower concentration of credit risk with respect to policyholders, as the company has a large number of dispersed receivables. the total receivable of the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void. The Company has a first lien on all policies which are subject to policy loans. This mitigates the Company's credit exposure on Policy Loans.

17.(d) Impairment of loans to life policyholders

The Group has assessed the potential impairment loss of Loans to Life Policyholders as at 31st December 2025. 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 2025 was 22,049 (2024- 26,998)



17.(f) Collateral Details

The company does not hold any collateral as security against potential default by policyholders other than surrender value

17 (g) Maturity Analysis

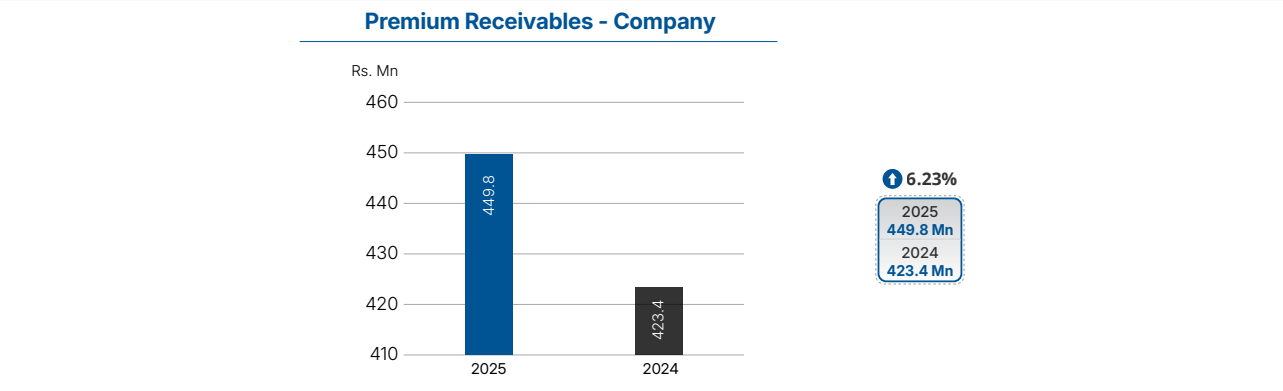
Maturity Analysis of Loans to Life Policyholders is given in Note 41(j) on page 527.

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Premium Receivables	449,783	423,419	449,783	423,419
Total	449,783	423,419	449,783	423,419



18.(a) Premium Receivables from Related Parties

There is no premium receivables from related parties as at the reporting date.

18.(b) Fair value of Premium Receivable

The carrying value of premium receivable approximates Fair Value at the reporting date.

18.(c) Concentration Risk of Premium Receivable

There is lower concentration of credit risk with respect to premium receivables, as the company has a large number of dispersed receivables.

18.(d) Impairment of Premium Receivable

The Group has assessed the potential impairment loss of Premium Receivables as at 31st December 2025. 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 527.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advances, Deposits & Prepayments	544,080	773,551	268,944	500,150
Inventories	38,140	121,802	35,555	119,536
Deferred staff benefits	52,517	60,494	52,517	60,494
Total	634,737	955,847	357,016	680,180

19.(a) Maturity Analysis

Other assets are generally setteled within one year

19.(b) Inventories Pledged

None of the inventories have been pledged as securities for liabilities as at the reporting date (2024 - Nil).

19.(c) Impairment of other assets

The group assessed potential impairment loss of other assets as at 31 December 2025. Based on the assesment, no impairment provision is required to be made in the financial statements as at the reporting date in respect of other assets. (2024-Nil)

20. CASH AND BALANCES WITH BANKS

ACCOUNTING POLICY

Cash and Balances with Banks 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 Balances with Banks for the purpose of the Statement of Cash Flows.

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash in hand and at Bank	4,056,743	954,750	4,047,185	948,618
Bank Overdraft	(4,609,801)	(1,356,705)	(4,594,177)	(1,351,226)
Cash and Balances with Banks	(553,058)	(401,955)	(546,992)	(402,608)

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

20.(a) Fair value of Cash and Balances with Banks

The carrying amounts disclosed above reasonably approximate fair value at the reporting date

20.(b) Maturity Analysis

Maturity analysis of Cash and Balances with Banks is given in Note 41(j) on page 527.

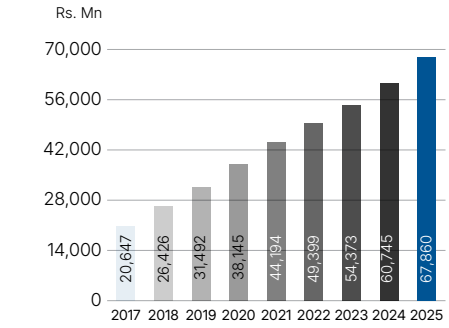
20.(c) Risk management initiatives relating to Cash and Balances with Banks

Refer Note 41(h) on page 526 for risk management initiatives relating to Cash and Balances with Banks - Liquidity Risk

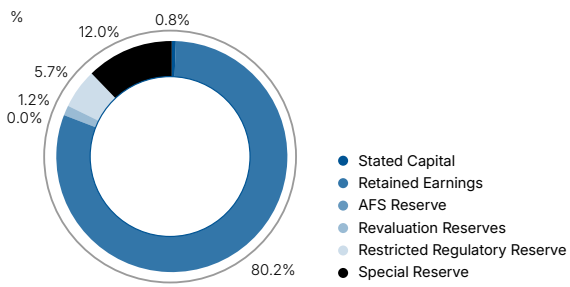
21 EQUITY

As at 31 December	Page	Note	Group 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Ordinary Shares - Voting	493	21.(a)	500,001	500,001	500,001	500,001
Other Reserves	493	21.(b)	74,018,816	65,788,278	67,360,167	60,245,458
			74,518,817	66,288,279	67,860,168	60,745,459

Equity - Company



Composition of Shareholder's Fund -2024



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 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 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 2025 Rs.'000	Group 2024 Rs.'000	Company 2025 Rs.'000	Company 2024 Rs.'000
Retained Earnings	493	21.(c)	61,805,984	53,798,801	55,703,861	48,741,674
Available for Sale Reserve	494	21.(d)	(1,005)	12,250	(1,005)	12,250
Revaluation Reserve	494	21.(e)	1,446,006	1,209,396	889,476	723,700
Special Reserve	494	21.(f)	7,311,651	7,311,651	7,311,651	7,311,651
Restricted Regulatory Reserve	494	21.(g)	3,456,184	3,456,184	3,456,184	3,456,184
Total			74,018,816	65,788,278	67,360,167	60,245,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21.(c) Retained Earnings

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	53,798,801	46,526,542	48,741,674	42,420,188
Profit for the Period	8,815,044	8,002,280	7,847,198	7,071,487
Other Comprehensive Income for the period	(457,439)	(501,666)	(682,655)	(591,685)
Dividend Paid Equity Holder for Previous Year	-	(750,001)	-	(750,001)
Dividend Paid Equity Holder for Current Year	(885,001)	-	(885,011)	-
Transferred to Long Term Insurance Fund	682,655	591,685	682,655	591,685
Associate Change in Equity	(148,076)	(70,039)	-	-
Total	61,805,984	53,798,801	55,703,861	48,741,674

21.(d) Available for Sale Reserve

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	12,250	19,107	12,250	19,107
Fair value changes recorded in Other Comprehensive				
Income for the period during the year	41,740	77,363	41,740	77,363
Transferred to Long Term Insurance Fund	(54,995)	(84,220)	(54,995)	(84,220)
Total	(1,005)	12,250	(1,005)	12,250

The Available for Sale reserves comprises the cumulative net change in the fair value of Available for Sale financial instrument held by the Group and the Company as at 31 December 2025 and amortization of previously recognised fair value changes in OCI for the AFS assets of which reclassified during the period.

21.(e) Revaluation Reserve

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	1,209,396	1,127,873	723,700	666,188
Other Comprehensive Income for the period	1,249,474	571,967	1,178,640	547,956
Transferred to Long Term Insurance Fund	(1,012,864)	(490,444)	(1,012,864)	(490,444)
Total	1,446,006	1,209,396	889,476	723,700

The Revaluation Reserve relates to the gain of revaluation of property, pant and equipments recognised in Equity through OCI.

21.(f) Special Reserve

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Special Reserve	7,311,651	7,311,651	7,311,651	7,311,651
Total	7,311,651	7,311,651	7,311,651	7,311,651

The special reserve represents the value (net book value) of net assets transferred to the company from Ceylinco Holdings PLC (formerly Known as Ceylinco Holding PLC) on 1 June 2015 as a result of the regulatory segregation of composite insurance companies.

21.(g) Restricted Regulatory Reserve

The composition of the assets, held to support the Restricted Regulatory Reserves (One-off Surplus for other than participating business) as at 31 December 2025 are disclosed below at their market values:

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Restricted Regulatory Reserve	3,456,184	3,456,184	3,456,184	3,456,184
Total	3,456,184	3,456,184	3,456,184	3,456,184

Restricted Regulatory reserve was created as a result of One-Off Surplus generated due to change in valuation method from 'Net Premium Valuation' to 'Gross Premium Valuation' as specified in Direction 16, issued by IRCSL on 20th March 2018, for identification and treatment of One-Off Surplus. Complying with the same, the transfer made from policyholders' to Shareholders' fund is limited to surplus generated from other than participating business, whereas the surplus generated from the participating business will be maintained within the participating fund.

The basis for computation of one-off surplus is in line with Direction 16 issued by IRCSL titled "Directions on the Identification and Treatment of One-off Surplus" dated 20th March 2018.

The Company's One-off Surplus is equal to the minimum One-off Surplus prescribed in the recommendations in the Direction issued by the IRCSL.The basis is same for both participating business and other than participating business.

The One-Off Surpluses in amounts, created for participating business and other than participating business are as follows:

Line item	One-off Surplus Rs.000
Participating Business	2,736,685
Other than Participating Business	3,456,184
Tabarru Reserve	1,920
Total	6,194,789

Distribution of One-Off Surplus to Shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from IRCSL. The One-Off Surplus in the Shareholders' Fund will remain invested in assets in below note as per directions of IRCSL.

One-off surplus of participating business amounting to Rs. 2,736,685,339/-will be held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholders by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No.43 of 2000".

The composition of the assets, held to support the Restricted Regulatory Reserves (One-off Surplus for other than participating business) as at 31 December 2025 are disclosed below at their market values:

	2025		2024	
	Market Value	Market Value	Market Value	Market Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets				
Government Debt Securities		631,726		842,568
Deposits with licensed commercial banks				
People's Bank	2,828,096	2,828,096	2,625,596	2,625,596
Total		3,459,822		3,468,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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'.

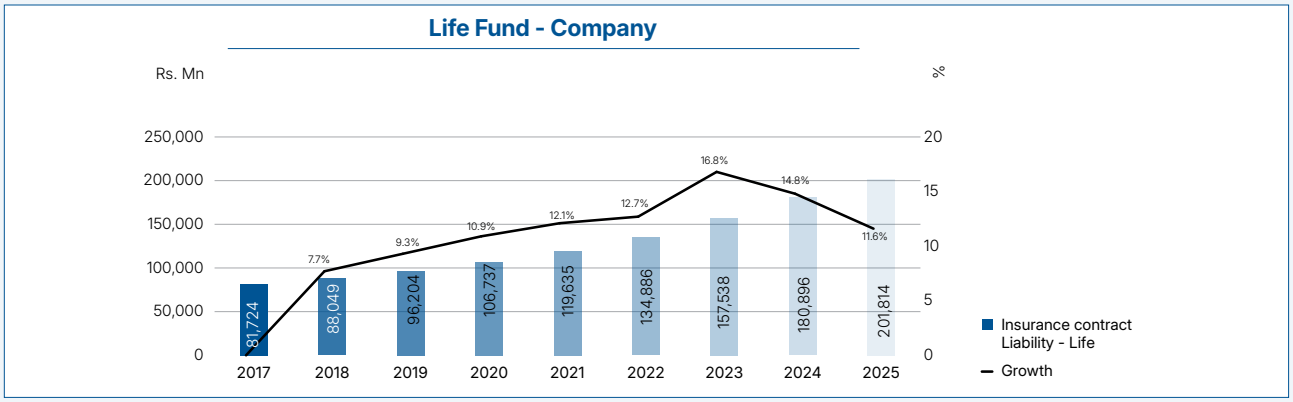
Derecognition

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Insurance Contract Liability - Life	201,816,844	180,898,094	201,814,463	180,895,714
Insurance Contract Liability - Unit Linked	637,578	200,674	637,578	200,674
Insurance Contract Liability - Takaful	22,611	19,441	22,611	19,441
Individual Investment Fund (ISF)	426,332	427,762	426,332	427,762
Total Insurance Contract Liabilities	202,903,365	181,545,970	202,900,985	181,543,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Following the actuarial valuation as at 31 December 2025 the Consulting Actuary has approved a transfer of Rs. 3.5 Bn (2024 - Rs.3.0 Bn) from the Life Fund to the Shareholder's Retained Profit Account.

The Company's Capital Adequacy Ratio (CAR) as at 31 December 2025 is 432% (2024 is 448%) 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.

Company	Insurance Contract Liabilities with DPF	Insurance Contract Liabilities without DPF	Total Gross Insurance Contract Liabilities
	Rs.'000	Rs.'000	Rs.'000
As at 1 January 2025	79,248,914	101,646,800	180,895,714
Gross Premium Income	4,647,492	39,535,259	44,182,751
Premiums ceded to reinsurers	(12,232)	(657,135)	(669,367)
Liabilities paid for death, maturities, surrenders, benefits and claims	(7,813,154)	(23,323,647)	(31,136,801)
Investment return	8,505,026	13,257,239	21,762,265
Reinsurance commission income	5,991	(56,254)	(50,263)
Other operating and Admin Expenses Including Income Tax	(2,237,110)	(4,904,789)	(7,141,899)
Underwriting and net Acquisition Cost	(318,772)	(2,508,283)	(2,827,055)
Net Transfer to Shareholder	(250,283)	(3,250,000)	(3,500,283)
Increase in Pension Saver Fund	-	8,032,619	8,032,619
Revaluation Reserve and AFS Reserve Transferred to Life Fund	870,356	(8,603,574)	(7,733,218)
As at 31 December 2025	82,650,507	119,163,956	201,814,463

Company	Insurance Contract Liabilities with DPF	Insurance Contract Liabilities without DPF	Total Gross Insurance Contract Liabilities
	Rs.'000	Rs.'000	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
Premiums 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

22.(c) Actual claims compared with previous estimates

The following table shows the comparison between expected and actual customer benefit expenses reported for the year 2025.

Company	Expectation	Actuals
	Rs. '000	Rs. '000
Death, Maturities, Surrenders, Benefits and Claims Expenses	30,977	31,374
Total	30,977	31,374

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 - Carrying Value

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Bank of Ceylon PLC	3,401,710	-	3,401,710	-
Total	3,401,710	-	3,401,710	-

As at 31 December 2025, the company's intrest-bearing borrowings included a short-term loan obtained from a commercial bank under a clean facility. No assets were pledged as secutity for the said loan.

23.(a).1 Interest Bearing Borrowings - Face value

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Bank of Ceylon PLC	3,400,000	-	3,400,000	-
Total	3,400,000	-	3,400,000	-

23.(a).2 Interest Bearing Borrowings - Movement

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1st January	-	4,053,574	-	4,053,574
Addition During the Year	3,400,000	-	3,400,000	-
Amortization for the Year	1,710	7,159	1,710	7,159
Settlement During the Year	-	(4,060,733)	-	(4,060,733)
As at 31 December	3,401,710	-	3,401,710	-

23.(a).3 Interest Bearing Borrowings - Maturity

All interest bearing borrowings are payable within one year.

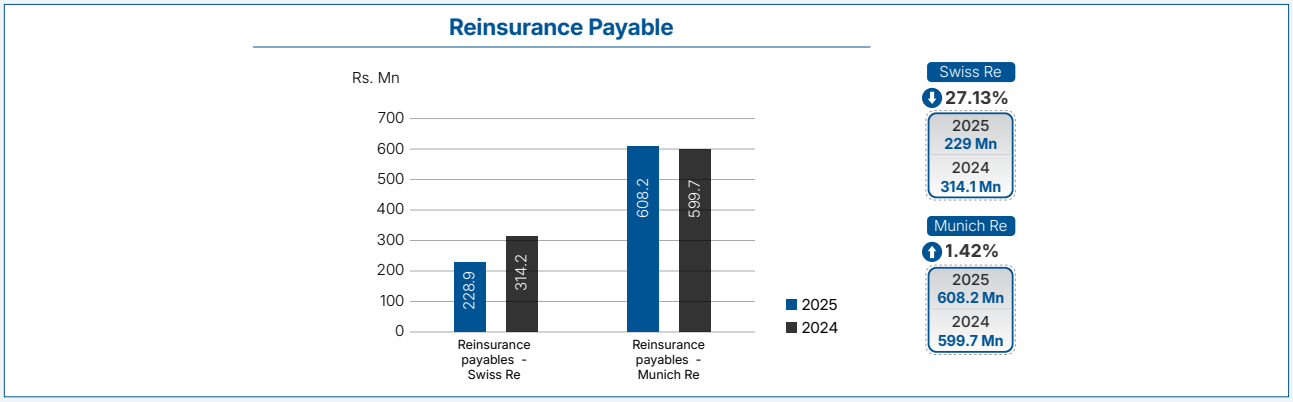
24. REINSURANCE PAYABLES

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 an another party.

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reinsurance payables - Swiss Re	228,930	314,182	228,930	314,182
Reinsurance payables - Munich Re	608,187	599,698	608,187	599,698
Total	837,118	913,880	837,118	913,880

The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.(a) The age analysis of the reinsurance Payables

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Up to 180 Days	576,884	216,392	576,884	216,392
181 - 365 Days	235,800	255,044	235,800	255,044
More than 365 Days	24,434	442,444	24,434	442,444
Total	837,118	913,880	837,118	913,880

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	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Policyholders payment in advance			1,245,682	1,306,640	1,245,682	1,306,640
Agency commission payable			558,718	457,307	558,718	457,307
Tax Payable	502	25.(b).I	1,653,736	1,394,135	1,602,927	1,386,643
Trade Creditors & Accrued Expenses			1,850,256	1,892,126	1,449,098	1,583,821
Unclaimed Death Claim Payable			171,980	164,770	171,980	164,770
Unclaimed Other Benefits Payable			1,267,430	1,071,071	1,267,430	1,071,071
Total			6,747,802	6,286,049	6,295,836	5,970,252

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

25.(b).1 Tax Payable

As at 31 December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income Tax Payable	503	25.(b).1.(a)	1,595,473	1,359,713	1,544,664	1,352,221
Other Taxes and Levies			58,263	34,422	58,263	34,422
Total			1,653,736	1,394,135	1,602,927	1,386,643

25. (b).1.(a). Movement of Income Tax Payable

As at 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	1,359,713	1,151,979	1,352,221	1,137,795
Estimated tax charge in respect of the current year	3,250,760	2,931,810	3,190,391	2,913,884
Notional Tax / WHT Recovered	(1,469,548)	(845,284)	(1,468,352)	(842,663)
Payments made on-account during the year	(1,558,984)	(1,820,912)	(1,529,636)	(1,798,915)
Reversal of income tax over provision	13,532	(57,880)	40	(57,880)
As 31 December	1,595,473	1,359,713	1,544,664	1,352,221

25.(c) Maturity Analysis

All amounts are payable within one year.

References to the maturity analysis is given in Note 41(j) on page 527

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	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance Premium	503	26.(b)	44,181,612	37,139,573	44,182,751	37,140,416
Gross Written Premiums			44,181,612	37,139,573	44,182,751	37,140,416

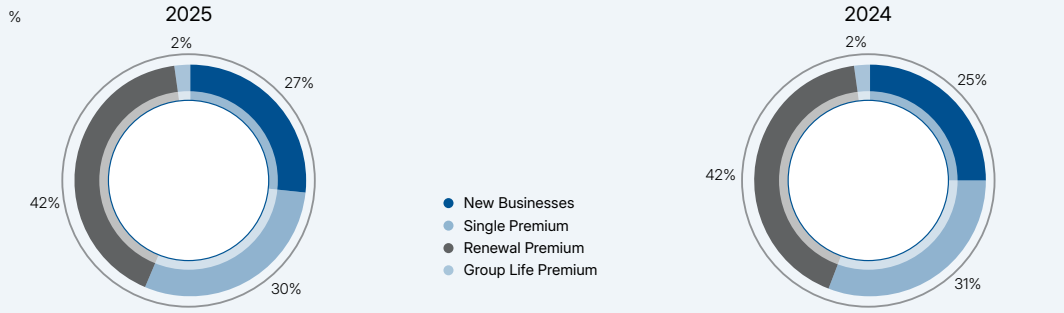
All product sold during the reporting period by the Company are insurance contracts and therefore, classified as Insurance Contracts as per SLFRS 4. The Company has not sold pure investment contracts for the Reporting Period.

26.(b) Life Insurance Premium

For the Year Ended 31 December

For the Year Ended 31 December	Group		Company		
	2025	2024	2025	2024	Change
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
New Businesses	11,745,381	9,314,077	11,745,381	9,314,077	26.1
Single Premium	13,162,232	11,674,194	13,162,232	11,674,194	12.75
Renewal Premium	18,609,662	15,517,693	18,610,801	15,518,536	19.93
Group Life Premium	664,337	633,608	664,337	633,608	4.85
Total	44,181,612	37,139,573	44,182,751	37,140,416	18.96

Life Insurance Premium - Company



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 an accrual basis.

For the Year Ended 31 December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance	504	26.(d)	669,367	549,963	669,367	549,963
Premiums ceded to Reinsurers			669,367	549,963	669,367	549,963

26.(d) Premiums Ceded to Reinsurers

For the Year Ended 31 December

For the Year Ended 31 December	Group		Company		
	2025	2024	2025	2024	Change
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Reinsurance Receivable - Swiss Re	208,011	343,539	208,011	343,539	-39.45
Reinsurance Receivable - Munich Re	461,356	206,424	461,356	206,424	123.5
Total	669,367	549,963	669,367	549,963	21.71

26.(e) Annualised New Business Life Premium - Rs.

For the Year Ended 31 December	2025	2024
	Rs.'000	Rs.'000
26. (e) Annualised New Business Life Premium	13,234,752	12,064,412

26.(f) Revenue From Subsidiaries

For the Year Ended 31 December	2025	2024
	Rs.'000	Rs.'000
Ceylinco Healthcare Services Limited		
Revenue from Treatments	405,698	346,144
Medical Tests	24,360	20,150
Registration Fees	584	535
Refunds (Packages and Test) and Discounts	(30)	(205)
	430,612	366,624
Serene Resorts		
Resident Income	96,195	86,566
Group Adjustments	(4,523)	(9,061)
Total Revenue from Subsidiaries	522,284	444,129

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reinsurance commission income	(50,263)	118,935	(50,263)	118,935
Other fees	130,628	113,366	130,628	113,366
Total Fees and Commission Income	80,365	232,301	80,365	232,301

28. INVESTMENT INCOME

Accounting Policy

Finance Income

Finance income comprises interest income on funds 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.

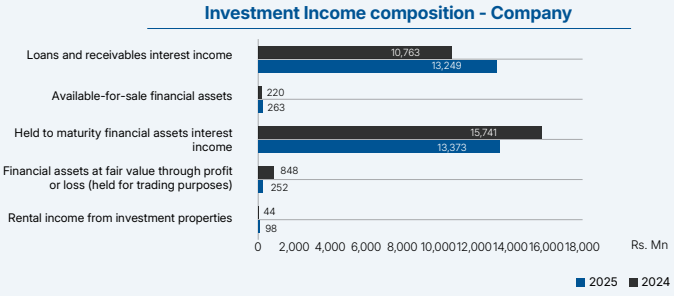
28.(a). Investment Income

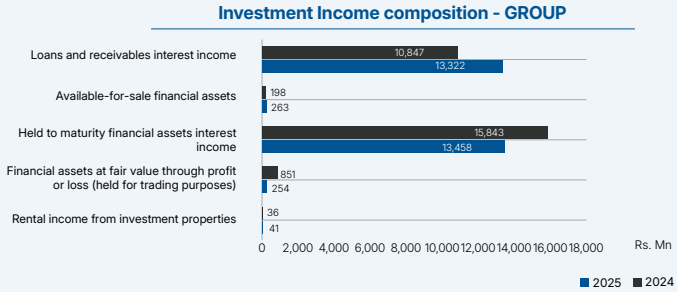
For the Year Ended 31st December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rental income from investment properties	458	9.h	41,397	35,608	97,861	43,728
Financial assets at fair value through profit or loss (held for trading purposes)						
Interest income			253,545	851,172	251,849	848,188
Held to maturity financial assets interest income			13,458,080	15,843,093	13,372,757	15,740,896
Available-for-sale financial assets						
Interest income			244,800	184,862	244,800	184,862
Dividend income			17,787	12,684	17,731	35,207
Loans and receivables interest income			13,007,871	10,718,823	12,938,100	10,634,193
Interest Income from Staff Loan			18,330	53,902	18,330	53,902
Other Invetstment Income			295,570	74,647	292,366	74,593
Investment income Excluding Dividend Income of Associate			27,337,380	27,774,793	27,233,795	27,615,570

28 (b) Dividend Income from Associate

For the Year Ended 31st December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend Income	-	-	274,157	127,964
Total Investment Income	27,337,380	27,774,793	27,507,952	27,743,534

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 investement 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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, Plant and equipment				
Realised gains	41,878	15,604	41,878	15,604
Right to used Assets				
Realised gains	6,197	-	6,197	-
Total realised gains non financial assets	48,075	15,604	48,075	15,604
Available-for-sale financial assets				
Realised gains from Debt securities	183,174	176,344	183,174	176,344
Total realised gains for available-for-sale financial assets	183,174	176,344	183,174	176,344
Total Realised Gains	231,249	191,948	231,249	191,948

30. FAIR VALUE GAINS AND LOSSES

Accounting Policy

Fair value gains and losses recorded in the Income Statement 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	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value gains on investment properties	455	9	294,867	67,517	384,667	90,617
Fair value gains on financial assets at fair value through profit or loss (held for trading purposes)	506	30	42,559	125,681	32,512	116,725
Total fair value gains and losses			337,426	193,198	417,179	207,342

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	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
31.(a) Gross benefits and claims paid	507	31.a	31,374,861	25,298,611	31,374,861	25,298,611
31.(b) Claims ceded to reinsurers	507	31.a	(299,899)	(249,992)	(299,899)	(249,992)
31.(c) Gross change in contract liabilities			20,681,104	23,051,748	20,681,104	23,051,748
Net benefits and claims			51,756,066	48,100,367	51,756,066	48,100,367

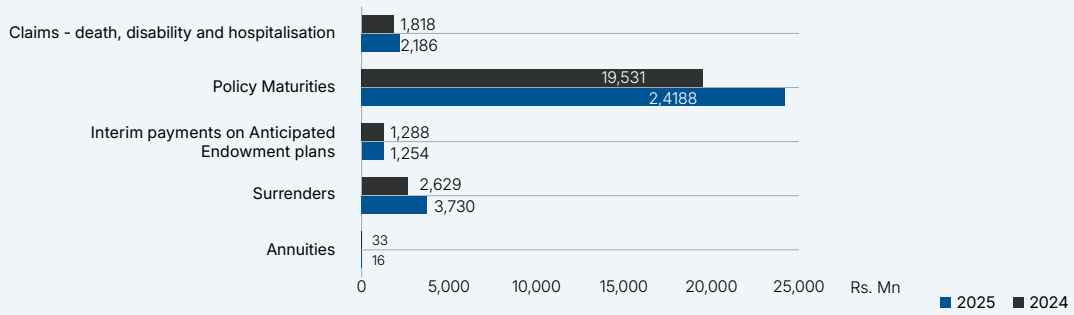
According to Direction No 16 - Identification and Treatment of One-off Surplus, issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), life insurance companies were directed to transfer the One-off Surplus attributable to other than participating business to the Shareholders' Fund as at the financial year ending 31st December 2017. This transfer has been presented in the Statement of Comprehensive Income as "Change in contract liabilities due to transfer of One-off surplus", which amounts to Rs. 3,456,184,283. As a result of this, the profit for the year increased by the amount of the One-off Surplus and it is accumulated in "Restricted Regulatory Reserve", presented in the Statement of Financial Position.

The Company has presented its financial highlights and financial ratios both with and without the impact of the One-off Surplus Transfer, wherever applicable, in order to provide a clearer understanding to the users of the financial statements.

31.(a) Gross claims and benefits (Excluding Life fund increase)

For the Year Ended 31st December	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Claims - death, disability and hospitalisation	2,185,763	1,818,332	2,185,763	1,818,332
Policy Maturities	24,188,429	19,531,226	24,188,429	19,531,226
Interim payments on Anticipated Endowment plans	1,254,254	1,287,694	1,254,254	1,287,694
Surrenders	3,730,371	2,628,633	3,730,371	2,628,633
Annuities	16,044	32,726	16,044	32,726
Gross Claims and Benefits	31,374,861	25,298,611	31,374,861	25,298,611
Claims Ceded to Reinsurers	(299,899)	(249,992)	(299,899)	(249,992)
Net Claims and Benefits	31,074,962	25,048,619	31,074,962	25,048,619

Investment Income Composition - Group



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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fees and commission expenses	2,868,468	2,478,258	2,868,468	2,478,258
Total	2,868,468	2,478,258	2,868,468	2,478,258

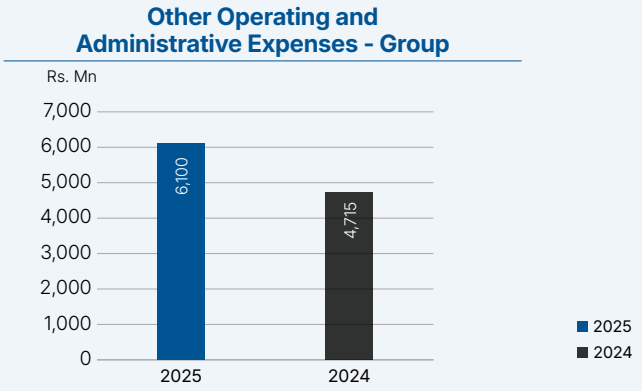
33. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

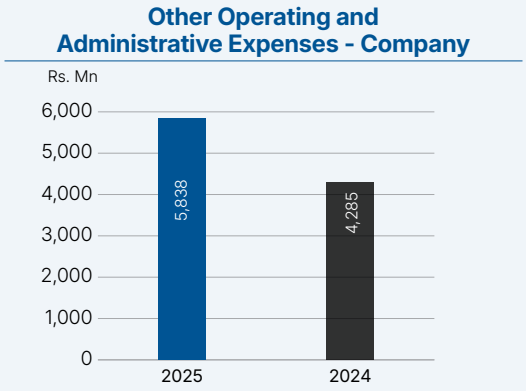
Accounting Policy

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	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amortisation of intangible assets	437	6	85,426	151,012	84,597	150,866
Depreciation on property and equipment	441	7	352,826	346,440	278,730	267,459
Depreciation on Right-to use Assets	453	8	76,442	66,479	71,804	66,479
Other Operating Expenses			1,985,538	1,662,533	1,924,275	1,398,952
Auditors' remuneration	509	33 (b)	23,882	20,699	23,152	19,963
Employee benefits expense	509	33 (a)	2,008,307	1,276,645	1,903,047	1,197,871
Selling expenses			1,496,350	1,147,419	1,480,895	1,139,384
Legal Expenses			72,223	44,166	72,201	44,156
Total other operating and administrative expenses			6,100,994	4,715,394	5,838,700	4,285,131





33.(a) Employee Benefits Expense

For the Year Ended 31. December	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Wages and salaries including bonus & incentives		2,513,214	2,274,619	2,422,757	2,208,369
Employees' Provident Fund 12%		164,243	148,232	157,696	142,395
Employees' Trust Fund 3%		41,061	37,166	39,424	35,599
Defined gratuity benefit & Pension costs		(994,473)	(1,764,028)	(999,242)	(1,768,187)
Other staff related cost		284,262	580,656	282,411	579,695
Total employee benefits Expenses		2,008,307	1,276,645	1,903,047	1,197,871

Employee Benefits Expenses - Group



Employee Benefits Expenses - Company



33.(b) Auditor's Fee and Expenses

For the Year Ended 31 December	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Statutory Audit	13,000	10,397	13,000	10,397
Statutory Audit of Subsidiary	730	736	-	-
Audit related Services	937	3,183	937	3,183
Non Audit Services	9,215	6,383	9,215	6,383
Total	23,882	20,699	23,152	19,963

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.3,233,000/- (2024 - Rs.3,367,870/-) The operating expenses incurred in respect of investment property which earns rental income is none for year 2025. (2024 - Rs.307,511/-)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest expense	92,727	83,264	90,701	82,853
Total Finance Cost	92,727	83,264	90,701	82,853

35. INCOME TAX EXPENSE

Accounting Policy

Income tax expense comprises current and deferred tax. Refer Accounting Policy under Taxation Note 16 in Page 485.

The major components of income tax expense for the years ended 31 December 2025 and 2024 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) Tax Charge Recorded in Income Statement

For the Year Ended 31 December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax						
Estimated tax charge in respect of the current	511	35.(c)	3,250,760	2,931,810	3,190,391	2,913,884
(Over)/ under provision in respect of previous year			13,532	(57,880)	40	(57,880)
Total current tax			3,264,292	2,873,931	3,190,431	2,856,004
Deferred tax						
Origination of temporary differences	498	16 (c)	393,491	197,156	175,403	124,590
Total Tax charge to income statement			3,657,783	3,071,087	3,365,834	2,980,594

35.(b) Tax Charge Recorded in Other Comprehensive Income

For the Year Ended 31 December	Page	Note	Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax	513	39	101,712	34,777	71,046	24,923
Total tax charge to other comprehensive income			101,712	34,777	71,046	24,923

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		2025 Rs.'000		2024 Rs.'000
Investment Income from the business		6,615,252		6,243,747
Less - Exempted Interest Income		(523,784)		(340,003)
Add - Taxable Gain		5,897		2,737
Less - Management Expenses		(295,307)		(379,271)
Shareholders' taxable income		5,802,058		5,527,210
Income tax on shareholders'taxable income	@30%	**1,740,617**	@ 30%	**1,658,163**
Bonuses distributed/declared to policyholders		1,332,298		1,178,736
Income tax on Bonus distributed/declared to policyholders	@30%	**399,689**	@ 30%	**353,621**
Surplus distributed to Shareholders		3,500,283		3,006,999
Income tax on Surplus distributed shareholders	@30%	**1,050,085**	@ 30%	**902,100**
Estimated tax charge in respect of the current year		**3,190,391**		**2,913,884**
Dividend Tax		300,065		135,322
Income tax on Dividend	@15%	45,010	@ 15%	20,298

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	2025	2024	Effective ownership by NCI %
Ceylinco Healthcare (Pvt) Ltd	6,328	5,777	0.40%
Srerene Resort Ltd	4,624	4,265	1.12%
Total	10,952	10,042	

36.(b) Profit Allocated to Non-Controlling Interest

Name of the Company	2025	2024
Ceylinco Healthcare (Pvt) Ltd	551	34
Srerene Resort Ltd	359	512
Total	910	546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the year (Rs.'000)	8,815,043	8,002,280	7,847,198	7,071,487
Weighted Average Number of Ordinary Shares ('000)	50,000	50,000	50,000	50,000
Basic Earnings per Ordinary Share (Rs.)	176.30	160.05	156.94	141.43

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	
	2025	2024
	Rs.'000	Rs.'000
Final Dividend - Proposed	980,001	885,001
Total Dividend Proposed	980,001	885,001
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Proposed (Rs.)	19.6	17.7

The Board of Directors has proposed a final dividend of Rs.19.60 (2024 Rs. 17.70 /-) per share, amounting to a total of Rs. 980 million (2024 - Rs. 885 million) on 25 February 2025 out of the profit for the year ended 31 December 2025 subject to the approval of shareholder at the Annual General Meeting. IRCSL requires insurance companies to consider some critical aspects such as financial results, impact of contingent liabilities, impact of potential risks, additional capital requirements, etc. when declaring dividends. The IRCSL also requires the Board of Directors to submit signed confirmations to the IRCSL that it considered all such aspects prior to declaring the dividend to shareholder.

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the company has confirmed that the company satisfies the 'Solvency Test'. A statement of solvency was duly signed by the directors on 25 February 2026 and has been audited by Messrs, Ernst & Young Chartered Accountants. In accordance with LKAS 10- " Events after the reporting period", the proposed dividend has not been recognized as a liability in the financial statements.

38.(b) Dividends Paid

For the Year Ended 31 December	Company	
	2025	2024
	Rs.'000	Rs.'000
Final Dividend - Paid	885,001	750,001
Total Dividend Paid	885,001	750,001
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Paid (Rs)	17.7	15

The company has paid a final dividend of Rs. 17.70 per share, amounting to Rs. 885Mn on 16th May 2025. 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 2024. A statement of solvency was completed and duly signed by the directors on 20 February 2025, and has been audited by Messrs, Ernst & Young Chartered Accountants.

39. INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

Group	2025			2024		
	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	41,740	-	41,740	77,637	(275)	77,362
Actuarial gain on defined benefit plans	(682,395)	(308)	(682,703)	(592,453)	436	(592,017)
Share of other comprehensive income of equity accounted investees	225,263	-	225,263	90,351	-	90,351
Revaluation surplus/(Deficit) during the year	1,350,878	(101,404)	1,249,474	606,906	(34,938)	571,967
Total	935,485	(101,712)	833,774	182,441	(34,777)	147,663

Company	2025			2024		
	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	41,740	-	41,740	77,637	(275)	77,362
Actuarial gain on defined benefit plans	(682,655)	-	(682,655)	(591,685)	-	(591,685)
Revaluation surplus/(Deficit) during the year	1,249,686	(71,046)	1,178,639	572,604	(24,648)	547,956
Total	608,771	(71,046)	537,724	58,556	(24,923)	33,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Company maintains capital, investments and solvency as per the regulations prescribed by Insurance Regulatory Commission of Sri Lanka (IRCSL). New changes in regulations are timely adopted and necessary changes are made to internal processes.

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	2025	2024
	Rs.'000	Rs.'000
Total equity as per the Statement of Financial Position	67,860,172	60,745,459
Adjustments to the capital under the RBC Framework	42,584,429	40,117,152
Available capital resources under the RBC Framework	110,444,601	100,862,611

The adjustments onto a regulatory basis Includes the followings:.

1. Adjustment for valuation differences of Assets and Liabilities between SLFRS and RBC frameworks.
2. Unallocated valuation surplus maintained in the insurance funds.
3. 50% of net future bonuses in respect of participating business
4. Value of Inadmissible Assets considered as a deduction from capital under RBC framework.

40.(d) Regulatory framework

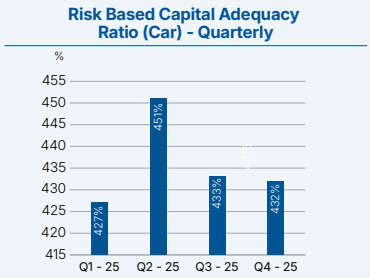
Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group manages its business affairs in a manner that benefits the policyholders. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate Capital Adequacy position to meet unforeseen liabilities arising from economic shocks or natural disasters. The Company is regulated by Insurance Regulatory Commission of Sri Lanka (IRCSL) with the objective of protecting shareholders and policyholders.

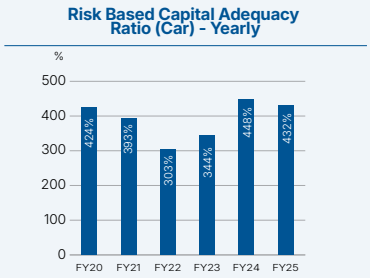
There are various regulations and directives the company is expected to adhere to in order to achieve the expected norms, which leads the company to maintain required solvency and maintain sufficient capital. The new Risk Based Capital framework or RBC is focused on managing the risks rather than complying with solvency margin rules. The RBC framework was tested and refined since 2011 and full implementation started from January 2016. RBC reporting to the regulator consists of templates and questionnaires developed over the past years. RBC is a flexible framework for maintenance of minimum capital requirements based on riskiness of respective insurance company. It consist of risk factors insurance companies are exposed to such as Credit Risk, Concentration Risk, Market Risk, Operational Risk and Liability Risk. It also includes quantified capital charges for those risk factors and valuation methodology for assets and liabilities of insurance companies. The implementation of RBC was intended to increase transparency and establish appropriate risk management systems. It was expected to create a more stable industry with greater public confidence. This framework helps to develop a culture of risk awareness in the industry while encouraging efficient use of capital to improve returns based on the risk exposure. This will be advantageous to the companies with good risk management practices. Operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise. The Company maintains capital, investments and solvency as per the regulations prescribed by Insurance Regulatory Commission of Sri Lanka (IRCSL). New changes in regulations are timely adopted and necessary changes are made to internal processes.

The Company operates according to the requirements set by the Regulator - IRCSL. The Capital Adequacy Ratio of the Company is as follows:

		31st December 2025	31st December 2024
Total Available Capital (TAC)	Rs. Mn	110,445	100,862
Risk Based Capital Requirement (RCR)	Rs. Mn	25,543	22,494
Risk Based Capital Adequacy Ratio (CAR)	%	432%	448%
Regulatory Minimum CAR	%	120%	120%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS





40.(e) Asset Liability Management (ALM) Framework

ALM framework is used to manage the risks arising due to gaps in 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 insights from Operational Investment Committee (OIC), identifies the nature of liabilities arising from the product portfolio and evaluates investment options that are best suited 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 and challenges, in order to achieve risk-adjusted sustainable investment returns in excess of its liabilities, 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 91 to 103.

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 2025.

Reinsurer	Country of Origin	Ratings	Rating Agency
Munich-Re	Germany	AA-	Fitch Rating
Swiss-Re	Switzerland	A+	Fitch Rating

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	Group			Company		
		2025	2024		2025	2024
	Ratings	Rs.'000	Rs.'000	Ratings	Rs.'000	Rs.'000
Reinsurance Receivable - Swiss Re	A+	88,036	235,456	A+	88,036	235,456
Reinsurance Receivable - Munich Re	AA-	341,717	310,179	AA-	341,717	310,179
Total Reinsurance Receivables		429,754	545,635		429,754	545,635

41.(a).2 Life Insurance Contracts

Life insurance contracts offered by the Company include: whole life, term assurance, endowment plans, retirement plans, critical illness benefit, disability insurance, daily hospital cash, and major surgery benefit.

The main risks that the Company is exposed to are as follows:

Mortality risk – risk of loss arising due to policyholder death experience being different than expected

Morbidity risk – risk of loss arising due to policyholder health experience being different than expected

Investment return risk – risk of loss arising from actual returns being different than expected

Expense risk – risk of loss arising from expense experience being different than expected

Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

The Company's underwriting strategy is designed to ensure that risks are properly assessed and correct premium is charged.

The use of scientifically designed proposal forms and medical screening ensures that appropriate data related to the risks to be covered are collected to arrive at a premium which takes into account current health conditions and additional risks of the life to be insured.

The strategy also addresses regular review of actual claim experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

For contracts in which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

Key Assumptions

The company exercises to significant judgment in determining the policy liabilities and in selecting assumptions. The key assumptions for which the liability value can be sensitive are mortality, morbidity, expenses, discount rates, lapse and surrender rates. The choice of assumptions depends on the past and current experience of the Company and other available information. Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Company's historical experience. Discount rates are based on current industry risk free rates. All these assumptions are within the guidelines issued by the IRCSL.

Mortality rate

Mortality assumptions are based on standard mortality tables.

Lapse rates

Lapses occur due to non-payment of premiums before the policy acquires a surrender value. Surrenders occur due to termination of policies by policyholders after acquiring a surrender value.

Risk Free Rate

Risk free discount rate is used to discount the cash flows for corresponding durations for guaranteed benefits of non-participating and participating insurance fund policies. The applicable risk free rates are shared by the IRCSL every quarter.

Fund-based yield

Fund-based yield is used in the participating fund to discount the cash flows for corresponding durations where total benefits are considered.

Management Expenses

The assumptions for management expenses are determined based on the investigation into the expenses of the Company over the last four calendar years. Each expense is classified as acquisition/maintenance/termination and then classified as fixed/variable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41.(a)3. Sensitivity of the Value of Insurance Liabilities for Changes in Assumptions

Sensitivity of the Value of Insurance Liabilities as at 31/12/2025	Changes in Assumptions	Impact on the Net Best Estimate Liabilities
Expenses	+10%	0.90%
Expenses	(10%)	(0.90%)
Mortality	+10%	0.21%
Mortality	(10%)	(0.21%)
Morbidity	+20%	0.25%
Morbidity	(20%)	(0.27%)
Withdrawal Rate	+20%	(0.53%)
Withdrawal Rate	(20%)	0.64%

41.(b) Credit Risk

Credit risk (in a financial context) is the risk that an issuer or counterparty failing to meet its contractual obligations, due to various reasons such as (but not limited to) its declining financial strength.

The sub-categories of credit risk include;

i. **Default risk:** the risk that the issuer failing to make timely interest and/or principal payments.

ii. **Downgrade risk:** the risk that the credit rating of the issuer/debt instrument will be downgraded.

iii. **Credit spread risk:** the risk that credit spreads will widen.

To minimize credit risk, financial investments (such as term deposits, debentures, etc.) are placed, investment transactions (such as Government Security 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 and guidelines, 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, reported to OIC on a regular 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 91 to 93.

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 31st December	Page	Notes	Group 2025 Rs.'000	%	Group 2024 Rs.'000	%	Company 2025 Rs.'000	%	Company 2024 Rs.'000	%
Financial instruments										
Held-to-maturity financial assets	466	12(a)								
Government Securities			101,114,546	40.23	119,588,942	54.27	100,471,342	40.32	118,633,989	54.29
Corporate Debts			517,094	0.21	517,165	0.23	517,094	0.21	517,165	0.24
Loans and receivables	467	12(b)								
Repo Investments			12,856,155	5.12	7,523,175	3.41	12,422,542	4.99	7,522,760	3.44
Corporate Debts			26,923,814	10.71	19,090,991	8.66	26,923,814	10.8	19,090,991	8.74
Term Deposits			99,682,821	39.67	67,196,676	30.5	98,863,861	39.67	66,439,627	30.4
Other			437,474	0.17	594,967	0.27	437,474	0.18	594,967	0.27
Available-for-sale financial assets	469	12(c)								
Equity securities			503,607	0.20	262,637	0.12	503,607	0.20	262,637	0.12
Debt securities			4,118,275	1.64	536,251	0.24	4,118,275	1.65	536,251	0.25
Unit Trust Investment			218,205	0.09	96,662	0.04	-	-	-	-
Financial assets at fair value through profit or loss	471	12(d)								
Equity securities			2,057	-	1,545	-	2,057	-	1,545	-
Debt securities			-	-	814	-	-	-	814	-
Reinsurance assets	484	15	429,754	0.17	545,635	0.25	429,754	0.17	545,635	0.25
Loans to Policyholders	490	17	2,669,765	1.05	3,008,273	1.37	2,669,765	1.05	3,008,273	1.38
Premium Receivables	491	18	449,783	0.18	423,419	0.19	449,783	0.18	423,419	0.19
Cash and Balances with Banks	492	20	4,056,743	1.61	954,750	0.43	4,047,185	1.62	948,618	0.43
Total credit risk exposure			253,980,092	100	220,341,902	100	251,856,552	100	218,526,691	100

Investments in Government securities consist of Treasury Bonds, Treasury Bills and Repo investments. Treasury Bills and Treasury Bonds are considered to be risk free instruments , which are fully backed by the Government of Sri Lanka.

41. (b).2. Industry analysis - Company

31 December 2025	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	466	12.(a)						
Debt securities			517,094	100,471,342	-	-	-	100,988,436
			517,094	100,471,342	-	-	-	100,988,436
Loans and Receivables	467	12(b)						
Term Deposits			98,863,861	-	-	-	-	98,863,861
Repo Investments			12,422,542	-	-	-	-	12,422,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025	Page	Note	Financial Services	Government	Services	Manufacturing and Power	Others	Total
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Unquoted Debentures			445,082	-	1,556,584	-	-	2,001,667
Debentures - Quoted			24,922,147	-	-	-	-	24,922,147
Deffered Staff Benefit			-	-	-	-	1,143	1,143
Staff and vehicle Loans (Hire Purchase)			-	-	-	-	436,331	436,331
			136,653,633	-	1,556,584	-	437,474	138,647,690
Available-for-Sale Financial Assets	469	12.(c)						
Equity securities			370,472	-	133,135	-	-	503,607
Debt securities			-	4,118,275	-	-	-	4,118,275
			370,472	4,118,275	133,135	-	-	4,621,881
Financial Assets at Fair Value through Profit or Loss	471	12.(d)						
Equity securities			493	-	863	701	-	2,057
Debt securities			-	-	-	-	-	-
			493	-	863	701	-	2,057
Total credit risk exposure			137,541,692	104,589,617	1,690,582	701	437,474	244,260,063

31 December 2024	Page	Note	Financial Services	Government	Services	Manufacturing and Power	Others	Total
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held-to-Maturity Financial Assets	466	12.(a)	-	-	-	-	-	-
Debt securities			517,165	118,633,989	-	-	-	119,151,154
Loans and Receivables	467	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
Quoted Debentures			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	469	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	471	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

41.(b).3. Credit Ratings of Financial Instruments - Company

The below table indicates the rating of investments as at 31st December 2025 & 2024

As at 31st December 2025	Page	Note	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Unrated	Total
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial instruments																		-
Held-to-Maturity Financial Assets																		-
Debt securities	466	12.(a)	100,471,342	-	-	-	-	517,094	-		-							100,988,436
Loans and Receivables	467	12.(b)	24,949,093	-	-	78,965,453	3,322,240	24,792,423	1,695,287	2,400,126	529,012	-	-				1,994,058	138,647,691
Available-for-Sale Financial Assets																		-
Equity securities	469	12.(c)				216,992		153,480			-						133,135	503,607
Debt securities	469	12.(c)	4,118,275	-	-	-	-	-										4,118,275
Financial Assets at Fair Value through Profit or Loss																		-
Equity securities	471	12.(d)	520	-				115	378		-						1,044	2,057
Debt securities	471	12.(d)	-															-
Total			129,539,229	-	-	79,182,445	3,322,240	25,463,112	1,695,665	2,400,126	529,012	-	-	-	-	-	2,128,237	244,260,065

As at 31st December 2024	Page	Note	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Unrated	Total
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial instruments																		
Held-to-Maturity Financial Assets																		
Debt securities	466	12.(a)	118,633,989	-	-	-	-	-	-	517,165	-							119,151,153
Loans and Receivables	467	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	469	12.(c)						-			-						262,637	262,637
Debt securities	469	12.(c)	536,251	-	-	-	-	-									-	536,251
Financial Assets at Fair Value																		-
through Profit or Loss																		-
Equity securities	471	12.(d)	41	-		199	299				-						1,006	1,545
Debt securities	471	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. (b).4. Corporate Debt Securities by Credit Ratings

The following table shows the credit rating of Investment in Corporate Debt.

Held to Maturity Financial Assets - Debentures (Quoted)	Group				Company			
	2025		2024		2025		2024	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
A	517,094	100	517,165	100	517,094	100	517,165	100
	517,094	100	517,165	100	517,094	100	517,165	100

The Group/Company has invested 100.00% (2024 -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.

Loans and Receivables - Debentures (Quoted)	Group				Company			
	2025		2024		2025		2024	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
AA-	4,017,248	16.12	-	-	4,017,248	16.12	-	-
A	16.809.486	67.45	2,635,502	15.45	16.809.486	67.45	2,635,502	15.45
A-	1,695,287	6.80	12,907,061	75.67	1,695,287	6 80	12,907.061	75.67
BBB+	2,400.126	9.63	1,514,793	8.88	2.400.126	9.63	1.514.793	8.88
	24.922.147	100	17,057,356	100	24.922.147	100	17.057.356	100

The Group/Company has invested 100% (2024- 91.12%) 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 Lanka Rating Agency Limited (LRA).

Loans and Receivables - Debentures (Unquoted)	Group				Company			
	2025		2024		2025		2024	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
A	445,082	22.24	-	-	445,082	22.24	-	-
BBB	-	-	448,380	22.05	-	-	448,380	22.05
Unrated	1,556,584	77.76	1,585,254	77.95	1,556,584	77.76	1,585,254	77.95
	2,001,667	100	2,033,634	100	2,001,667	100	2,033,634	100

The Group/Company has invested 99.46% (2024 - 99.04%) 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 Lanka Rating Agency Limited (LRA).

41.(b).5. Fixed Deposits by Credit Ratings

The following table shows the credit rating of Investment in Fixed Deposits

Loans and Receivables - Fixed Deposits	Group				Company			
	2025		2024		2025		2024	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
AAA	12,905,134	12.95	13,106,401	19.5	12,526,551	12.67	13,106,401	19.73
AA-	75,132,359	75.37	-	-	74,948,204	75.81	-	-
A+	3,474,916	3.49	-	-	3,322,240	3.36	-	-
A	7,537,855	7.56	47,522,223	70.72	7,537,855	7.62	46,916,991	70.62
A-		-	5,932,925	8.83		-	5,781,108	8.7
BBB	632,558	0.63	635,127	0.95	529,012	0.54	635,127	0.96
	99,682,821	100	67,196,676	100	98,863,861	100	66,439,627	100

The Group has invested 99.37% (2024- 98.74%) 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 Lanka Rating Agency Limited (LRA).

The Company has invested 99.46% (2024- 99.04%) 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 Lanka Rating Agency Limited (LRA).

41.(c). Market Risk

Market risk is the risk that market value or future cash flows of a financial instrument may 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 may 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 impact interest rates.

ii. Currency risk: the risk that market value or future cash flows of a financial instrument may fluctuate due to changes in exchange rates.

iii. Equity price risk: the risk that market value or future cash flows of a financial instrument may 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 may 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 93 to 93.

41.(d). Currency Risk

The Company has no significant exposure to currency risk. However, lack of available foreign exchange liquidity in the banking system may have a mild impact on Company's operations as foreign supplier payments might be affected.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Given (a) unavailability of long-term financial instruments with adequate yields, (b) cyclical and volatile nature of domestic interest rates, and (c) likely 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 of 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 91 to 93.

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	2025				2024			
	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		100,988,436		100,988,436		119,151,154	-	119,151,154
Loans & Receivables		138,647,691		138,647,691		93,648,337		93,648,337
Available For Sale		4,336,480	-	4,336,480		632,913	-	632,913
Fair Value through Profit & Loss		-	-	-		814	-	814
Loans to Life Policyholders		2,669,765		2,669,765		3,008,273		3,008,273
Cash and Cash Equivalent			4,056,743	4,056,743			954,750	954,750
Total Assets		- 246,642,372	4,056,743	250,699,115		- 216,441,491	954,750	217,396,241
Financial Liabilities				-				-
Interest Bearing Borrowings	3,401,710			3,401,710	-			-
Bank Overdraft			4,609,801	4,609,801			1,356,705	1,356,705
Total Liabilities	3,401,710	-	4,609,801	8,011,511	-	-	1,356,705	1,356,705

Company

31 December	2025				2024			
	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		100,988,436		100,988,436		119,151,154		119,151,154
Loans & Receivables		138,647,691		138,647,691		93,648,345		93,648,345
Available For Sale		4,118,275	-	4,118,275		536,251	-	536,251

31 December	2025				2024			
	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
Fair Value through Profit & Loss		-	-	-		814	-	814
Loans to Life Policyholders		2,669,765		2,669,765		3,008,273		3,008,273
Cash and Cash Equivalent			4,047,185	4,047,185			948,618	948,618
Total Assets	-	246,424,167	4,047,185	250,471,351	-	216,344,838	948,618	217,293,455
Financial Liabilities								
Interest Bearing Borrowings	3,401,710			3,401,710	-			-
Bank Overdraft		-	4,594,177	4,594,177		-	1,351,226	1,351,226
Total Liabilities	3,401,710	-	4,594,177	7,995,887	-	-	1,351,226	1,351,226

The Company has no significant of concentration of Interest rate risk during the reporting period.

	Increase 1% Rs.'000	Decrease 1% Rs. '000
Sensitivity on Interest Bearing Borrowing		
Impact on the Carrying Value of Interest Bearing Borrowing	186	-186
Impact on Interest Expense	186	-186

41.(f) Equity Price Risk

The equity price risk is relatively insignificant 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 equity prices and indices.

Following table shows diversification of the equity investments of the Company as of 31 December 2025

Loans and Receivables - Fixed Deposits	Group				Company			
	2025		2024		2025		2024	
	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%	(Rs. '000)	%
Fair Value through Profit & Loss Financial Assets								
Banking, Finance and Insurance	493	10.76	367	0.14	493	10.76	367	0.14
Manufacturing, Plantations	701	15.3	520	0.20	701	15.3	520	0.20
Service	863	18.84	657	0.25	863	18.84	657	0.25
Total Fair Value through Profit & Loss Financial Assets	2,057	44.89	1,545	0.58	2,057	44.89	1,545	0.58
Available For Sale Financial Assets								
Banking, Finance and Insurance	-	-	228,846	86.62	-	-	228,846	86.62
Service	2,525	55.11	33,791	12.79	2,525	55.11	33,791	12.79
Total Available For Sale Financial Assets	2,525	55.11	262,637	99.42	2,525	55.11	262,637	99.42
Total Equity	4,582	100	264,182	100	4,582	100	264,182	100

More details on how we mitigate liquidity risk is described under risk management report on pages 91 to 93.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 91 to 93.

41.(g)1. 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 & intergration needs	SLFRS 17 requires detailed contract level data and advanced system capabilities	Invest in IT infrastructure, automate data process and ensure system compatibility
	Workforce & Expertise	Knowledge gap in new standards	Employees may lack technical expertise in SLFRRS 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	Established governance frameworks, conduct regular compliance audits and engage with regulator proactively
Strategic Risk	Business Performance	Impact on financial metrics & KPIs	Changes in profit recognition under SLFRS 17 affect business performance evaluation	Redefine KPIs align invester communications and adjust strategic goals
Financial Risk	Credit Exposure	Forward looking credit loss assements	SLFRS 9's expected credit loss (ECL) model increases provisioning and impacts earnings	Strenghten credit evaluation diversify investment exposure and implement robust risk models
	Market Volatility	Fair value adjustments & classfication	SLFRS 9's asset classification and fair value measurment create earings volatility	Regular portfolio reviews active market monitoring and effective hedge strategies

41.(h). Liquidity risk

Liquidity risk is the risk that the Company 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.

In the context of providing financial protection to policyholders through life insurance, timely settlement of financial commitments such as policyholder benefits and claims is vital. In addition, preserving the confidence of investment counterparties is also vital for investment management and operations.

Since a strain on liquidity may lead to fire sale of assets which would adversely affect the profitability and policyholder/ investor confidence, a strict zero-tolerance is enforced 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 one or more asset classes, entities (issuers), currencies or markets may create investment concentration risk.

Investment Concentration risk can be viewed in two aspects;

1. Entity-wise: the concentration risk arising due to an excessive concentration into one or more issuers.
2. Asset class-wise: the concentration risk arising due to an excessive concentration into one or more asset classes.

The company notes that due to the 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 conservative approach to maintain a suitable balance between credit vs. concentration risk.

Further, regular updates are presented to the OIC and 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.

OIC and BIC monitors the current exposure to approved counterparties individually as well as on a related group basis and ensures 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 2025	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	466	12.(a)	101,631,640	5,141,317	23,724,872	2,441,845	23,635,361	46,688,244
Loans and Receivables	467	12.(b)	139,900,264	2,411,026	16,783,726	216,042	5,221,671	115,267,800
Available-for-sale financial assets	469	12.(c)						
Equity securities			503,607	503,607	-	-	-	-
Debt securities			4,118,275	-	27,190	-	308,170	3,782,915
Financial assets at fair value through profit or loss	471	12.(d)						
Equity securities			2,057	2,057	-	-	-	-
Reinsurance Receivables	484	15	429,754	364,835	64,919		-	-
Loans to life policyholders	490	17	2,669,765	267,863	916,911	376,061	920,348	188,582
Premium receivables	491	18	449,783	449,783	-	-	-	-
Cash and Cash Equivalents	492	20	4,056,743	4,056,743	-	-	-	-
			253,761,886	13,197,230	41,517,618	3,033,948	30,085,550	165,927,541
Liabilities								
Reinsurance Payables	501	24	837,118	812,684	24,434	-	-	-
Lease Liabilities	454	8.(c)	207,204	54,164	124,876	19,900	8,264	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 2025	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and Other Payables	502	25	6,747,802	6,747,802	-	-	-	-
Interest Bearing Borrowings	500	23.(a)	3,401,710	3,401,710	-	-	-	-
Bank Overdraft	492	20	4,609,801	4,609,801	-	-	-	-
			15,803,636	15,626,162	149,310	19,900	8,264	-

Asset and Liabilities

As at December 2024	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	466	12.(a)	120,106,107	61,006,761	31,973,842	9,934,215	15,427,916	1,763,374
Loans and receivables	467	12.(b)	94,405,809	48,448,592	32,632,709	7,214,188	6,111,768	-
Available-for-sale financial assets	469	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	471	12.(d)						
Equity securities			1,545	1,545	-	-	-	-
Debt securities			814	814	-	-	-	-
Reinsurance Receivables	484	15	545,635	309,519	236,115	-	-	-
Loans to life policyholders	490	17	3,008,273	409,388	955,632	433,618	959,684	249,952
Premium receivables	491	18	423,419	423,419	-	-	-	-
Cash and Balances with Banks	492	20	954,750	954,750	-	-	-	-
			220,343,350	112,276,971	65,894,324	17,582,021	22,576,708	2,013,326
Liabilities								
Reinsurance Payables	501	24	913,880	471,436	442,444			
Lease Liabilities	454	8.(c)	221,305	57,875	128,768	19,588	15,074	-
Trade and Other Payables	502	25	6,286,049	6,286,049	-			
Bank Overdraft	492	20	1,356,705	1,356,705	-			
			8,777,946	8,172,072	571,212	19,588	15,074	-

Company

Asset and Liabilities

As at December 2025	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets								
Financial Instruments								
Held-to-Maturity Financial Assets								
Debt securities	466	12.(a)	100,988,436	4,498,113	23,724,872	2,441,845	23,635,361	46,688,244
Loans and Receivables	467	12.(b)	138,647,691	1,158,453	16,783,726	216,042	5,221,671	115,267,800
Available-for-Sale Financial Assets	469	12.(c)						
Equity securities			503,607	503,607				
Debt securities			4,118,275	-	27,190	-	308,170	3,782,915
Financial Assets at Fair Value through Profit or Loss	471	12.(d)						
Equity securities			2,057	2,057		-	-	-
Reinsurance Receivables	490	15	429,754	364,835	64,919	-	-	-
Loans to life Policyholders	484	17	2,669,765	267,863	916,911	376,061	920,348	188,582
Premium Receivables	491	18	449,783	449,783	-	-	-	-
Cash and Balances with Banks	492	20	4,047,185	4,047,185	-	-	-	-
			251,856,552	11,291,896	41,517,618	3,033,948	30,085,550	165,927,541
Liabilities								
Reinsurance Payables	501	24	837,118	812,684	24,434	-	-	-
Lease Liabilities	454	8.(c)	207,204	54,164	124,876	19,900	8,264	-
Trade and Other Payables	502	25	6,295,832	6,295,832	-	-	-	-
Interest Bearing Borrowings	500	23.(a)	3,401,710	3,401,710	-	-	-	-
Bank Overdraft	492	20	4,594,177	4,594,177	-	-	-	-
			15,336,045	15,158,571	149,310	19,900	8,264	-

As at December 2024	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets								
Financial Instruments								
Held-to-Maturity Financial Assets								
Debt securities	466	12.(a)	119,151,153	60,051,807	31,973,842	9,934,215	15,427,916	1,763,374
Loans and receivables	467	12.(b)	93,648,345	47,689,680	32,632,709	7,214,188	6,111,768	-
Available-for-Sale Financial Assets	469	12.(c)						
Equity securities			262,637	262,637				
Debt securities			536,251	362,884	96,026	-	77,340	-
Financial Assets at Fair Value through Profit or Loss	471	12.(d)						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 2024	Page	Note	Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Equity securities			1,545	1,545				
Debt securities			814	814	-	-	-	-
Reinsurance Receivables	484	15	545,635	309,519	236,115			
Loans to life Policyholders	490	17	3,008,273	409,388	955,632	433,618	959,684	249,952
Premium Receivables	491	18	423,419	423,419				
Cash and Balances with Banks	492	20	948,618	948,618				
			218,526,691	110,460,311	65,894,324	17,582,021	22,576,708	2,013,326
Liabilities								
Reinsurance Payables	501	24	913,880	471,436	442,444			
Lease Liabilities	500	8.(c)	221,305	57,875	128,768	19,588	15,074	
Trade and Other Payables	502	25	5,970,252	5,970,252				
Bank Overdraft	492	20	1,351,226	1,351,226				
			8,456,662	7,850,788	571,212	19,588	15,074	-

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 proceedings 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) in page 444.

42.(b).(2) Financial Commitments

The Company has not enetered in to any financial commitements during the year.

42.(c) Assessments from Department of Inland Revenue

TAX ASSESSMENTS ON INCOME TAX

Current Status of Assessments

The Company has received Income Tax Assessments from the Inland Revenue Department (IRD) for the Years of Assessment (Y/A) 2015/16 through 2022/23. Maintaining that these assessments are not in accordance with the provisions of the Inland Revenue Act, the Company has initiated several layers of appeal. Currently, the assessments for Y/A 2021/22 and 2022/23 are being heard by the Commissioner General of Inland Revenue (CGIR), while the assessments for Y/A 2017/18 and 2020/21 remain under consideration by the Tax Appeals Commission (TAC).

For Y/A 2015/16 and 2016/17, the TAC ruled in favor of the Company, dismissing the CGIR's determinations; however, the CGIR has subsequently appealed these decisions to the Court of Appeal. For Y/A 2018/19 and 2019/20, the TAC issued a mixed ruling where some grounds of appeal were upheld and others rejected. Consequently, both the Company and the IRD have filed appeals with the Court of Appeal regarding the unfavorable aspects of those decisions.

Impact of Court Order on Section 92 of Inland Revenue Act, No. 10 of 2006 ("I-E" Dispute)

A significant portion of these assessments are based on Section 92 of the Inland Revenue Act, No. 10 of 2006, concerning the "Investment Income less Expenses" (I-E) tax calculation—a matter with broad implications for the life insurance industry. On February 19, 2026, the Court of Appeal (CoA) ruled in favor of the industry.

Following this landmark decision, the Company expects the I-E assessments for Y/A 2015/16 through 2017/18 to be resolved in its favor. This resolution would effectively settle approximately 40% of the total pending Income Tax Assessments.

Application of Section 67 of Inland Revenue Act, No. 24 of 2017 Act

Furthermore, it should be noted that 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. 24 of 2017. Accordingly, no additional provision has been recognized in respect of these Assessments in the Financial Statements.

TAX ASSESSMENTS ON VAT AND NBT ON FINANCIAL SERVICES

VAT on Financial Services

The Company has received assessments for Value Added Tax (VAT) on Financial Services from the IRD for the Y/A 2016, 2018, 2021, and 2022. The assessments for Y/A 2021 and 2022 are currently under consideration by the CGIR, while the assessment for Y/A 2018 remains under consideration by the TAC. Regarding Y/A 2016, the IRD has appealed to the CoA following a TAC determination issued in favor of the Company.

NBT on Financial Services

Assessments for Nation Building Tax (NBT) on Financial Services were received for Y/A 2016 and 2017. Both matters are currently being heard before the CoA.

Company Position and Industry Precedent

The Company maintains that it does not fall within the scope of VAT or NBT on Financial Services, as its primary business is Life Insurance. This position has been formally communicated to the CGIR. Notably, similar assessments issued to other industry participants on identical grounds have already been resolved. In those instances, the CoA determined that Life Insurance companies are not liable for these taxes, ruling in favor of the industry. Based on these precedents, the Company remains confident in its position.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. ASSETS PLEDGED

There are no assets pledged as security for liabilities as at end of the reporting period.

44 RELATED PARTY DISCLOSURES

ACCOUNTING POLICIES

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 2025, the Group has not recorded an impairment of receivables relating to amounts owed by related parties (2024 – 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 Holding PLC (CHPLC) is the ultimate parent of the Company, and the Board of Directors of CHPLC have the authority and responsibility for planning, directing and controlling the activities of the Company, the Directors of CHPLC 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. I Amounts recieved from related parties

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Subsidiaries	533	44.I.a	91,364,374	10,421,829
Equity accounted investees	533	44.I.b	1,036,019,105	492,495,386
Other related companies	533	44.I.c	50,006,994	61,858,997
Key management personnel	533	44.I.d	10,977,306	13,155,389
Total			1,188,367,779	577,931,601

44.II Amounts paid to related parties

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Subsidiaries	534	44.II.a	452,268	(9,032,218)
Equity accounted investees	534	44.II.b	(520,654,585)	(18,324,913)
Other related companies	534	44.II.C	(975,607,810)	(841,545,562)
Key management personnel	534	44.II.d	(623,372,423)	(478,971,018)
Total			(2,124,157,498)	(1,347,873,711)

44.I.a Transaction with related parties

Amount received from related parties

Subsidiaries

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Ceylinco Health Care Services Ltd.	536	44.IV.a	83,060,724	3,589,065
Serene Resorts Ltd.	536	44.IV.a	8,303,651	6,832,764
Total			91,364,374	10,421,829

44.I.b Equity accounted investees

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Citizen Development Business Finance PLC	537	44.IV.b	1,036,019,105	292,883,586
Kings Hospital Colombo Pvt Ltd	537	44.IV.b	-	199,611,800
Total			1,036,019,105	492,495,386

44.I.c Other related companies

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Ceylinco General Insurance Ltd.	537	44.IV.c	50,006,994	61,858,997
Total			50,006,994	61,858,997

44.I.d Key management personnel

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Premium Received	536	44.III.d	10,977,306	13,155,389
Total			10,977,306	13,155,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.II .a Amounts Paid to Related Parties

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Ceylinco Health Care Services Ltd.	536	44.IV.a	(4,522,680)	(9,032,218)
Total			(4,522,680)	(9,032,218)

44.II.b Equity accounted investees

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Citizen Development Business Finance PLC	537	44.IV.b	(509,997,496)	(14,023,018)
Kings Hospital Colombo Pvt Ltd	537	44.IV.b	(10,657,090)	(4,301,895)
Total			(520,654,585)	(18,324,913)

44.II.c Other Related Companies

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Ceylinco General Insurance Ltd.	537	44.IV.c	(90,606,925)	(91,544,812)
Ceylinco Holdings PLC	537	44.IV.c	(885,000,885)	(750,000,750)
Total			(975,607,810)	(841,545,562)

44.II.d Key management personnel

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Short-term employee benefits	538	44.IV.d	(540,329,043)	(397,932,975)
Maturity payments of Insurance Policies	536	44.III.d	(3,157,352)	(5,467,305)
Post employment benefits	536	44.III.d	(79,886,028)	(75,570,738)
Total			(623,372,423)	(478,971,018)

44.III Transaction with related parties

44.III.a Subsidiaries

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Premium Received/(paid)			1,138,569	842,678
Settlement for Capital Assets			(18,558,348)	-
Rent Received/ (paid)			62,664,444	7,020,000
Medical Fees for staff & Customers			(4,522,680)	(9,032,218)
Reimbursement of Expenses			23,508,887	10,290
Solar Electricity Reimbursement			1,003,838	532,730
Miscellaneous Receipts			3,048,636	2,016,131
	536	44.iv.a	68,283,346	1,389,611

44.III.b Equity accounted investees

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Insurance Premium Received/(paid)			25,380,568	23,787,162
Investment in fixed deposits			(500,000,000)	-
Licence and Insurance Refund			4,192,897	-
Maturity of Debenture Investment			500,000,000	115,500,000
Claim Received/(Paid)			(11,946,263)	(14,023,018)
Dividend Received/ (paid)			322,471,440	150,486,672
Rent Received/ (paid)			3,006,090	3,109,752
Interest Received/ (paid)			175,239,726	-
Debenture Interest income			145,630,600	199,611,800
Medical Fees Paid			(8,708,322)	(4,301,895)
Legal & Stamp Duty			2,088,384	-
Loan Settlement			3,640,000	-
Total	537	44.iv.b	660,995,119	474,170,473

44.III.c Other related companies

			Company	
			2025	2024
	Page	Note	Rs.	Rs.
Premium paid			(80,606,925)	(84,959,275)
Premium Received			44,137,373	47,173,153
Claim Received/(Paid)			(4,130,379)	8,100,307
Dividend Received/ (paid)			(885,000,885)	(750,000,750)
Total	538	44.iv.c	(925,600,816)	(779,686,565)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.III.d Key management personnel

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Premium Received			10,977,306	13,155,389
Maturity / Claims of Insurance Policies			(3,157,352)	(5,467,305)
Short-term employee benefits			(540,329,043)	(397,932,975)
Post employment benefits			(79,886,028)	(75,570,738)
			(612,395,117)	(465,815,629)
Total			(808,717,468)	(969,553,909)

44.IV Transaction with related parties

44.IV.a Transaction with related parties -Subsidiaries

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Ceylinco Healthcare Services Ltd				
Premium Received/(paid)			467,447	124,704
Rent Received/ (paid)			56,464,444	1,970,000
Medical Fees for staff & Customers			(4,522,680)	(9,032,218)
Reimbursement of Expenses			23,508,887	10,290
Miscellenious Receipts			2,619,945	1,484,071
Receipt			78,538,044	(5,443,154)
Serene Resorts Ltd.				
Premium Received/(paid)			671,122	717,974
Rent Received/ (paid)			6,200,000	5,050,000
Solar Electricity Reimbursment			1,003,838	532,730
Miscellenious Receipts			428,691	532,060
Settlement for Capital Assets			(18,558,348)	
Total			(10,254,697)	6,832,764
Total - Subsidiaries			68,283,347	1,389,610

44.IV.b Transaction with related parties - Associates

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Citizen Development Business Finance PLC				
Insurance Premium Received			25,380,568	23,787,162
Maturity of Debenture Investment			-	115,500,000
Investment in fixed deposits			(500,000,000)	-
Maturities of fixed deposits			500,000,000	-
Claim paid			(9,997,496)	(14,023,018)
Dividend Received/ (paid)			322,471,440	150,486,672
Rent Received/ (paid)			3,006,090	3,109,752
Licence and Insurance Refund			4,192,897	
Interest Received/ (paid)			175,239,726	-
Loan Settlement			3,640,000	
Legal & Stamp Duty			2,088,384	
Total			526,021,609	278,860,568

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Kings Hospital Colombo Pvt Ltd				
Medical Fees paid			(8,708,322)	(4,301,895)
Claim paid			(1,948,768)	-
Debenture Interest Received			145,630,600	199,611,800
Total			134,973,510	195,309,905
Total - Associates			660,995,119	474,170,473

44.IV.c Transaction with related parties - Other Related companies

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Ceylinco General Insurance Ltd.				
Premium paid			(80,606,925)	(84,959,275)
Premium Received			44,137,373	47,173,153
Claim paid			(10,000,000)	(6,585,537)
Claim Received			5,869,621	14,685,844
			(40,599,931)	(29,685,815)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
Ceylinco Holding PLC				
Dividend paid			(885,000,885)	(750,000,750)
Total			(885,000,885)	(750,000,750)
Total -Other Related Companies			(925,600,816)	(779,686,565)

44.IV.d Compensation of Key management personnel

	Page	Note	Company 2025 Rs.	Company 2024 Rs.
The summary of compensation of key management personnel for the year is, as follows:				
Short-term employee benefits			(540,329,043)	(397,932,975)
Post employment benefits			(79,886,028)	(75,570,738)
Total			(620,215,071)	(473,503,713)

The amounts disclosed in the above table are the amounts recognised as an expense during the reporting period related to key management personnel.

No loans have been given to the Directors of the Company.

Investment in Associate

No restrictions are placed on the ability of the associate to transfer funds to the parent company in the form of cash dividends or for the repayment of loans when due.

No guarantees or collaterals were provided to the associate.

45 EVENTS AFTER THE REPORTING DATE

Events after the reporting period are those events, favourable and unfavourable, that occur between the Reporting date and the date when the Financial Statements are authorised for issue.

Proposed Dividend

The Board of Directors has proposed a final dividend of Rs. 19.60 (2024 Rs.17.70) per share amounting to a total of Rs.980 Million (2024 - Rs. 885 million) on 25 February 2026 out of the profit for the year ended 31 December 2025 subject to the approval of shareholder at the Annual General Meeting. As required by the Section 56 of the Companies Act No. 07 of 2007, the Boards of Directors of the Company has confirmed that the Company satisfies the 'Solvency Test'. In accordance with LKAS 10 - "Events after the reporting period", the proposed dividend has not been recognised as a liability in the Financial Statements.

46 EMPLOYEE AND INDUSTRIAL RELATIONS

There were no material issues pertaining to Employees & Industrial relations during the year.

47 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

Scope

SLFRS 17 applies to all types of insurance contracts-including life, non-life, direct insurance, and reinsurance-regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features. However, a limited number of scope exceptions apply.

Key requirements

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

The core of SLFRS 17 is the general measurement model, supported by:

- The variable fee approach (VFA): an adaptation for contracts with direct participation features.
- The premium allocation approach (PAA): a simplified method primarily intended for short-duration contracts.

The key features of SLFRS 17's insurance contract accounting model include:

- Fulfilment cash flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.
- Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day-one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.
- CSM adjustments: Certain changes in expected future cash flows are offset against the CSM and recognised in profit or loss over the remaining coverage period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Discount rate effects: Changes in discount rates are recognised either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice
- Revenue and expense presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period
- Non-distinct investment components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.
- Separate presentation of results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense. Professional Practice, EY Sri Lanka Insurance Sector Standards issued but not yet effective YE 31 December 2025
- Reinsurance loss-recovery component: A loss-recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.
- Balance sheet presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- Enhanced disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required.

Estimated impact of the adoption of SLFRS 17

The Company/Group is in the process of assessing and finalizing its accounting policies, transition approach-including the impact on comparative information-and the implications for current practices, as well as determining the appropriate implementation methodology. Consequently, the financial impact of the initial application of SLFRS 17 has not been disclosed in these financial statements, as it is not yet reasonably estimable.

Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting. The SoAT provides temporary conditional reliefs for the first, second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and Professional Practice, EY Sri Lanka Insurance Sector Standards issued but not yet effective YE 31 December 2025 SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements.

We will apply the provisions in the Statement of Alternative Treatment when preparing interim financial statements under LKAS 34 in 2026.

- **SLFRS 9 Financial Instruments**

  SLFRS 9 replaced LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company / Group elected, under the amendments to SLFRS 4 to apply the temporary exemption from SLFRS 9, deferring the initial application date of SLFRS 9 to align with the initial application of SLFRS 17.

Classification and measurement

SLFRS 9 requires all financial assets—other than equity instruments and derivatives-to be evaluated based on both the entity's business model for managing those assets and the contractual cash flow characteristics of the instruments. The measurement categories under LKAS 39 have been replaced with the following: Fair Value through Profit or Loss (FVPL), Fair Value through Other Comprehensive Income (FVOCI), and Amortised Cost

Impairment

SLFRS 9 will fundamentally change the loan loss impairment methodology. The standard replaces the incurred loss model under LKAS 39 with a forward-looking Expected Credit Loss (ECL) approach. Under SLFRS 9, it is required to recognise an allowance for expected credit losses on all loans and other debt instruments not measured at fair value through profit or loss, as well as on loan commitments and financial guarantee contracts.

The impairment model under SLFRS 9 is based on a three-stage approach.

- **Stage 1:** For financial assets that have not experienced a significant increase in credit risk since initial recognition, impairment is measured based on a 12-month Expected Credit Loss (12-month ECL). This represents the portion of lifetime expected losses that result from default events possible within the next 12 months.
- **Stage 2:** Under SLFRS 9, financial assets are classified into Stage 2 when there has been a significant increase in credit risk since initial recognition. For these assets, it is required to recognise a loss allowance based on lifetime Expected Credit Losses (lifetime ECL).
- **Stage 3:** Financial assets are categorized into Stage 3 when there is objective evidence that the asset is credit-impaired. For Stage 3 assets, impairment continues to be measured based on lifetime ECL, and interest income is generally recognised on a net-carrying-amount basis, reflecting the credit-impaired status of the asset.

Hedging

SLFRS 9 introduces a more principles-based and risk-management-aligned hedge accounting model compared with LKAS 39. It aims to reflect an entity's actual risk management activities in its financial statements

Estimated impact of the adoption of SLFRS 9

SLFRS 9 is not expected to have a material impact on the financial statements

- **SLFRS 18 Presentation and Disclosure in Financial Statements**

  SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

  SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

  The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- **SLFRS 19 Subsidiaries without public accountability: Disclosures**

  SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles. The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

  SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

  The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

- **Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7**

  The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

  These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

- **Annual improvements to Sri Lanka Accounting Standards**

  Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

SUPPLEMENTARY INFORMATION

STATEMENT OF SUPPLEMENTARY FINANCIAL POSITION - POLICYHOLDERS

As at 31 December	2025 Rs.'000	2024 Rs.'000
Assets		
Property, Plant and Equipment	10,989,450	9,955,799
Right-of-use Asset	196,379	222,671
Investment Properties	2,172,750	1,916,700
Investment in Subsidiaries	15,000	15,000
Investment in Associates	42,990	42,990
Financial Instruments		
Held to Maturity Financial Assets	82,515,531	101,963,605
Loans and Receivables	107,584,713	65,377,429
Available-For-Sale Financial Assets	4,184,358	765,097
Financial Assets at Fair Value Through Profit or Loss	2,057	2,359
Employee Gratuity Benefit Asset	2,392,072	1,686,993
Employee Pension Benefit Asset	3,406,408	3,110,060
Reinsurance Receivables	429,754	545,635
Loans to Life policyholders	2,669,765	3,008,273
Premium Receivables	449,783	423,419
Other Assets	232,134	6,223
Cash and balances with banks	484,978	144,097
Total Assets	217,768,122	189,186,350
Equity and Liabilities		
Liabilities		
Insurance Contract Liabilities - Life	201,814,463	180,895,714
Insurance Contract Liabilities - Unit Linked	637,578	200,674
Insurance Contract Liabilities-Family Takaful	22,611	19,441
Individual Investment Fund - ISF	426,332	427,762
Reinsurance Payables	837,118	913,880
Trade and Other Payables	5,838,424	5,156,351
Lease Liabilities	195,710	221,305
Shor Term Loan	3,401,710	-
Bank Overdraft	4,594,177	1,351,226
Total Liabilities	217,768,122	189,186,350
Total Equity and Liabilities	217,768,122	189,186,350

INSURANCE REVENUE ACCOUNT

For the Year Ended 31st December,	Glossary item	2025 Rs.	2024 Rs.	% Change
Gross Written Premium	22	44,182,751	37,140,416	18.96
Net Written Premium (Net of Premiums ceded to reinsurers)	38	43,513,384	36,590,453	18.92
Investment and Other Income Attributable to Policyholders		21,682,935	22,245,927	(2.53)
Net Benefits Paid	39	(31,074,962)	(25,048,619)	24.06
Increase in Long Term Insurance Fund		(20,681,104)	(23,051,748)	(10.28)
Acquisition Cost	'01	(2,868,468)	(2,478,258)	15.75
Operating and Administrative Expenses Attributable to Policyholders		(5,531,029)	(3,912,180)	41.38
Interest Expense		(90,699)	(82,853)	9.47
Tax expenses		(1,449,774)	(1,255,722)	15.45
Surplus from Life Insurance Business	33	3,500,283	3,006,999	16.4
Surplus From Life Insurance Business		3,500,283	3,006,999	16.40
Investment & Other Income not Attributable to Policyholders		6,570,648	6,162,310	6.63
Operating and Administrative Expenses not Attributable to Policyholders		(307,671)	(372,950)	(17.50)
Tax expenses		(1,916,060)	(1,724,871)	11.08
Profits From Operations After Interest and Tax Expenses		7,847,199	7,071,488	10.97

QUARTERLY ANALYSIS 2024/2025

Company Statement of Income - 2025

(values are to the nearest rupees thousand)

	1st quarter Jan- Mar.25	2nd quarter Apr- Jun.25	3rd quarter Jul- Sep.25	4th quarter Oct- Dec.25	Total Jan- Dec.25
Gross written premiums	9,920,546	12,524,935	10,755,820	10,981,449	44,182,751
Premiums ceded to reinsurers	(146,552)	(157,242)	(157,263)	(208,311)	(669,367)
Net written premiums	9,773,994	12,367,693	10,598,558	10,773,138	43,513,383
Investment and Other Income	7,131,667	6,910,301	6,931,048	7,280,567	28,253,583
Net Income	16,905,661	19,277,994	17,529,606	18,053,705	71,766,966
Net benefits and claims	(6,431,112)	(8,709,430)	(8,845,290)	(7,089,130)	(31,074,963)
Gross Change in Contract Liabilities	(6,842,644)	(6,710,081)	(4,784,981)	(2,343,398)	(20,681,104)
					-
Acquisition cost	(705,541)	(723,133)	(713,469)	(726,326)	(2,868,468)
					-
Other operating and administrative expenses	(1,316,513)	(1,593,672)	(1,431,957)	(1,496,558)	(5,838,700)
Finance cost	(25,278)	(21,189)	(22,805)	(21,428)	(90,701)
Total benefits, claims and other expenses	(15,321,088)	(17,757,505)	(15,798,502)	(11,676,840)	(60,553,936)
Profit before tax	1,584,573	1,520,489	1,731,103	6,376,865	11,213,030
Income tax expense	(511,727)	(511,727)	(511,727)	(1,830,655)	(3,365,835)
Profit for the year	1,072,846	1,008,762	1,219,377	4,546,210	7,847,194

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
					-
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)	(25,048,620)
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

TEN YEAR SUMMARY

STATEMENT OF COMPREHENSIVE INCOME

Company	2025 Rs.000		2024 Rs.000		2023 Rs.000		2022 Rs.000	
Gross written Premium	44,182,751	100%	37,140,416	100%	33,411,394	100%	29,160,164	100%
Net written premium	43,513,384	98%	36,590,453	99%	32,771,519	98%	28,687,967	98%
Investment income and other income	28,253,583	64%	28,408,237	76%	27,991,108	84%	20,071,237	69%
Net claims and benefit	(31,074,962)	-70%	(25,048,619)	-67%	(23,135,049)	-69%	(18,969,266)	-65%
Acquisition Cost	(2,868,468)	-6%	(2,478,258)	-7%	(2,267,578)	-7%	(2,097,314)	-7%
Increase in Long Term Insurance fund	(20,681,104)	-47%	(23,051,748)	-62%	(23,015,741)	-69%	(13,375,957)	-46%
Change in Contract Liabilities Due to Transfer of One-Off Surplus			-		-		-	
Operating & Administrative expenses	(5,838,700)	-13%	(4,285,130)	-12%	(3,824,629)	-11%	(4,300,705)	-15%
Finance Expenses	(90,701)	0%	(82,853)	0%	(79,877)	0%	(104,382)	0%
Profit Before Tax	11,213,032	25%	10,052,082	27%	8,439,753	25%	9,911,580	34%
Taxation	(3,365,835)	-8%	(2,980,594)	-8%	(2,637,920)	-8%	(2,279,803)	-8%
Profit After Tax	7,847,197	18%	7,071,488	19%	5,801,833	17%	7,631,777	26%

STATEMENT OF FINANCIAL POSITION

Company	2025 Rs.000		2024 Rs.000		2023 Rs.000		2022 Rs.000	
Assets								
Intangible Assets	135,987	0%	193,120	0%	260,235	0%	317,695	0%
Property, plant and equipment	15,320,587	5%	13,943,783	6%	12,999,402	6%	12,031,022	6%
Investments	253,426,587	88%	222,508,618	88%	198,100,434	88%	165,906,315	87%
Other assets	18,140,438	7%	14,791,633	6%	13,386,210	6%	13,276,907	7%
Total Assets	287,023,599	100%	251,437,154	100%	224,746,282	100%	191,531,939	100%
Liabilities								
Insurance provision - Life	201,814,463	71%	180,895,714	72%	157,537,917	70%	134,885,839	71%
Unit Linked Fund and Other Funds	1,086,522	0%	647,876	0%	661,232	0%	663,337	0%
Equity and Other Liabilities	84,122,613	29%	69,893,564	28%	66,547,133	30%	55,982,764	29%
Total Equity and Liabilities	287,023,598	100%	251,437,154	100%	224,746,282	100%	191,531,940	100%

2021 Rs.000		2020 Rs.000		2019 Rs.000		2018 Rs.000		2017 Rs.000		2016 Rs.000	
25,565,050	**100%**	**22,076,250**	**100%**	**18,718,553**	**100%**	**17,812,774**	**100%**	**15,765,484**	**100%**	**15,027,600**	**100%**
25,256,551	99%	21,570,788	98%	18,168,431	97%	17,355,265	97%	15,343,267	97%	14,653,771	98%
15,129,139	59%	14,912,201	68%	13,392,554	72%	11,394,234	64%	10,280,547	65%	8,780,689	58%
(12,736,308)	-50%	(12,266,513)	-56%	(10,604,066)	-57%	(9,803,550)	-55%	(6,686,980)	-42%	(6,651,682)	-44%
(2,369,754)	-9%	(2,123,644)	-10%	(1,962,792)	-10%	(1,926,454)	-11%	(1,782,479)	-11%	(1,693,985)	-11%
(11,803,985)	-46%	(9,423,994)	-43%	(7,189,811)	-38%	(6,457,292)	-36%	(7,258,502)	-46%	(8,397,889)	-56%
-		-		-		-		3,456,184	22%	-	
(4,836,630)	-19%	(3,823,330)	-17%	(3,550,209)	-19%	(3,384,487)	-19%	(3,532,496)	-22%	(2,937,262)	-20%
(93,640)	0%	(78,995)	0%	(42,170)	0%	(20,328)	0%	(12,005)	0%	(9,915)	0%
8,545,373	33%	8,766,513	40%	8,211,938	44%	7,157,388	40%	9,807,535	62%	3,743,727	25%
(1,770,883)	-7%	(1,832,391)	-8%	(1,540,269)	-8%	(1,363,100)	-8%	(340,109)	-2%	(667,686)	-4%
6,774,490	26%	6,934,122	31%	6,671,669	36%	5,794,288	33%	9,467,426	60%	3,076,041	20%

2021 Rs.000		2020 Rs.000		2019 Rs.000		2018 Rs.000		2017 Rs.000		2016 Rs.000	
296,448	0%	362,838	0%	349,626	0%	37,358	0%	56,950	0%	2,759	
10,415,154	6%	9,478,336	6%	9,401,318	7%	7,567,806	6%	7,371,782	7%	7,068,634	
154,455,119	89%	133,707,835	89%	116,918,311	88%	103,744,945	88%	92,264,065	87%	84,220,630	
8,596,232	5%	7,252,377	5%	6,542,149	5%	6,709,280	6%	6,402,008	6%	5,166,066	
173,762,956	100%	150,801,386	100%	133,211,403	100%	118,059,390	100%	106,094,805	100%	96,458,089	
119,634,780	69%	106,737,377	71%	96,204,089	73%	88,049,202	75%	81,723,759	77%	77,925,144	
686,266	0%	657,389	0%	582,925	0%	519,695	0%	427,146	0%	333,129	
53,441,910	31%	43,406,620	29%	36,424,389	27%	29,490,493	25%	23,943,900	23%	18,199,816	
173,762,956	100%	150,801,386	100%	133,211,403	100%	118,059,390	100%	106,094,805	100%	96,458,089	

TEN YEAR SUMMARY

STATEMENT OF COMPREHENSIVE INCOME

Company		2025		2024		2023		2022	
		Rs.000		Rs.000		Rs.000		Rs.000	
Gross written Premium		44,182,751	19%	37,140,416	11%	33,411,394	15%	29,160,164	14%
Net written premium		43,513,384	19%	36,590,453	12%	32,771,519	14%	28,687,967	14%
Investment income and other income		28,253,583	-1%	28,408,237	1%	27,991,108	39%	20,071,237	33%
Net claims and benefit		(31,074,962)	24%	(25,048,619)	8%	(23,135,049)	22%	(18,969,266)	49%
Acquisition Cost		(2,868,468)	16%	(2,478,258)	9%	(2,267,578)	8%	(2,097,314)	-11%
Increase in Long Term Insurance fund		(20,681,104)	-10%	(23,051,748)	0%	(23,015,741)	72%	(13,375,957)	13%
Change in Contract Liabilities Due to Transfer of One-Off Surplus				-		-		-	
Operating & Administrative expenses		(5,838,700)	36%	(4,285,130)	12%	(3,824,629)	-11%	(4,300,705)	-11%
Finance Expenses		(90,701)	9%	(82,853)	4%	(79,877)	-23%	(104,382)	11%
Profit Before Tax		11,213,032	12%	10,052,082	19%	8,439,753	-15%	9,911,580	16%
Taxation		(3,365,835)	13%	(2,980,594)	13%	(2,637,920)	16%	(2,279,803)	29%
Profit After Tax		7,847,197	11%	7,071,488	22%	5,801,833	-24%	7,631,777	13%
Employee Information									
Revenue per employee	Rs.Mn	101.37		89.92		82		65	
Profit Before Tax per employee	Rs.'000	15,838		13,789		11,405		13,180	
Number of employees	Nos.	708		729		740		752	

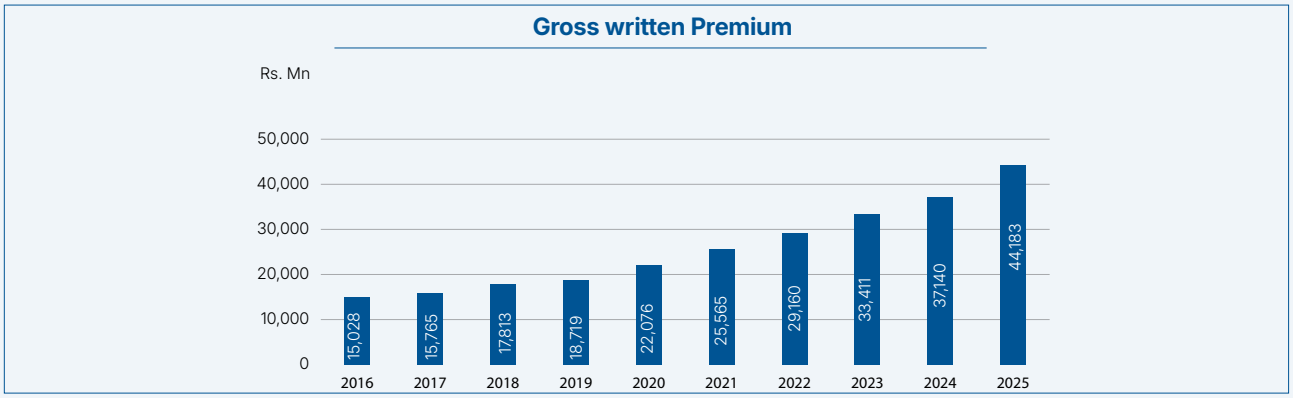
STATEMENT OF FINANCIAL POSITION

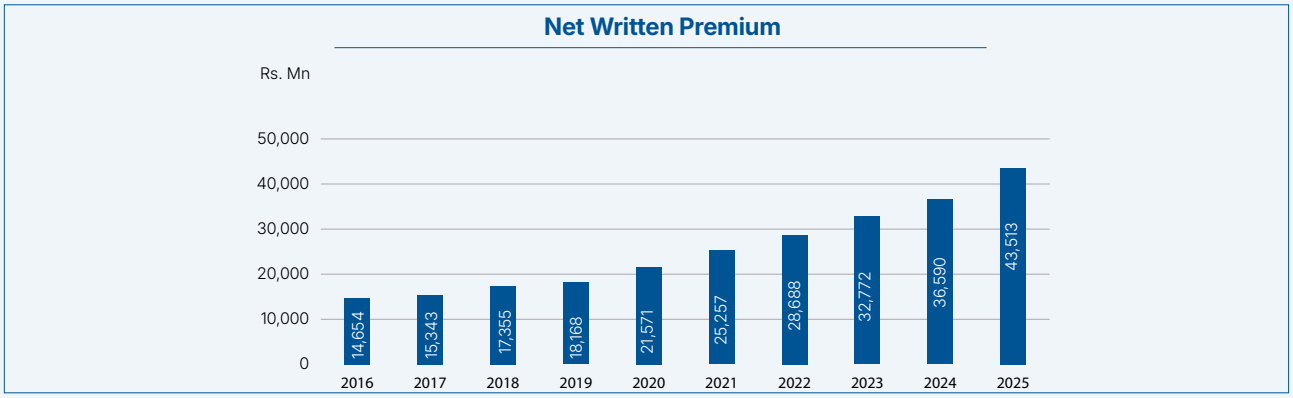
Company		2025		2024		2023		2022	
		Rs.000		Rs.000		Rs.000		Rs.000	
Assets									
Intangible Assets		135,987	-30%	193,120	-26%	260,235	-18%	317,695	7%
Property, plant and equipment		15,320,587	10%	13,943,783	7%	12,999,402	8%	12,031,022	16%
Investments		253,426,587	14%	222,508,618	12%	198,100,434	19%	165,906,315	7%
Other assets		18,140,438	23%	14,791,633	10%	13,386,210	1%	13,276,907	54%
Total Assets		287,023,599	14%	251,437,154	12%	224,746,282	17%	191,531,939	10%
Liabilities									
Insurance provision - Life		201,814,463	12%	180,895,714	15%	157,537,917	17%	134,885,839	13%
Unit Linked Fund and Other Funds		1,086,522	68%	647,876	-2%	661,232	0%	663,337	-3%
Equity and Other Liabilities		84,122,613	20%	69,893,564	5%	66,547,133	19%	55,982,764	5%
Total Equity and Liabilities		287,023,598	14%	251,437,154	12%	224,746,282	17%	191,531,940	10%
Investor Information									
Return on net assets	(%)	11.56		11.64		10.67		15.45	
Return on Total Assets	(%)	2.73		2.81		2.58		3.98	
Net assets per share	Rs.	1357.2		1214.91		1,087.47		987.98	
Earnings per share	Rs.	156.94		141.43		116.04		152.64	
Dividend per share	Rs.	19.6		17.7		15.00		18.25	
Dividend Cover	(Times)	8.01		7.99		6.36		8.36	
Dividend Payout Ratio	(%)	12.49		12.52		12.93		11.96	

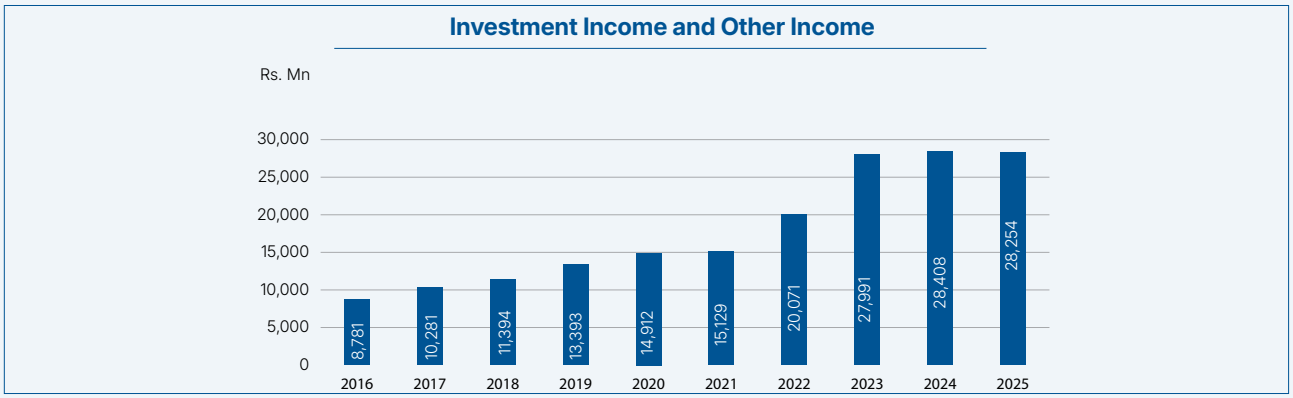
2021 Rs.000		2020 Rs.000		2019 Rs.000		2018 Rs.000		2017 Rs.000		2016 Rs.000
25,565,050	16%	22,076,250	18%	18,718,553	5%	17,812,774	13%	15,765,484	5%	15,027,600
25,256,551	17%	21,570,788	19%	18,168,431	5%	17,355,265	13%	15,343,267	5%	14,653,771
15,129,139	1%	14,912,201	11%	13,392,554	18%	11,394,234	11%	10,280,547	17%	8,780,689
(12,736,308)	4%	(12,266,513)	16%	(10,604,066)	8%	(9,803,550)	47%	(6,686,980)	1%	(6,651,682)
(2,369,754)	12%	(2,123,644)	8%	(1,962,792)	2%	(1,926,454)	8%	(1,782,479)	5%	(1,693,985)
(11,803,985)	25%	(9,423,994)	31%	(7,189,811)	11%	(6,457,292)	-11%	(7,258,502)	-14%	(8,397,889)
-		-		-		-	-100%	3,456,184		-
(4,836,630)	27%	(3,823,330)	8%	(3,550,209)	5%	(3,384,487)	-4%	(3,532,496)	20%	(2,937,262)
(93,640)	19%	(78,995)	87%	(42,170)	107%	(20,328)	69%	(12,005)	21%	(9,915)
8,545,373	-3%	8,766,513	7%	8,211,938	15%	7,157,388	-27%	9,807,535	162%	3,743,727
(1,770,883)	-3%	(1,832,391)	19%	(1,540,269)	13%	(1,363,100)	301%	(340,109)	-49%	(667,686)
6,774,490	-2%	6,934,122	4%	6,671,669	15%	5,794,288	-39%	9,467,426	208%	3,076,041
51		45		37		33		29		25.75
10,749		10,770		9,730		8,294		11,020		4,114
795		814		844		863		890		910

2021 Rs.000		2020 Rs.000		2019 Rs.000		2018 Rs.000		2017 Rs.000		2016 Rs.000
296,448	-18%	362,838	4%	349,626	836%	37,358	-34%	56,950	1964%	2,759
10,415,154	10%	9,478,336	1%	9,401,318	24%	7,567,806	3%	7,371,782	4%	7,068,634
154,455,119	16%	133,707,835	14%	116,918,311	13%	103,744,945	12%	92,264,065	10%	84,220,630
8,596,232	19%	7,252,377	11%	6,542,149	-2%	6,709,280	5%	6,402,008	24%	5,166,066
173,762,956	15%	150,801,386	13%	133,211,403	13%	118,059,390	11%	106,094,805	10%	96,458,089
119,634,780	12%	106,737,377	11%	96,204,089	9%	88,049,202	8%	81,723,759	5%	77,925,144
686,266	4%	657,389	13%	582,925	12%	519,695	22%	427,146	28%	333,129
53,441,910	23%	43,406,620	19%	36,424,389	24%	29,490,493	23%	23,943,900	32%	18,199,816
173,762,956	15%	150,801,386	13%	133,211,403	13%	118,059,390	11%	106,094,805	10%	96,458,089
15.33		18.18		21.19		21.93		45.87		25.85
3.90		4.60		5.01		4.91		8.67		3.19
883.88		762.90		629.84		528.51		412.94		238.24
135.49		138.68		133.43		115.89		199.35		61.58
15.65		-		13.40		11.90		9.00		7.50
8.66		-		9.96		9.74		21.04		8.21
11.55		-		10.04		10.27		4.75		12.18

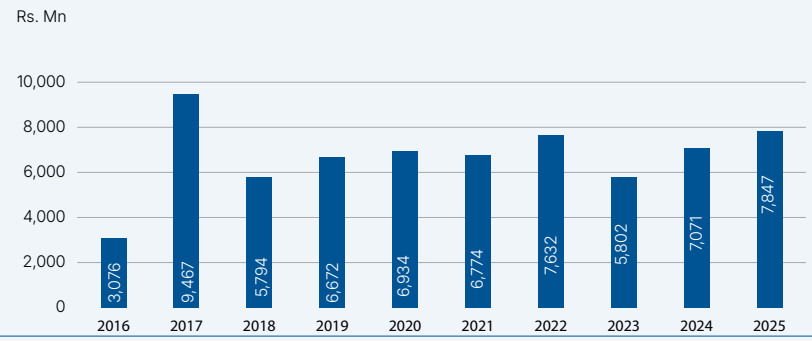
TEN YEAR SUMMARY



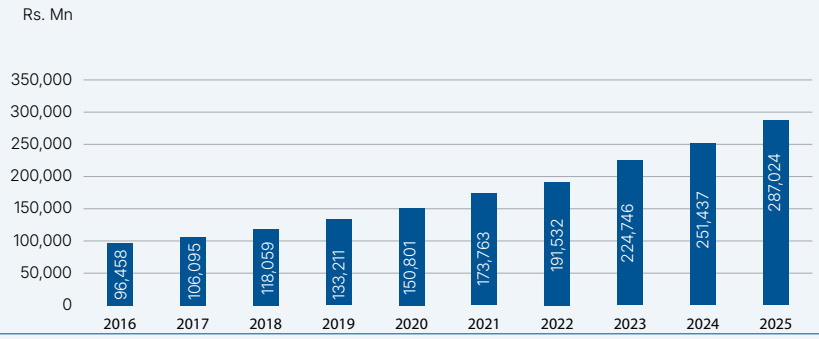




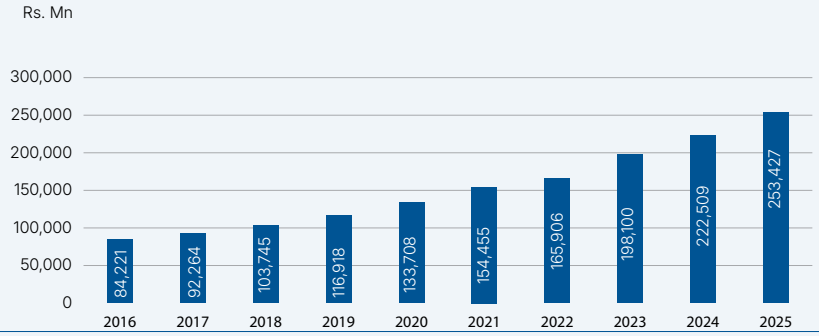
Profit After Tax



Total Assets



Investments



SUSTAINABILITY DISCLOSURES

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	28					
	2-2 Entities included in the organization's sustainability reporting	4					
	2-3 Reporting period, frequency and contact point	4,8					
	2-4 Restatements of information	5					
	2-5 External assurance	6					
	2-6 Activities, value chain and other business relationships	5,150-151,297					
	2-7 Employees	247-250				8, 10	
	2-8 Workers who are not employees		GRI 2-8	Not applicable	Ceylinco Life does not engage with workers who are not employees		
	2-9 Governance structure and composition	327,330,332				5, 16	
	2-10 Nomination and selection of the highest governance body	340,390-391				5, 16	
	2-11 Chair of the highest governance body	372				16	
	2-12 Role of the highest governance body in overseeing the management of impacts	402-404				16	
	2-13 Delegation of responsibility for managing impacts	402-404					
	2-14 Role of the highest governance body in sustainability reporting	402-404					

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	358					
	2-16 Communication of critical concerns	359					
	2-17 Collective knowledge of the highest governance body	341					
	2-18 Evaluation of the performance of the highest governance body	342					
	2-19 Remuneration policies	343,388-389					6
	2-20 Process to determine remuneration	343,388-389					6
	2-21 Annual total compensation ratio		GRI 2-21	Confidentiality constraints	Omitted due to sensitivity of the information		
	2-22 Statement on sustainable development strategy	323					
	2-23 Policy commitments	255,356,357				16	1, 2
	2-24 Embedding policy commitments	356-357					
	2-25 Processes to remediate negative impacts	358					
	2-26 Mechanisms for seeking advice and raising concerns	358					
	2-27 Compliance with laws and regulations	360					10
	2-28 Membership associations	299					
	2-29 Approach to stakeholder engagement	104-116					
	2-30 Collective bargaining agreements	269				8	3
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	117-120					
	3-2 List of material topics	121-123					
	3-3 Management of material topics	121-123					

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
Economic performance							
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	29				8, 9	
	201-2 Financial implications and other risks and opportunities due to climate change	132				13	
	201-3 Defined benefit plan obligations and other retirement plans	477-481					
	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	272				1, 8	
	202-2 Proportion of senior management hired from the local community	254				8	
Indirect economic impacts							
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	311-318					
	203-2 Significant indirect economic impacts	311--318					
Procurement practices							
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	298				12	
Anti-corruption							
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	358				16	10
	205-2 Communication and training about anti-corruption policies and procedures	290,258				16	
	205-3 Confirmed incidents of corruption and actions taken	358				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	276					
Tax							
GRI 207: Tax 2019	207-1 Approach to tax	379,485-489					
	207-2 Tax governance, control, and risk management	379,485-489					
	207-3 Stakeholder engagement and management of concerns related to tax	113					
	207-4 Country-by-country reporting	379,485-489					
Energy							
GRI 302: Energy 2016	302-1 Energy consumption within the organization	210				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	210					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	211				6, 12	7, 8, 9
	303-2 Management of water discharge-related impacts	211				6, 12	
	303-3 Water withdrawal	211					
	303-4 Water discharge		GRI 303-4	Information unavailable/ incomplete	The company does not track this information		9
	303-5 Water consumption	211				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	207				3, 12, 13, 14, 15	7,8
	305-2 Energy indirect (Scope 2) GHG emissions	207					
	305-3 Other indirect (Scope 3) GHG emissions	207					
	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	206				3, 12, 13, 14, 15	7,8
	305-6 Emissions of ozone-depleting substances (ODS)		GRI 305-6	Information unavailable/ incomplete	The company does not track this information		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		GRI 305-7				
Waste							
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	212				12	
	306-2 Management of significant waste-related impacts	212					
	306-3 Waste generated	212					
	306-4 Waste diverted from disposal	212					
	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	301					7
	308-2 Negative environmental impacts in the supply chain and actions taken	301					

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	251-254,260-261				5, 8, 10	6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	268				3, 5, 8	6
	401-3 Parental leave	274				5, 8	1
Labor/management relations							
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	269					
Occupational health and safety							
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	266-267				5, 8	
	403-2 Hazard identification, risk assessment, and incident investigation	266-267					
	403-3 Occupational health services	266-267					
	403-4 Worker participation, consultation, and communication on occupational health and safety	266-267					
	403-5 Worker training on occupational health and safety	266-267					
	403-6 Promotion of worker health	266-267					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	266-267					
	403-8 Workers covered by an occupational health and safety management system	266-267					
	403-9 Work-related injuries	25				8	
	403-10 Work-related ill health	25					

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	263				4, 5 ,8, 10	6
	404-2 Programs for upgrading employee skills and transition assistance programs	263,287				8	
	404-3 Percentage of employees receiving regular performance and career development reviews	272				5, 8, 10	
Diversity and equal opportunity							
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	250				5, 8	
	405-2 Ratio of basic salary and remuneration of women to men	273				5, 8	
Non-discrimination							
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	255				5, 8	2, 6
Child labor							
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	276				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	276					4
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		GRI 410-1	Not applicable	The company does not track this information		
Rights of indigenous peoples							
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		GRI 411-1	Not applicable	The company does not track this information		

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
Local communities							
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	311-318					
	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	301					
	414-2 Negative social impacts in the supply chain and actions taken	301					
Marketing and labeling							
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	234					
	417-2 Incidents of non-compliance concerning product and service information and labeling	25					
	417-3 Incidents of non-compliance concerning marketing communications	25					
Customer privacy							
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25,241				16	1

GLOSSARY OF KEY TERMS

1. Acquisition Cost

All expenses which vary with and are primarily related to, the acquisition of new insurance contracts and renewal of existing insurance contracts (e.g. commissions).

2. Actuarial Valuation

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

3. Actuary

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

4. Admissible Assets

Assets that are included in determining an insurer's statutory solvency, specified under the rules made by the IRCSL under the regulation of Insurance Industry Act No. 43 of 2000.

5. Annuity

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

6. Beneficiary

The person or financial institution (for e.g. a trust fund) named by the policyholder in the policy as the recipient of the sum assured and other eligible benefits due in the event of the policyholder's death.

7. Bonus

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

8. Capital Adequacy Ratio (CAR)

Key financial metric used to assess an insurance company's financial strength and ability to meet its obligations.

9. Carbon Footprint (CFP)

Carbon Footprint (CFP) is a measure of the total greenhouse gas (GHG) emissions caused directly and indirectly by an organization, activity, product, or person, usually expressed in tonnes of CO_2 equivalent (tCO_2e).

10. Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses

11. Claims Payable

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

12. Claims Ceded to Reinsurers

Claims ceded to reinsurers contain the proportion of claims paid, which was recovered from reinsurers.

13. 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.

14. Climate-related physical risks

Climate related physical risks are the direct impacts of climate change, arising either from acute events like storms, floods, droughts, and heatwaves that are growing more frequent and severe, or from chronic long term changes in climate patterns such as rising temperatures, shifting rainfall, and sea level rise, which can lead to reduced water availability, biodiversity loss, and declining soil productivity.

15. Climate-related transition risks

Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

16. Combined Ratio

Measure of underwriting performance:- Claims Ratio + Expense Ratio

17. Contractual Service Margin (CSM)

Unearned profit recognized over the coverage period under International Financial Reporting Standards.

18. 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.

19. Coverage Period

Period during which insurance protection is provided.

20. 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

21. 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.

GLOSSARY OF KEY TERMS

22. 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 climaterelated opportunities for an entity.

23. Discount Rate

Interest rate used to calculate present value of future cash flows.

24. Dividend Cover

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

25. Dividend per Share

Total dividend declared for the financial year, divided by the number of ordinary shares entitled to received that dividend.

26. Earned Premium

Portion of premium relating to expired coverage.

27. Earnings per Share

Net profits of the Company after tax, divided by the number of ordinary shares in issue.

28. 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

29. ESG (Environmental, social and corporate governance)

A framework used to assess an organization's business practices and performance on various sustainability and ethical issues.

30. Ex-gratia

Payment A payment made to an insured where there is no liability to pay under the terms of the policy.

31. 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.

32. Fees and Commission Income

Fees and commission income includes the charges and policy fees paid by customers and reinsurance commission income.

33. Finance Cost

Finance cost includes charges on the financial services provided by financial institutions, particularly bank charges

34. 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.

35. 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.

36. Fulfillment Cash Flows (FCF)

Fulfillment Cash Flows (FCF) are the estimated future cash inflows and outflows that an insurance company expects to receive and pay in order to fulfill its insurance contracts.

37. 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.

38. 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.

39. Gross Change in Contract Liabilities

Gross change in contract liabilities is the net transfer to the Life Fund during the period.

40. Gross Written Premium (GWP)

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

41. 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

42. Incurred Claims

Claims that occurred during the reporting period.

43. 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.

44. 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

45. 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

46. 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.

47. Insurance Revenue Account

A statement which shows a financial summary of the insurance related revenue and expenditure transactions for the accounting period.

48. 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.

49. 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.

50. 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.

51. Loss Ratio

Loss Ratio is a key performance indicator for insurance companies, measuring the proportion of claims paid compared to premiums earned.

Claims ÷ Earned Premium.

52. 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.

53. Liability Adequacy

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

54. Life Fund

Fund maintained to meet the obligation towards Life Policyholders.

55. Life Fund Surplus

The excess of the assets over the liabilities as determined by the actuary and after the distribution of dividends to policyholders.

56. 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.

57. 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

58. 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.

59. Materiality

Materiality is the concept used to determine whether information is important enough to influence the decisions of users of financial statements.

60. Maturity

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

61. 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.

62. Net Assets per Share

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

63. Net Claims

Incurred Claims incurred less reinsurance recoveries.

64. Net Written Premium

Gross written premium less reinsurance premium ceded payable.

65. Operational Risk

The potential for loss resulting from inadequate or failed internal processes or systems, human interactions or external events, but excludes business risk.

66. Other Operating and Administrative Expenses

Other operating and administrative expenses include administration, staff, sales and marketing expenses related to the company

67. Other operating revenue

Other income comprises fees charged for policy administration services, and miscellaneous income.

68. Participating Business

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

69. 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

GLOSSARY OF KEY TERMS

70. Policy schedule/booklet

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

71. Premium receivables

Represent the gross written premium accrued up to the reporting date.

72. 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.

73. Primary Users of the financial statements

Existing and potential investors, lenders and other creditors.

74. Realised Gains

Realised gains and losses include gains and losses arising on sale of financial assets and Property, Plant and Equipment.

75. Reinsurance Commission

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

76. Reinsurance Payables

Reinsurance payables contain amounts outstanding to be paid to reinsurers by a life insurer as at the reporting date.

77. Reinsurance Premium Ceded

The premium payable to the reinsurer.

78. Reinsurance Receivables

Represent the amounts receivable by the life insurer from the reinsurer for the claims made the policyholders.

79. Retention

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

80. Return on Shareholders' Equity

Profits after tax divided by total equity attributable to shareholders' as at the reporting date.

81. Return on Total Assets

Profits after tax divided by total assets attributable to shareholders.

82. Rider

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

83. Risk Adjustment (RA)

Allowance for uncertainty in insurance cash flows under International Financial Reporting Standards.

84. 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.

85. Sales Agent

A broker Sales agent is an intermediary between a prospective policyholder and a life insurance company.

86. SLFRS S1:

This standard outlines the general requirements for disclosing sustainability related financial information. It aims to provide a framework for companies to report on their sustainability practices and impacts, ensuring transparency and accountability in corporate sustainability efforts.

87. SLFRS S2:

This standard specifically addresses climate-related disclosures, guiding companies on how to report the financial impacts of climate risks and opportunities. It emphasizes the importance of understanding and communicating the effects of climate change on business operations and financial performance.

88. 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.

89. Sustainability Accounting Standards Board (SASB)

SASB Standards are industry-specific guidelines that help companies disclose financially material sustainability information to investors.

90. Sustainability-related financial disclosures

A particular form of general purpose financial reports that provide information about the reporting entity's sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term, including information about the entity's governance, strategy and risk management in relation to those risks and opportunities, and related metrics and targets

91. Surrender

Termination of an insurance policy by the insured before the expiry of its term.

92. Surrender Value

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

93. Tonnes of carbon dioxide equivalent

tCO_2e- This is a unit used to measure the amount of carbon dioxide (CO_2) or other greenhouse gases emitted into the atmosphere. It helps quantify climate

impact from activities like fuel use, electricity consumption, transportation, and industrial processes.

94. Total Available Capital (TAC)

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

95. 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.

96. 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.

97. 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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twelfth (12) 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 Town, Colombo 05, on Thursday, 26th March 2026 at 10.00a.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 affairs of the Company and the Audited Financial Statements for the year ended 31st December 2025 together with the Report of the Auditors thereon.
3. To declare a first and final dividend of Rs.19.60 per share for the year ended 31st December 2025, 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 is currently 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 Dr Harsha Cabral PC, who retires by rotation in terms of the Article 18B of the Article of Association of the Company.
6. To re-elect Prof S K Chandrasekera who retires by rotation in terms of the Article 18B of the Article of Association of the Company.
7. To re-elect Ms. A A Ludowyke who retires by rotation in terms of the Article 18B of the Article of Association of the Company.
8. To re-elect Mr. J Durairatnam who retires by rotation in terms of the Article 18B of the Article of Association of the Company.
9. 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 to authorize the Directors to determine their remuneration.
10. To authorize the Directors to determine contributions to charities and other donations for the year ending 31st December 2026.

By Order of the Board,

Ceylinco Life Insurance Limited,



B H S A Silva

Company Secretary

04th March 2026

Note:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote his/ her behalf.
2. A proxy so appointed need not be a member of the Company.
3. A form of proxy accompanies this notice.

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. R Renganathan	of Colombo or failing him	Mr. E R C Moraes	of Colombo or failing him
Mr. E T L Ranasinghe	of Colombo or failing him	Mr. M Ismail	of Colombo or failing him
Mr. P D M Cooray	of Colombo or failing him	Ms. R J Moraes	of Colombo or failing her
Mr. P A Jayawardena	of Colombo or failing him	Prof. S K Chandrasekera	of Colombo or failing him
Mr. S R Abeynayake	of Colombo or failing him	Ms. A A Ludowyke	of Colombo or failing her
Mr. E R S G S Hemachandra	of Colombo or failing him	Ms. N M Boralessa	of Colombo or failing her
Dr. Harsha Cabral PC	of Colombo or failing him	Dr. R C J Ferdinands	of Colombo or failing her
Mr. J Durairatnam	of Colombo or failing him	Mr. R A I Elapata	of Colombo
Mr. O G V J Senanayake	of Colombo or failing him		

as my/our* proxy to represent me/us * and vote as indicated below on my/our* behalf at the Twelfth (12) Annual General Meeting of the Company to be held on 26th March 2026 at 10.00a.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 2025 together with the Report of the Auditors thereon.	☐	☐
2. To declare a first and final dividend of Rs.19.60 per share for the year ended 31st December 2025.	☐	☐
3. To pass the ordinary resolution as set out in the Notice of the Meeting under item 04 for the re-election of Mr. R Renganathan.	☐	☐
4. To re-elect Dr Harsha Cabral PC 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).	☐	☐
5. To re-elect Prof S K Chandrasekera 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).	☐	☐
6. To re-elect Ms. A A Ludowyke 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).	☐	☐
7. To re-elect Mr. J Durairatnam who retires by rotation in terms of Article 18B of the Article of Association of the Company (Refer item No.8 of the Notice of Annual General Meeting).	☐	☐
8. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Company's Auditors of the Company for the ensuing year and authorize the Directors to determine their remuneration.	☐	☐
9. To authorize the Board of Directors to determine donations for the year ending 31st December 2026.	☐	☐

Executed on this ..... day of ..... 2026.

.....

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 filling in 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 Town, 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	☐	Supplier	☐	Shareholder	☐
Community	☐	Investor	☐	Customer	☐
NGO	☐	Analyst	☐	Other	☐

Does the report address issues of greatest interest to you?

Comprehensively	☐	Partially	☐	Not at all	☐

Please identify any additional matters that you think should be reported on?

.....

.....

.....

What was your overall impression of the report in terms of:

	Excellent	Good	Fair	Poor
1. Content and scope	☐	☐	☐	☐
2. Design and Layout	☐	☐	☐	☐

Do you have any additional comment on the report?

.....

.....

.....

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 22nd 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 Regulation 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 (Hotline) : +94 11 2461461
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
State Mortgage & Investment Bank
Housing Development Finance Corporation (HDFC Bank)
Regional Development Bank

CONSULTING ACTUARIES

Willis Towers Watson India Private Ltd.,
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

Mr. P A Jayawardena
Senior Executive Director /
Chief Financial Officer

Mr. S R Abeynayake
Executive Director /
Deputy Chief Executive Officer

Mr. E R S G S Hemachandra
Executive Director /
Chief Operating Officer
(Appointed w.e.f. 01.04.2025)

Dr. Harsha Cabral PC
Senior Independent Director

Mr. J Durairatnam
Independent Non-Executive Director

Mr. W W L R A Fernando
Independent Non-Executive Director
(Resigned w.e.f.31.12.2025)

Mr. O G V J Senanayake
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

Ms. N M Boralessa
Independent Non-Executive Director
(Appointed w.e.f. 20.02.2025)

Ms. R C J Ferdinands
Independent Non-Executive Director
(Appointed w.e.f. 01.04.2025)

Mr. R A I Elapata
Independent Non-Executive Director
(Appointed w.e.f. 31.12.2025)

COMPANY SECRETARY

Ms. Sandeepa Silva

PRINCIPAL OFFICER

Mr. R Renganathan

SPECIFIED OFFICER

Mr. H G A Sirisena

COMPLIANCE OFFICER

Mr. Dinushan Dias

CHIEF INFORMATION SECURITY OFFICER

Mr. B A K S M Dharmasena

RE-INSURERS

Munchener Ruckversicherungs - Gesellschaft
(Munich RE)- Germany

Swiss Reinsurance Company Ltd -
(Swiss Re) – Switzerland

This Annual Report is conceptualised, designed and produced by Redworks.

REDWORKS
Member of the Ogilvy Group