

PROTECTING YOU. PROTECTING SRI LANKA.

STRENGTH WHEN IT MATTERS MOST.



SRI LANKA INSURANCE CORPORATION
GENERAL LIMITED

REG NO. PB 5208

Sri Lanka Insurance Corporation
General Limited is licensed by the Insurance
Regulatory Commission of Sri Lanka



Sri Lanka Insurance
Corporation General Limited

Protecting you. Protecting Sri Lanka.

Strength when it matters most.

Enterprise and household risks are ever-present. With our safety net protecting the commercial backbone that drives the Nation's economy, from retail businesses to industries, transportation, personal households, wealth and health, risk becomes a by-word. Protection against many faceted risks people face daily, is the business we are good at. Our promise is an all-inclusive safeguard in times of such uncertainties. SLICGL's coverage is for progress and continuity of health and wealth, for a resilient Nation. Our promise, unwavering. Our delivery, unmatched. This is what we do best.

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Enclosed Form of Proxy



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The background of the page is a vibrant, blue-toned digital illustration of a city street at night. In the foreground, a sleek, modern car is shown from a low-angle perspective, its headlights and body panels reflecting the ambient light. The street is wet, creating clear reflections of the car and the surrounding city lights. In the background, several tall, futuristic buildings with glowing windows and lights rise against a dark sky. A large, semi-transparent number '1' is superimposed over the center of the image, with a glowing blue and purple gradient. The word 'OVERVIEW' is written in a bold, white, sans-serif font across the middle of the '1' and the car.

OVERVIEW

About Sri Lanka Insurance Corporation General Limited

SLIC General operates as a flagship entity delivering a comprehensive suite of general insurance solutions, catering to a diverse and expanding customer base.

Founded in 1962, Sri Lanka Insurance Corporation Limited stands as the cornerstone of Sri Lanka's insurance industry, with a legacy built on trust, resilience and national service. Over six decades, the Corporation has continually adapted to an evolving risk landscape, strengthening its role as a dependable protection partner to individuals, corporates, and public sector institutions across the country.

Today, Sri Lanka Insurance Corporation General Limited (SLICGL) operates as a flagship entity within the Group, delivering a comprehensive suite of general insurance solutions. Its offerings span key lines including motor, fire and engineering, marine, liability, health, and personal accident insurance, enabling the Company to cater to a diverse and expanding customer base.

Backed by deep underwriting expertise and a strong claims management framework, SLIC General maintains a customer-centric approach focused on reliability, responsiveness, and value creation. Its extensive island-wide footprint—comprising over 140 branches and 59+ service centres—combined with a robust sales force exceeding 2,000 personnel, ensures accessibility and service excellence across urban and rural markets alike.

SLICGL continues to maintain a leading position within the general insurance industry, with strong leadership in the motor insurance segment. Its brand strength has been consistently recognised by independent evaluators such as Brand Finance, reinforcing its standing as the most valuable general insurance brand in Sri Lanka.

The Company's financial resilience is supported by disciplined risk management practices and a diversified investment portfolio spanning sectors such as banking and financial services, healthcare, energy, and hospitality. Its financial strength is further reflected in ratings assigned by Fitch Ratings, as the only general insurance brand with an "A+(lka)" National Insurer Financial Strength Rating with a Stable Outlook.

Legal Structure

In alignment with regulatory requirements and national policy directives, the Sri Lanka Insurance Corporation Group underwent a strategic restructuring effective 01 February 2024. This resulted in the establishment of a holding company structure, with two fully owned subsidiaries:

- Sri Lanka Insurance Corporation Life Limited
- Sri Lanka Insurance Corporation General Limited

Each entity operates independently within its respective domain—life and general insurance—allowing for greater strategic focus, operational efficiency, and regulatory alignment.

Ownership and Governance

SLICGL is a wholly owned subsidiary of Sri Lanka Insurance Corporation Limited, which serves as the holding company of the Group. The ultimate shareholder of the Group is the Secretary to the Treasury under the Ministry of Finance, positioning SLICGL as a State-Owned Enterprise (SOE).

As an SOE, the Company operates within a governance framework that prioritises transparency, accountability, and long-term value creation. It remains committed to safeguarding the interests of a wide range of stakeholders, including the Government of Sri Lanka, policyholders, employees, distribution partners, reinsurers, and the broader community. The Company is also licensed by the Insurance Regulatory Commission of Sri Lanka (IRC SL), ensuring compliance with the country's regulatory framework for insurance operations.

SLICGL adheres to all applicable regulatory and governance requirements, including:

- Directions issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL).
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.
- Guidelines issued periodically by the Ministry of Finance for State-Owned Enterprises.

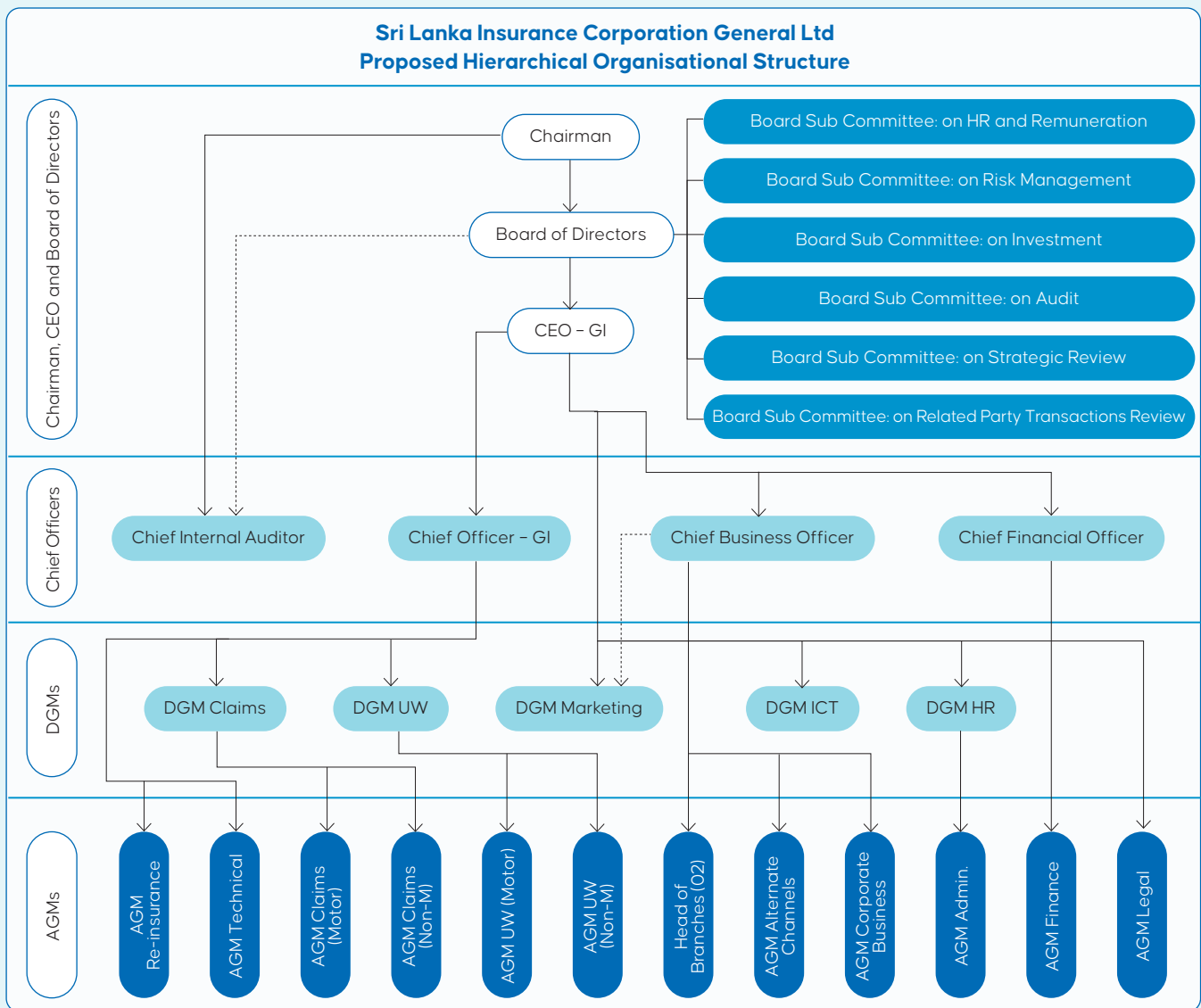
About Sri Lanka Insurance Corporation General Limited

Group Structure

The SLIC Corporation Group comprises of two distinct and independent operating entities under a common holding structure:

- Sri Lanka Insurance Corporation Life Limited-focused on life insurance solutions
- Sri Lanka Insurance Corporation General Limited-dedicated to general insurance solutions

Both entities operate without subsidiaries or associate companies, maintaining streamlined structures aligned with their core business mandates. This focused approach enables each company to specialise, innovate, and respond effectively to the evolving needs of their respective markets.



About Sri Lanka Insurance Corporation General Limited

Our Vision

To be the most trusted insurer, delivering the most reliable and comprehensive coverage to protect the nation.

Our Mission

To exceed the expectations of our clients by providing innovative, technically sound, customer-centered solutions at fair pricing, fostering financial security for all stakeholders.

SLICGL's values reflect the principles that guide behaviour across the organisation

Our Values



Year in Review

Financial Highlights

In accordance with Section 53 of the Insurance Industry Regulation (Amendment) Act No. 03 of 2011, SLICGL has been segregated into two separate legal entities with effect from 01 February 2024. Accordingly, the Financial Statements of financial year 2024 cover 11-month period from February to December 2024. However, for comparison purposes, financial information for the full year of 2024 (January to December) of the insurance business is presented on this page.

| | Measurement unit | 2025 | 2024 | Change % |
|---|------------------|----------|----------|----------|
| Financial performance | | | | |
| Total revenue | Rs. Mn. | 24,270 | 22,986 | 5.6 |
| Gross written premium | Rs. Mn. | 30,303 | 25,333 | 19.6 |
| Net earned premiums | Rs. Mn. | 19,951 | 18,071 | 10.4 |
| Net claim incurred | Rs. Mn. | 12,269 | 10,510 | 16.7 |
| Underwriting and net acquisition cost | Rs. Mn. | (12) | 293 | -104.1 |
| Operating and administrative expenses | Rs. Mn. | 8,762 | 8,144 | 7.6 |
| Investment income | Rs. Mn. | 3,914 | 5,321 | -26.4 |
| Profit Before Tax (PBT) | Rs. Mn. | 3,252 | 4,039 | -19.5 |
| Profit After Tax (PAT) | Rs. Mn. | 2,528 | 3,286 | -23.1 |
| Net claim ratio | % | 61.5 | 58.2 | 5.7 |
| Expense ratio | % | 43.3 | 46.0 | -5.9 |
| Combined ratio | % | 104.8 | 104.2 | 0.6 |
| ROE | % | 10.2 | 17.7 | -42.4 |
| Financial position and stability | | | | |
| Financial investment | Rs. Mn. | 48,080 | 39,585 | 21.5 |
| Total assets | Rs. Mn. | 64,015 | 51,134 | 25.2 |
| Equity | Rs. Mn. | 27,551 | 21,978 | 25.4 |
| Insurance contract liabilities | Rs. Mn. | 26,458 | 20,441 | 29.4 |
| Total liability | Rs. Mn. | 36,464 | 29,155 | 25.1 |
| Credit rating (Fitch rating) | Fitch (lka) | A+ (lka) | A+ (lka) | constant |
| Regulatory ratios/leverage | | | | |
| Capital Adequacy Ratio (CAR) | % | 269.4 | 277.3 | -2.8 |
| Total Available Capital (TAC) | Rs. Mn. | 26,880 | 21,286 | 26.3 |
| Risk based Capital Requirement (RCR) | Rs. Mn. | 9,978 | 7,675 | 30.0 |

* Refer Note 40 for the segregation and capital structure details.

Year in Review

Non-financial Highlights

Market Leadership



Highlighting the trust
we've earned in over decades of business

No. 1 Motor Insurer 10+ consecutive years

20.7% Motor Market Share

19.4% Non-Motor Market Share

The Market Leader in 3 out of 5 key market segments

Product and Service Momentum



Technically sound underwriting
Offering technically sound solutions

Motor GWP Growth:
+29.7%

Non-motor GWP Growth:
+6.7%

- Strengthened Fire, Health, and Engineering Lines
- Catastrophe-responsive underwriting enhancements
- Improved Claims turnaround during peak event periods

Digital Progress



Faster settlements, cleaner controls
and an enhanced customer experience

80%+ Claims Payments Converted to Common Electronic Fund Transfer (CEFT)

- Application Programming Interface (API) enabled collection integrations
- Expanded digital claims processing
- Reduced manual cheque dependency

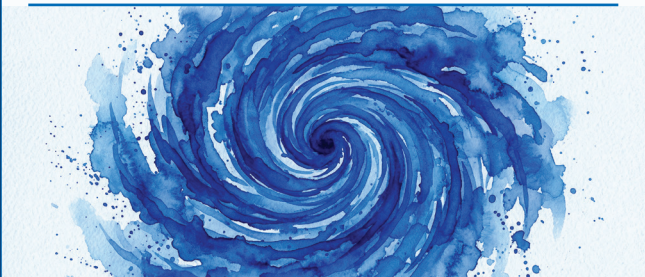
Partnerships that Scale Impact



A strong ecosystem
for a stronger insurer

- Multi-bank distribution alliances
- Multi Leasing Institutional alliances
- Strong Broker partnerships
- Strengthened reinsurance partnerships
- Continued national insurance programme support

Climate and Environmental Responsiveness



Prudent underwriting discipline

Climate change embedded into

- Enhanced catastrophe risk-mapping post-cyclone Ditwah
- Increased reinsurance buffers for extreme events
- Reduced paper dependency through digitalisation

National Engagement

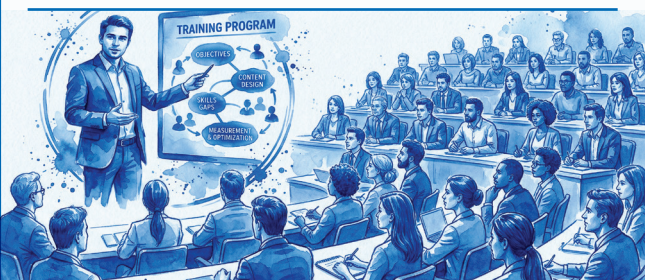


Standing with the nation

when it matters the most

- Rapid claims response during Cyclone Ditwah
- Island-wide branch support to affected communities
- Continued safety and risk-awareness initiatives

Governance and Risk Discipline



Public capital

protected responsibly

Capital adequacy 120%

well above Regulatory minimum

- Active Board Sub-committee oversight
- Four-lines-of-defence compliance model
- Strengthened Anti Money Laundering (AML) and regulatory monitoring
- Sri Lanka Financial Reporting Standards (SLFRS) 17 & 9 readiness underway

Awards and Accolades



Number 01 General Insurance brand

in terms of market share

- Brand recognition as the Most Valuable General Insurance (GI) Brand in Sri Lanka by Brand Finance strengthened public perception and reinforced customer loyalty.
- Only GI brand to exceed Rs. 30 Bn. in GWP (topline)
- Clear number 01 in Motor market share
- Number 01 in Medical - General Accident
- ISO/IEC 27001:2022 certification achieved
- Only GI brand to achieve an A+ Fitch rating

About this Report

We are pleased to present the Annual Report of Sri Lanka Insurance Corporation General Limited (“the Company”) for the financial year ended 31 December 2025. This marks the second Annual Report following the segregation of the Company’s operations in February 2024. The Report provides a clear and concise account of our performance during the year, together with an overview of our strategy, operating context, and value creation process.

This Report presents both financial and non-financial information, offering an integrated perspective on how the Company creates value over the short, medium, and long term. It reflects the interdependencies between our strategy, operations, and the broader economic, environmental, and social landscape in which we operate, while also providing a forward-looking view of our priorities and aspirations.

Reporting Frameworks and Approach

The Report has been prepared with reference to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC), which recognises the interrelationship between six capitals; financial, manufactured, intellectual, human, natural, and social and relationship capital, in driving sustainable value creation.

As a State-Owned Entity, the Company’s reporting approach is guided by applicable laws, regulations, and standards, including Sri Lanka Accounting Standards and other regulatory requirements relevant to financial reporting, governance, and operations.

In addition, the Report has been prepared in line with the Guidelines on Corporate Governance for State-Owned Enterprises and the preparation of Annual Reports, as stipulated in Public Enterprise Circular No. PED 01/2021 and subsequent revisions issued by the Ministry of Finance.

The Company also adheres to the Code of Best Practice in Corporate Governance for Public Enterprises in Sri Lanka, issued by the Ministry of Finance, which is applicable to commercial public enterprises and statutory boards.

Scope and Boundary

This Report covers the financial and non-financial performance of the Company for the year ended 31 December 2025. The reporting boundary is aligned with the scope of the Financial Statements, and includes all activities of the Company within Sri Lanka.

The Report provides insights into key aspects of the business, including the Company’s business model, strategy, operating environment, stakeholder relationships, and material matters, and explains how value is created, preserved, or potentially eroded through these interactions.

Materiality

The Company applies a structured, organisation-wide materiality assessment process to identify and prioritise matters that are most relevant to its ability to create sustainable value. Guided by the principle of double

materiality, the assessment considers both the impact of external factors on the Company and the Company’s impact on the economy, environment, and society.

Material matters are identified through an evaluation of risks, opportunities, stakeholder expectations, and macroeconomic trends, and are addressed through targeted strategic and operational responses. Further details on material matters and their management are presented in the relevant sections of this Report.

Value Creation

The Company’s approach to value creation is articulated through its business model, which illustrates how inputs across the six capitals are transformed through core business activities into outputs and outcomes that generate value for stakeholders.

This integrated approach recognises that financial performance is intrinsically linked to non-financial factors, and underscores the Company’s commitment to sustainable and responsible business practices.

Combined Assurance

The integrity of the information presented in this Report is supported through a combined assurance framework comprising both internal and external mechanisms. Content has been reviewed by relevant business units and the Corporate Management Team prior to submission to the Shareholders.

The Financial Statements have been independently audited by the Auditor General of Sri Lanka, providing reasonable assurance on their accuracy and compliance. This layered assurance approach enhances the credibility, reliability, and transparency of the Report.

Forward-Looking Statements

This Report contains forward-looking statements relating to the Company’s future performance and prospects. Such statements are subject to risks and uncertainties arising from factors including economic conditions, regulatory developments, and other external events beyond the Company’s control. Actual outcomes may differ materially from those expressed or implied.

Feedback

We welcome feedback from our stakeholders as part of our ongoing commitment to enhancing transparency and continuously improving the quality of our reporting.

Company Secretary

Sri Lanka Insurance Corporation General Limited
 “Rakshana Mandiraya”
 No. 21, Vauxhall Street, Colombo 02.
 Phone: +94 11 235 7741

LEADERSHIP AND GOVERNANCE

Chairman's Message



In 2025, Sri Lanka's improving economy and easing restrictions boosted growth and insurance demand, while SLICGL emphasized financial strength, governance, and its national role in building resilience and public trust through greater insurance awareness.

The year 2025 unfolded against a backdrop of gradual macroeconomic recovery and renewed confidence. Sri Lanka recorded steady GDP growth across the first three quarters of the year, supported by fiscal consolidation, easing monetary conditions, and strengthened external reserves. The relaxation of import restrictions; particularly in the motor segment, revitalised economic activity and stimulated demand across several sectors, including general insurance.

Chairman's Message

Improvements in the macroeconomic environment, together with the reopening of previously restricted imports, signalled cautious optimism for households, businesses, and the broader economy. In this context, the role of a financially strong and well-governed national insurer became increasingly important in supporting progress while remaining prepared for uncertainty.

Within this evolving environment, SLICGL remained focused on its core mandate: maintaining financial strength, upholding governance discipline, and supporting national resilience. Our responsibility extends beyond commercial performance; we are custodians of public trust and public capital. As the National Insurer, we recognise a broader responsibility beyond underwriting risk. We are committed to enhancing public awareness of insurance as a vital risk mitigation tool. A well-insured nation is inherently more resilient, better positioned to withstand uncertainty, and equipped to pursue sustained economic and social progress.

Financial and Operational performance

Confidence in an insurer rests on one principle, the certainty that obligations will be honoured, especially in times of stress.

In 2025, SLICGL achieved Gross Written Premium (GWP) of Rs. 30.3 Bn., reflecting 19.6% growth and reinforcing its market leadership. SLICGL is proud to have recorded the highest Gross Written Premium in the industry at over Rs. 30 Bn., underpinning its market leadership while contributing to the insurance sector achieving its highest recorded contribution to national GDP in 2025. Motor Insurance continued to anchor our portfolio, with a 20.7% market share, while non-motor segments strengthened their contribution.

Despite the elevated claims environment during the year, total assets grew by 25.2% to Rs. 64 Bn., reflecting balance sheet strength and disciplined capital management. Our Capital Adequacy Ratio (CAR) remained well above the regulatory minimum requirement of 120%, underscoring resilience and solvency.

Profit Before Tax for the year stood at Rs. 3.2 Bn., with Profit After Tax at Rs. 2.5 Bn. While profitability was impacted by extraordinary events, the fundamentals of the business remain sound.

The Combined Operating Ratio (COR) remains a key performance benchmark, with management focused on maintaining it below 100% to ensure underwriting integrity and operational sustainability.

The Board's foremost responsibility throughout the year was to ensure that the Company continued to be governed prudently and responsibly, with a clear focus on long-term sustainability. Particular emphasis was placed on maintaining financial strength, solvency, and robust risk oversight, recognising that confidence in an insurer is built on its ability to honour commitments even under adverse conditions.

SLICGL's financial strength is further reflected in its credit ratings, with Fitch Ratings affirming its "CCC+" Insurer Financial Strength Rating and "A+(lka)" National Insurer Financial Strength Rating, with a Stable Outlook on the National scale. The Company remains among the

highest-rated insurers in the country, reflecting disciplined capital management, robust reinsurance arrangements, and sound governance practices.

For a public institution, profitability is not an end in itself. It strengthens the national treasury, enhances fiscal stability, and contributes to broader economic resilience.

Moving towards sustainable profitability

While maintaining leadership in scale, the Board supported a deliberate shift in strategic emphasis—from growth at any cost toward sustainable profitability and underwriting discipline.

This strategic shift reflects a broader commitment to balancing growth with resilience, ensuring that financial performance is achieved alongside the preservation of stakeholder trust, including that of policyholders, prospective clients, and the State.

Our response to key national events

The devastation caused by Cyclone Ditwah in November 2025 abruptly changed the operating landscape and tested the resilience of communities across Sri Lanka.

Total Net Claims reported for the year rose to Rs. 12.3 Bn., with the most significant impact observed in the Fire and Engineering segments.

In response, SLICGL honoured valid claims promptly and ensured continuity of service across affected regions. Employees across the island worked under challenging conditions to assess damages, expedite processing, and ensure timely settlement.

Strong reinsurance structures, enhanced catastrophe coverage, and disciplined capital management ensured that obligations were met without jeopardising solvency. The Company maintained a solvency ratio of 269.4% in 2025, well above the IRCSL minimum requirement of 120%.

The events surrounding Cyclone Ditwah also underscored a broader national imperative. While Sri Lanka and its people are renowned for their inherent resilience, such resilience must increasingly be supported by formal risk-transfer mechanisms. As a national insurer, we recognise our responsibility to enhance public awareness of insurance, as a well-insured nation is better equipped to withstand shocks, recover faster, and safeguard its future.

Governance, Risk and Institutional strength

Throughout the year, the Board remained focused on reinforcing governance, compliance, and oversight mechanisms.

SLICGL operates within a structured governance framework aligned with applicable laws, regulatory requirements, and SOE guidelines. Board sub-committees, including Audit, Strategic Review, Human Resources, Risk, Investment, and Digital Transformation, provided targeted oversight across critical functions.

Enhanced internal controls, strengthened compliance monitoring, and structured Enterprise Risk Management processes were central to our governance posture.

Chairman's Message

SLICGL achieved strong growth and maintained market leadership in 2025, supported by solid capital strength and disciplined management despite high claims from Cyclone Ditwah. The company remained financially resilient, shifted focus toward sustainable profitability, and strengthened governance, digital operations, and risk management, while continuing to support communities and uphold its role as a reliable national insurer.

Transparency, accountability, and ethical conduct remain non-negotiable pillars of our mandate.

Service Excellence and Operational Improvements

The Company continued to invest in digital transformation and operational modernisation during 2025.

More than 80% of claim payments were transitioned to Common Electronic Fund Transfers (CEFT), strengthening efficiency, control, and customer convenience. ICT infrastructure upgrades and preparations for SLFRS 17 and SLFRS 9 implementation are underway, ensuring readiness for enhanced financial reporting standards.

Modernisation is not simply technological, it reflects our intent to operate with greater transparency, efficiency, and institutional strength.

People and Organisational Capacity

The Board takes confidence in the manner in which management and staff consistently balanced financial discipline with national responsibility throughout a demanding year.

Across a workforce of over 1,800 employees serving island-wide, professionalism and dedication remained evident, particularly during the response to Cyclone Ditwah.

We recognise that the strength of SLICGL lies not only in its capital and systems, but in its people, who remain committed to serving the nation

Sustainability and ESG Commitment

SLICGL recognises the increasing importance of environmental and social considerations in business decision-making. The impact of climate-related events during the year highlighted the need for continued focus on risk preparedness, resilience, and responsible underwriting practices.

The Company remains committed to integrating sustainability considerations into its operations, supporting long-term value creation while safeguarding stakeholders and the environment.

Looking Ahead

As Sri Lanka continues its path toward economic recovery, the insurance sector will play a critical role in supporting households, enabling businesses, and facilitating investment.

At the same time, the external environment remains subject to uncertainty. Global geopolitical developments and energy market pressures have contributed to cost volatility, with implications for transportation, supply chains, and claims dynamics within the insurance sector. These conditions underscore the need for continued prudence, operational resilience, and adaptability.

Against this backdrop, the Board remains focused on Business Development:

- Safeguarding capital strength
- Strengthening underwriting discipline
- Enhancing governance and transparency
- Advancing digital transformation
- Protecting policyholders with integrity

Moreover, as a State-Owned Enterprise operating within a competitive private sector landscape, SLICGL will continue to strengthen customer-centricity across all aspects of its operations. This commitment remains aligned with our mission, to exceed client expectations through innovative, technically sound, and customer-focused solutions at fair pricing, while fostering financial security for all stakeholders.

As such, SLICGL will continue to fulfil its mandate as a trusted national insurer, maintaining service continuity and financial stability while contributing to a more resilient and sustainable future for Sri Lanka.



Mr Nusith Kumaratunga

Chairman

Sri Lanka Insurance Corporation General Limited

31 March 2026

CEO's Review



Our focus remained clear: to support growth while reinforcing underwriting discipline, strengthening risk management, and enhancing service delivery.

The year 2025 marked a period of transition and renewed momentum for SLICGL. As economic conditions improved and previously restricted imports were gradually reinstated, particularly in the motor segment, activity returned across several sectors, creating new opportunities for growth within the general insurance market.

CEO's Review

SLICGL achieved a record Gross Written Premium of Rs. 30.3 Bn., the highest in the general insurance sector, while reinforcing market leadership, enhancing customer experience, strengthening operational efficiency, and driving sustainable, digitally enabled growth in Sri Lanka.

Against this backdrop, SLICGL achieved Gross Written Premium (GWP) of Rs. 30.3 Bn., representing a significant milestone for the Company and the highest recorded premium volume within the general insurance sector. This performance not only reinforces our market leadership but also reflects our contribution to the broader expansion of the insurance industry, which continues to play an increasingly important role in supporting economic activity and resilience in Sri Lanka.

In responding to this environment, our focus remained clear: to support growth while reinforcing underwriting discipline, strengthening risk management, and enhancing service delivery. This required a coordinated effort across the organisation to ensure that expansion was accompanied by operational control and long-term sustainability.

Strengthening operational performance

Our performance during the year was supported by the Company's strong financial foundation and investment strength. At the same time, we took deliberate steps to improve the quality and sustainability of our core insurance operations.

Teams across underwriting, claims, finance, technology, and operations worked collaboratively to enhance efficiency, strengthen internal controls, and improve profitability. These improvements were not driven by a single initiative, but by a collective effort to align execution with a shared focus on long-term value creation.

Enhancing customer experience

Customer experience remained central to our execution strategy. We continued to simplify processes, expand digital service channels, and improve turnaround times in claims settlement.

Insurance often becomes visible at moments of loss, and we recognise that our response during these critical times defines customer confidence. Our branch network, claims teams, and support functions remained focused on delivering timely, reliable, and empathetic service across all touchpoints.

Responding with purpose

The impact of Cyclone Ditwah in November 2025 tested both our operational readiness and our commitment to policyholders.

In response, our priorities shifted immediately from performance to purpose. Teams across the country mobilised rapidly to assess damages, process claims, and support affected communities.

This experience reinforced the fundamental role of insurance—not only as a mechanism for financial protection, but as a means of helping individuals and businesses recover, rebuild, and move forward with confidence.

Driving industry-wide excellence

Initiated by SLIC General, GIPA was developed to address the absence of a globally recognised platform for general insurance sales professionals. It introduces a structured framework to evaluate performance across key areas including production, new business, retention, growth, portfolio sustainability, profitability, and national or organisational ranking.

The initiative promotes disciplined sales practices, strengthens professionalism, and reinforces customer-focused value creation, while supporting long-term industry sustainability.

Since its inception in 2023, GIPA has evolved beyond its internal origins, achieving key milestones with its global launch in Kuala Lumpur in 2024 and the international awards ceremony in Jakarta in 2025. These platforms enabled regional collaboration and knowledge exchange, positioning Sri Lanka as a contributor to advancing professional standards in general insurance.

The initiative has also received recognition at the Best Management Practices Company Awards 2025 and the Project Management Awards 2024.

Looking ahead, we aim to further expand local and international partnerships, with the long-term ambition of establishing GIPA as an independent global platform supporting professional development and sustainable industry growth.

Brand strength and market leadership

The trust built through consistent delivery and service excellence was reflected in independent recognition during the year. SLICGL was recognised as the Most Valuable General Insurance Brand in Sri Lanka by Brand Finance, reinforcing the strength of our brand and the confidence placed in us by our customers.

We continued to maintain our position as the country's leading general insurer. This leadership is not viewed as an endpoint, but as a responsibility to set standards in reliability, service quality, and operational integrity.

Advancing digital and operational capabilities

The Company continued to invest in digital enablement and operational improvements to enhance efficiency and responsiveness.

Strengthening data-driven decision-making, improving system capabilities, and streamlining internal processes remain key priorities as we position the organisation for greater agility and scalability in a changing environment.

Looking ahead

As we move forward, our priorities remain focused on strengthening the core of our business while adapting to a dynamic operating environment.

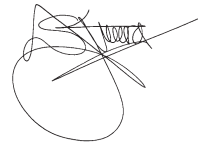
We will continue to focus on:

- Achieving sustainable underwriting profitability
- Further improving claims experience and customer simplicity
- Strengthening digital enablement and data-driven decision-making
- Preserving the financial strength and reliability expected of a national insurer
- Helping insure the nation also means helping build resilience. Every improvement we make in systems, processes, and collaboration, contributes to a stronger and more secure Sri Lanka.

Acknowledgement

I would like to express my sincere appreciation to our employees for their dedication and professionalism, to our customers for their continued trust, the Chairman and to the Board of Directors for their guidance and support throughout the year.

SLICGL remains committed to delivering protection that works, quietly, reliably, and in service of the nation's progress and peace of mind.



Dr Sameera Dharmasena

Chief Executive Officer

31 March 2026

Board of Directors



Mr Thushara Rodrigo
Director

Mr Niel Unamboowe P. C.
Director

Mr Rohan Buultjens
Director

Mr Nusith Kumaratunga
Chairman



Mr Dushmantha Thotawatte
Director

Mr Somadasa Paliyawadana
Director

Ms Sarah Dissanayake
Head of Corporate Affairs and
Company Secretary

Board of Directors



Mr Nusith Kumaratunga

Chairman

Mr Nusith Kumaratunga holds a Bachelor of Science degree in Estate Management and Valuation from the University of Sri Jayewardenepura. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a member of the Institute of Certified Management Accountants. He brings over three decades of experience in audit, taxation, and business advisory services.

He began his career at PricewaterhouseCoopers and later founded Nusith Kumaratunga & Co. in 2000, a professional services firm specialising in audit, tax planning, and consultancy, with a focus on SMEs. He has contributed to the development of Sri Lanka's SME sector through training programmes funded by the World Bank and the Ministry of Finance. He has also served on advisory panels on taxation reform and economic policy.

He currently serves as Chairman of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Sri Lanka Insurance Corporation General Limited, Management Services Rakshana (Private) Limited, Sri Lanka Investments Holdings Limited, National Transmission Network Service Provider (Private) Limited, Biomed Hydro Power (Private) Limited, Sri Lanka Energies HR (Private) Limited, Deduruoya Mini Hydro (Private) Limited, Kumbalgamuwa Mini Hydro (Private) Limited, and Sri Lanka Energies (Private) Limited. He is also a Board Member of The Lanka Hospitals Corporation PLC, LTL Holdings (Private) Limited, Litro Gas Lanka Limited, and Litro Gas Terminal Lanka Limited.



Mr Dushmantha Thotawatte

Director

Mr Dushmantha Thotawatte is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He holds a Bachelor of Commerce (Special) degree from the University of Sri Jayewardenepura and a Master's degree in Financial Economics from the University of Colombo. He was appointed to the Board on 29 April 2024. He brings over 40 years of experience in financial management, corporate governance, strategic management, and public relations across both state-owned and private sector organisations.

He has held senior positions including Chief Executive Officer, Chief Financial Officer, and Chief Internal Auditor. He currently serves as Chairman of Canwill Holdings (Pvt) Ltd, Canowin Hotels & Spas Ltd, and LCB Finance PLC. He is also a Board Member of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Management Services Rakshana (Private) Limited, and Sri Lanka Investments Holdings Limited. He was the recipient of the IPM Sri Lanka People Leaders Award in 2017 in the Finance Category.



Mr Rohan P Buultjens

Director

Mr Rohan P Buultjens holds a Master of Business in Information Technology (MBIT) from the Royal Melbourne Institute of Technology, Australia. He is a senior professional with extensive experience across telecommunications, nuclear, oil and gas, financial services, and information technology. He currently serves as a Board Member of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Management Services Rakshana (Private) Limited, and Sri Lanka Investments Holdings Limited. He is recognised for driving digital transformation and aligning IT strategies with business objectives. His expertise includes data analytics, cybersecurity, digital commerce, and emerging technologies.

He has led large-scale transformation initiatives that enhance customer experience, operational efficiency, and revenue growth. His technical expertise spans Artificial Intelligence, Internet of Things, Blockchain, Big Data, and Cloud computing. He also has international experience across the UAE, Australia, Tanzania, India, Egypt, Saudi Arabia, and Sri Lanka, and has led multicultural teams on complex projects.



Mr Niel Unamboowe P. C.

Director

Mr. Niel Unamboowe, President's Counsel, holds two Master's degrees from George Washington University, USA, and the University of Turin, Italy. He has also received specialised training in cyber law, air law, and nuclear safeguards. He has over three decades of experience in the legal profession. He retired as Additional Solicitor General from the Attorney General's Department, where he handled high-profile legal investigations and advisory work. He has provided legal counsel to the Ministry of Finance, Sri Lanka Customs, and the Inland Revenue Department.

He has also served as a legal consultant to the Atomic Energy Authority and the Sri Lanka Standards Institute. He currently serves as a Board Member of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Management Services Rakshana (Private) Limited, and Sri Lanka Investments Holdings Limited. He is engaged in private legal practice and serves on the Boards of Sri Lanka Telecom PLC and Mobitel (Private) Limited.

Board of Directors



Mr Thushara Rodrigo

Director

Mr Thushara Rodrigo holds a Bachelor of Commerce degree and a Master of Public Management from the Sri Lanka Institute of Development Administration. He is a Fellow Member of the Association of Public Finance Accountants of Sri Lanka and a Chartered Public Finance Accountant of the Institute of Chartered Accountants of Sri Lanka. He brings nearly three decades of experience in the public sector, particularly in Treasury functions such as accounting, reporting, asset management, and oversight of State-Owned Enterprises.

He currently serves as Additional Director General of the Department of Public Enterprises at the General Treasury. His previous roles include Audit Examiner, Accountant, Assistant Director at the Ministry of Foreign Affairs, Second Secretary at the Deputy High Commission in Chennai, and Chief Executive Officer of the Local Loan & Development Fund. He also serves on the Boards of several government institutions and chairs Audit Committees. He is a Board Member of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Management Services Rakshana (Private) Limited, and Sri Lanka Investments Holdings Limited. His contributions include strengthening financial reporting, enhancing Treasury oversight, and promoting public sector governance and accountability.



Mr Somadasa Palihawadana

Director

Mr Somadasa Palihawadana holds a Bachelor of Science in Physical Science from the University of Colombo. He brings over 51 years of experience in banking and primary dealer operations, including more than four decades in treasury dealing. He currently serves as CEO/Director of Sherwood Capital (Private) Ltd and previously served as Managing Director of Capital Alliance Ltd. He is also a Board Member of Sri Lanka Insurance Corporation Limited, Sri Lanka Insurance Corporation Life Limited, Management Services Rakshana (Private) Limited, and Sri Lanka Investments Holdings Limited. He spent nearly 20 years at Seylan Bank PLC and retired as Deputy General Manager – Treasury. During this time, he headed the Primary Dealer and Gold Investment Units. He also served at the Bank of Ceylon, including as Chief Dealer at its London branch. He has held positions as Non-Executive Director and Deputy Chairman of Seylan Development PLC. He has extensive expertise in treasury management, government securities, and financial markets.



Ms Sarah Dissanayake

Head of Corporate Affairs and Company Secretary

Ms Sarah Dissanayake, Head of Corporate Affairs and Company Secretary, holds a Bachelor of Laws from the General Sir John Kotelawala Defence University and is an Attorney-at-Law of the Supreme Court of Sri Lanka, having been admitted to the Bar upon completing her professional legal qualifications at the Sri Lanka Law College. She also holds a Postgraduate Diploma in Diplomacy and World Affairs from the Bandaranaike International Diplomatic Training Institute, further strengthening her grounding in governance and international affairs. She was appointed Company Secretary with effect from 01 July 2025 and currently oversees the Corporate Affairs and Company Secretariat Division, with responsibility for ensuring compliance with the Companies Act and other applicable regulatory requirements, while promoting sound corporate governance practices.

Ms Dissanayake commenced her legal career as a Junior Counsel at the Chambers of President's Counsel Mr W Dayaratne, where she gained experience in civil and criminal litigation, with a focus on partition, land, and commercial law. She subsequently served as a Senior Legal Officer at Corporate Services (Private) Limited, an affiliate of F J and G de Saram, one of Sri Lanka's leading law firms, where she was exposed to a diverse portfolio of over 400 local and multinational entities and was directly involved in providing company secretarial services to more than 60 listed and unlisted public and private companies, including overseas entities registered in Sri Lanka. Her experience includes advising on corporate and commercial law matters, handling complex shareholder structures, conducting legal due diligence, and supporting regulatory compliance and governance frameworks. Since joining Sri Lanka Insurance Corporation, she has contributed to strengthening corporate governance processes, enhancing statutory compliance, and supporting corporate legal and industrial relations matters, with her professional experience and legal expertise enabling her to effectively support the Company's governance and strategic objectives.

Leadership Team

Members of the Executive Committee

Dr Sameera Dharmasena

Chief Executive Officer



PhD, MBA, BSc (Hons), LLB, AIII, FCII - Chartered Insurer

Dr Sameera Dharmasena is a distinguished insurance professional with over 20 years of experience in the Sri Lankan insurance industry. He has held senior leadership roles across leading insurance entities, including multinational exposure at Allianz Life Insurance Lanka. He began his career at Sri Lanka Insurance Corporation and has contributed significantly to advancing professionalism, education, and innovation within the sector. Dr Dharmasena also served as President of the Sri Lanka Insurance Institute, the country's premier insurance education body affiliated with the Chartered Insurance Institute (UK).

Leadership Team

Mr Asiri Wickramarachchi

Chief Officer – General Insurance

*FCII (UK), Chartered Insurer*

Mr Asiri Wickramarachchi is an experienced insurance professional with over 18 years of industry expertise spanning underwriting, claims, and reinsurance. He has held senior roles in both multinational and local insurance companies, including Chief Operating Officer – Technical at Continental Insurance Lanka Ltd. He is a Fellow of the Chartered Insurance Institute (UK) and one of the youngest Sri Lankans to achieve Chartered Insurer status. His strong technical background and leadership experience support operational excellence and sustained performance in the general insurance segment.

Mr Chaminda Gunasinghe

Chief Internal Auditor

*MBA (Finance), BBM (Hons), FCA, ACCA, ACMA, CERT (UK)*

Mr Chaminda Gunasinghe brings over 26 years of experience across banking, finance, and insurance, with expertise in finance, audit, taxation, and administration. Since joining Sri Lanka Insurance Corporation in 2007, he has held multiple senior roles, including DGM positions in Internal Audit and Support Services and as the Director cum Managing Director of SLIC Maldives Branch Office. He is also appointed as Non-Executive Director of Colombo Dockyard PLC. He played a key role in IFRS convergence and tax framework reforms in the insurance sector. A Fellow of CA Sri Lanka and member of several professional bodies, he also serves on multiple boards, contributing his expertise in governance and financial oversight.

Leadership Team

Ms Sriyani Kulasinghe

Chief Financial Officer (Cover-up)

*FCA, ACMA, MBA (Finance), BCom (Hons)*

Ms Sriyani Kulasinghe has over 23 years of experience in auditing, finance, and taxation. She joined Sri Lanka Insurance Corporation in 2009 and currently serves as Chief Financial Officer (Cover-up), with over 16 years of service to the organisation. A Fellow Member of CA Sri Lanka and Associate Member of CMA Sri Lanka, she holds a BCom (Hons) from the University of Kelaniya and an MBA in Finance from the University of Colombo. She has also contributed to academia as a lecturer in Insurance Law and Regulation and currently serves as a Non-Executive Director of Cey Bank Asset Management Limited.

Mr Sanjaya Attanayake

Chief Business Officer

*Pg. Dip. (Strategic Management and Leadership)*

Mr Sanjaya Attanayake brings over 33 years of experience in insurance, with expertise in underwriting, sales, and distribution management. As Chief Business Officer of Sri Lanka Insurance Corporation General, he leads business growth and market expansion initiatives. He has a strong track record in building high-performing sales teams, strengthening corporate relationships, and driving strategic distribution development. Prior to his current role, he served as Chief Operating Officer and Head of Corporate and Personal Lines. His career includes leadership roles at Union Assurance, Fairfirst Insurance, and LOLC General Insurance.

Deputy General Managers

Mr Rajaratnam Kathirkhamaruban

DGM - Digital Transformation



B.Sc (Engineering-University of Peradeniya), MBA (University of Colombo), Certified Lean Six Sigma Black Belt (Dr Mikel J Harry Six Sigma Management Institute Asia), MBCS, AMIESL

Mr Shashika Ranasinghe

DGM - Investment



MBA (Asia e University), CFA, FRM, BSc (Engineering - University of Moratuwa), ACMA, AIB

Mrs Nadira Gunawardhana

DGM - Underwriting



B.Sc (Hons)-University of Colombo, MBS - University of Colombo, MBA (PIM/ University of Canberra), FII, Sp. Dip in Marine (III), ACII (UK), Chartered Insurer

Ms Fiona Munasinghe

DGM - Marketing



BSc (Business Management-UMIST, UK), MBA (PIMA-University of Sri Jayewardenepura), CIM (UK), CIMA (UK), CMA (Australia), Prof. Dip. Digital Marketing (APIDM), Adv. Cert. International Trade (CCC), CPM (Asia Marketing Federation, Singapore)

Leadership Team

Assistant General Managers



01

Mr Roshan Collas

AGM – Alternate Distribution and Business Retention (GI)

MBA, CMA (Aus), Dip. In Marketing (SLIM), MSLIM, FCPM, MIM (SL)



02

Mr Mahendra Silva

AGM – Administration

(Retired: w.e.f. 30 January 2026)

Attorney-at-Law, LLB (Hons) (Sri Lanka), MBA in HRM (OUSL), PGDip in HRM (OUSL), PGDip in Archae (UOK), NDES (IET), GCGI (UK), MIIE (SL), I Eng. AMCIPM



03

Mr Jeevantha Welihinda

AGM – Engineering Services

B.Sc (Eng)



04

Mr Amanda Perera

AGM – Procurement

HND (ISMM), Dip. In Hardware Eng.



05

Mr Chandima Sumanathunga

Head of Re-Insurance

FCII (UK), MBA(Wales), AllI (India), ANZIIF (Senior Associate) CIP, LLM (Wales)



06

Mr T S K Peiris

Head of Branches (Western Region)

Dip. in Marketing (SLIM), CPM, Diploma in insurance (NIBM) CPM (Asia Pacific)

Leadership Team



Mr Lalith Jayasinghe

AGM - Claims

BA, MBA, Dip. In Insurance III

07



Mr Asanka Ekanayake

AGM - Technical (Motor)

DBA, MSc, MBA, NDES, MCP,
G Dip in M.Eng

08



Ms Lakshmi Perera

Head of Corporate Business Division

BSc Mkt & IT (special), MBA (UK), CIM,
Diploma in IT

09



Mr Jagath Mendis

Head of Branches (Non-Western)

10



Mr Vishwa Weerawardana

Head of Legal

11

Leadership Team

Senior Managers

**Mr Chandana Vithanage**

Senior Manager - Head office Business Development

**Mr Duminda Kandegama**

Senior Manager - IT Data Center

**Mr Nalin Patabandige**

Senior Manager - Club Member Sales

**Mr Aruna Sirimanna**

Senior Manager - Business Retention

**Mr Jagath Maithirratne**

Senior Manager - Casualty

**Ms Deshani Jayatilaka**

Senior Manager - Legal (Litigation)

**Ms Dilshani Dep**

Senior Manager - SHE & PA

**Mr Chathura Perera**

Senior Manager - Technical Underwriting

**Ms Varuni Nonis**

Senior Manager - Motor Underwriting

**Mr Anura Abeygunawardena**

Senior Manager - Special Projects

**Mr Milantha Weerakkody**

Senior Manager - Distribution Operation (Personal Lines - General)

**Ms Maneesha Gunasekara**

Senior Manager - Marine

Leadership Team



Mr Vibushan Bulathsinghala
Senior Manager – General Insurance
Sales Training



Mr Narada Wijesekara
Deputy Chief Motor Engineer



Ms Shiromani Kumarasinghe
Senior Manager – Legal (Title Insurance)



Ms Subashi Jayasumana
Senior Manager – Enterprise Risk
Management and Compliance



Ms Dilhani Perera
Senior Manager – Credit Control, Staff and
Agent Payments and Operations



Mr Sisira Kumara
Senior Manager – Budgeting, Taxation,
Revenue Assurance and Reinsurance



Mr Tivara Udurawana
Senior Manager – FBD



Mr Ravi Medis
Senior Manager – Public Sector Insurance



Mr Hasindu Mirana
Senior Manager – Management
Information System



Mr Erannda Chamara
Senior Manager – Procurement



Mr Taren Juriansz
Senior Manager – Customer Service
and Experience



Mr Kosala Abeyratne
Senior Manager – Marine Underwriting

Leadership Team



Ms Anusha Chandrarathna
Senior Manager - SHE and PA Claims



Mr Thilina Abeyasinghe
Senior Manager - Actuarial and Risk
Management Services



Mr Melanka Munasinghe
Senior Manager - Bancassurance (General)



Mr Buddhika Perera
Senior Manager - Application Software
and Business Analysis



Ms Dinusha Wickramasinghe
Senior Manager - Fire Claims

Regional Managers



Mr Ranjith Hewapathirana
Regional Manager - General (Western 3)



Mr Kalum Jayasinghe
Regional Manager - General (Uva)



Mr Rasamanikkam Lingeshwaran
Regional Manager - General (Eastern)



Mr Susantha Dissanayake
Regional Manager General (Upper Western)



Ms Uththara Dissanayake
Regional Manager - General (Southern 2)



Mr Anura Basnayake
Regional Manager - General (Wayamba 2)



Mr Shivarathnam Karnan
Regional Manager - General (Western 04)



Mr Indika Welgama
Regional Manager - General (Wayamba 1)



Ms Susantha Gamage
Regional Manager - General (Southern 03)



Mr Asanka Kagoo
Regional Manager - General (Western 1)



Mr A Ajithkumar
Regional Manager - General (Northern)

VALUE CREATION AND STRATEGY

Driving performance with purpose and discipline

Our strategy is anchored in delivering sustainable, long-term value by aligning our strengths with evolving market opportunities. Through disciplined execution, prudent risk management, and a clear focus on stakeholder priorities, we continue to strengthen our core while positioning for future growth.

Business Model

Business model and value creation

Inputs



Financial Capital

- Shareholder equity and retained earnings
- Policyholder premiums
- Investment portfolio (Rs. 48+ Bn.)
- Strong capital adequacy (CAR 269%)



Manufactured Capital

- 140+ branches and 59+ service centres
- Digital infrastructure and claims platforms
- Island-wide service delivery network



Intellectual Capital

- Underwriting expertise and actuarial models
- Risk pricing frameworks
- Data analytics and digital systems
- Catastrophe modelling capabilities



Human Capital

- 1,800+ employees and 2,000+ sales force
- Technical insurance expertise
- Customer service and claims handling capabilities



Social and Relationship Capital

- Policyholders and corporate clients
- Government (as shareholder)
- Brokers, banks, leasing partners
- Reinsurers and regulators
- Professional Excellence – General Insurance Pinnacle Award (GIPA)



Natural Capital

- Climate-related risk considerations
- Environmental considerations in underwriting

Business Activities

Core Insurance Operations

- Underwriting risk across: Motor, Fire and Engineering, Marine, Liability, Health, Personal Accident

Risk Management and Reinsurance

- Catastrophe modelling and pricing discipline
- Reinsurance programmes to manage large-scale losses
- Enterprise Risk Management framework

Claims Management

- Efficient claims processing. (80%+ digital payments)
- Rapid response during catastrophic events

Distribution and Customer Engagement

- Branch-led personal lines
- Corporate and broker channels
- Bancassurance and partnerships

Investment Management

- Diversified portfolio (government securities, equities, deposits)
- Supports profitability and liquidity

Digital Enablement

- API integrations and automation
- CEFT-based claims settlement
- Data-driven decision-making

Outputs

Gross Written Premium:
Rs. 30.3 Bn.

Insurance coverage
across individuals and corporates

Claims settlements
Rs. 12.3 Bn.

Investment income
Rs. 3.9 Bn.

Expanded insurance penetration and accessibility

Outcomes



For Policyholders

- Financial protection and risk transfer
- Faster claims settlement and service reliability



For Shareholders

- Sustainable profitability
- Contribution to national fiscal stability



For Economy

- Risk mitigation enabling investment and growth
- Support for SMEs, infrastructure, and trade



For Society

- Disaster recovery support (Cyclone Ditwah)
- Increased insurance awareness and resilience



For the Company

- No. 1 General Insurer
- Strengthened brand and customer trust
- Sustainable capital growth

Operating Environment

The operating environment in 2025 was shaped by a gradual economic recovery, evolving global conditions and increasing exposure to climate-related risks. While macroeconomic stability improved, structural vulnerabilities, and external uncertainties continued to influence business performance and sector dynamics.

For the General Insurance Sector, these developments translated into both growth opportunities and heightened risk exposure, requiring greater emphasis on resilience, pricing discipline and service responsiveness.

Global Economy

The global economy continued to expand at a moderate pace in 2025, with growth estimated at around 3.2%, followed by a projected marginal slowdown. This reflects a transition to a more stable but lower-growth post-pandemic environment

Global economic activity was supported by infrastructure investments, fiscal stimulus in key economies, and rapid technological advancements. However, geopolitical tensions, trade uncertainties and supply chain disruptions continued to create volatility in commodity prices and capital flows.

For the Insurance Sector, these conditions resulted in increased volatility in underwriting environments, exerted pressure on reinsurance markets and pricing and led to shifts in demand driven by global trade dynamics and investment cycles.

Sri Lankan Economic Environment

Sri Lanka’s economy demonstrated a steady recovery during 2025, supported by continued macroeconomic stabilisation efforts and policy reforms implemented under the guidance of international financial institutions. Economic activity gained momentum during the year, with Gross Domestic Product (GDP) estimated to have recorded a growth of 5.0% during 2025. Growth was broad-based, driven by improvements across the industrial and services sectors, supported by stabilised input costs, improved supply conditions and a gradual recovery in domestic demand.

Sri Lanka – Economic Highlights

~5.0%
(estimate)
GDP Growth (2025)

Reduced to
7.75%
Overnight Policy Rate

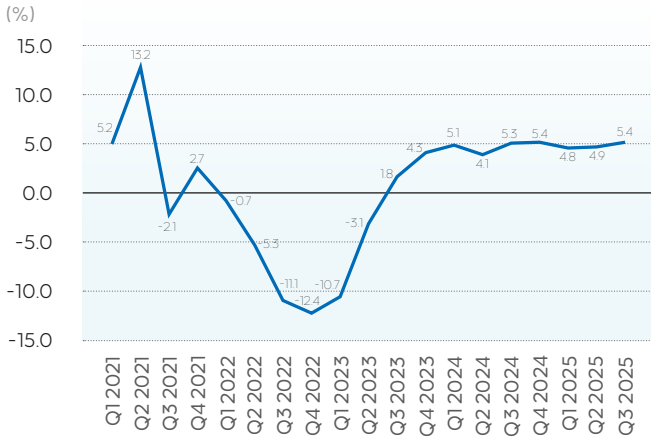
~USD 6.8 Bn.
Gross Official Reserves
as of December 2025

Rs. 293 – 310
per USD
Exchange Rate Range (2025)



Operating Environment

Quarterly Real GDP Growth

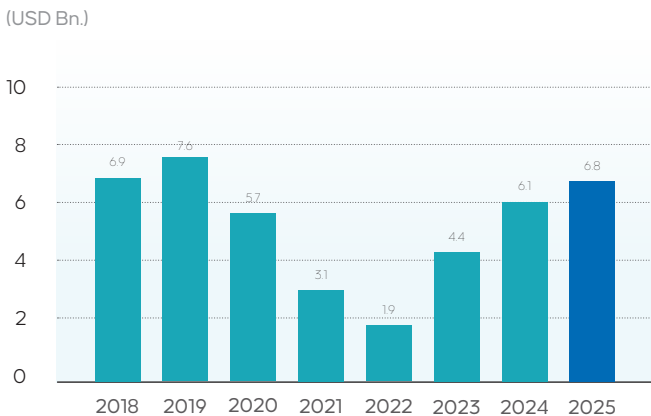


Source: CBSL

Inflation, which had been negative for 11 consecutive months, turned positive during the period largely due to base effects and food supply disruptions. Overall inflation remained within manageable levels. At the same time, the Central Bank adopted a measured easing of monetary policy, with interest rates declining and supporting a gradual recovery in private sector credit. This easing of financial conditions, coupled with improved liquidity, contributed to strengthening business activity and investment sentiment.

External sector conditions also improved, with gross official reserves strengthening to approximately USD 6.8 Bn. by the end of 2025, supported by multilateral assistance, tourism inflows and worker remittances. This contributed to relative stability in the exchange rate and helped reduce import cost pressures, further supporting domestic economic activity. The improved macroeconomic environment led to increased disposable income, a recovery in construction and industrial activity and a gradual restoration of business confidence across key sectors of the economy.

Annual Gross Official Reserves



Source: CBSL and IMF

However, despite these positive developments, the recovery remains sensitive to a number of underlying risks. External factors such as geopolitics, global economic uncertainty, commodity price volatility and capital flow fluctuations continue to pose potential challenges. Domestically, fiscal constraints and the pace of structural reforms will influence the sustainability of growth. In addition, the economic impact of Cyclone Ditwah induced short-term disruption, and highlighting the importance of effective post-disaster recovery efforts in sustaining economic momentum. As such, continued policy discipline, resilience and adaptability will remain critical in navigating the evolving economic landscape.

Post-Disaster Economic Impact

Cyclone Ditwah, which struck Sri Lanka in late November 2025, had a significant and widespread impact on economic activity, resulting in extensive damage to property, infrastructure and livelihoods across multiple districts. The scale of the disaster, described as one of the most severe in recent decades, disrupted households, businesses and key economic sectors, with broader implications for national recovery and resilience.

The immediate aftermath of the event led to supply chain disruptions, reduced agricultural output and infrastructure constraints, contributing to short-term inflationary pressures and temporary slowdowns in certain sectors. At the same time, the economic cost of reconstruction is expected to be substantial, with rebuilding efforts likely to support growth in the medium term, particularly in construction, engineering and related industries.

From an industry perspective, the event is expected to reshape demand dynamics within the insurance sector. Increased awareness of climate and disaster-related risks is likely to drive demand for property, flood and business interruption covers, particularly among households and small and medium-sized enterprises. Meanwhile, the surge in claims has placed pressure on insurers' loss ratios and capital management, highlighting the importance of robust underwriting practices, reinsurance arrangements, and catastrophe risk modelling.

The event also underscored several structural realities within the broader economic and financial landscape:

- Increased exposure and vulnerability to climate-related risks
- The significant financial burden associated with uninsured or underinsured losses
- The growing importance of insurance as a risk transfer mechanism in supporting economic recovery and resilience

As climate-related events become more frequent and severe, strengthening risk preparedness, improving insurance penetration and enhancing disaster resilience will remain critical priorities for both the economy and the insurance sector.

Operating Environment

Policy and Regulatory Environment

The 2026 National Budget, together with ongoing policy reforms, is expected to play a significant role in supporting Sri Lanka's continued economic recovery and strengthening the overall business environment. The Government's fiscal strategy emphasises macroeconomic stability, improved public finances and policy predictability, creating a more conducive environment for investment and economic activity.

Key policy measures include targeted incentives to stimulate investment and support the growth of small and medium-sized enterprises (SMEs). Notably, revisions to capital allowance thresholds are expected to facilitate increased participation by smaller businesses, enabling expansion across sectors and contributing to broader economic activity. At the same time, policy focus on trade facilitation, infrastructure development and digital transformation is expected to enhance productivity, improve connectivity and strengthen the competitiveness of key industries.

These developments are likely to have positive implications for the insurance sector. Improved business confidence and increased investment activity are expected to drive demand for corporate insurance solutions, including Property, Engineering, Liability and Marine covers. The expansion of SMEs and infrastructure-related activity is also expected to support growth in non-motor insurance segments, while broader economic stabilisation may contribute to increased insurance penetration across both individual and corporate customer segments.

Insurance Industry Overview

Sri Lanka's Insurance Industry recorded strong growth during 2025, supported by improving macroeconomic conditions and increasing demand for risk protection across both Life and General insurance segments. According to statistics published by the Insurance Regulatory Commission of Sri Lanka (IRCSL), total Gross Written Premiums (GWP) increased to Rs. 384.96 Bn. in 2025, compared to Rs. 323.54 Bn. in 2024, representing an overall growth of approximately 19%.

Within this context, SLICGL's Gross Written Premium of Rs. 30.3 Bn. represents a significant contribution to the overall expansion of the General Insurance Sector, reflecting its continued leadership and role in supporting economic resilience through risk protection.

The General Insurance Segment also demonstrated steady growth, with premiums increasing to Rs. 157.84 Bn. in 2025 from Rs. 139.59 Bn. in the previous year, representing growth of approximately 13%. This expansion was supported by improving economic conditions and increased insurance activity across key segments. Motor insurance remained the dominant class, contributing Rs. 75.99 Bn. in premiums, with additional volumes arising from SRCC and Terrorism Cover—reported separately within the industry—further reinforcing the overall significance of motor-related business. Growth in the Motor Segment was supported by the easing of vehicle import restrictions and the resulting increase in vehicle registrations and insurance uptake.

Despite this growth, the General Insurance Industry remains structurally concentrated, with Motor Insurance accounting for more than half of the total segment premiums. While this reinforces the importance of Motor Insurance as a key volume driver, it also highlights the sector's reliance on policy and economic factors influencing vehicle ownership and imports.

In contrast, Non-Motor Segments, including Property, Engineering, Marine, and Liability, remain relatively underpenetrated, despite offering stronger margin potential and long-term growth opportunities. As economic recovery gains traction, particularly in construction, infrastructure development, trade and SME activity, these segments are expected to play an increasingly important role in driving more balanced and sustainable industry growth.

Industry trends also indicate differing growth dynamics across segments. While Motor Insurance recorded strong expansion during the year, Non-Motor growth remained comparatively moderate, reflecting both structural challenges and lower penetration levels. However, this gap presents a significant opportunity, particularly in the context of increasing awareness of risk following economic disruptions and climate-related events.

Claims across the industry increased in line with higher insurance activity, with General Insurance claims rising by approximately 10% during the year. At the same time, the General Insurance Sector's asset base expanded to Rs. 359.95 Bn., supported by increased investments in Government Securities, Corporate Debt Instruments, and other financial assets.

From a profitability perspective, Non-Motor segments such as Property and General Accident continue to demonstrate stronger underwriting margins, while Motor Insurance remains more competitive and price-sensitive. This dynamic is likely to influence the industry's future direction, with greater emphasis on portfolio diversification, underwriting discipline, and sustainable profitability.

Overall, the Insurance Sector continues to demonstrate resilience, supported by strong capital adequacy, expanding asset bases, and increasing relevance within Sri Lanka's financial system. As economic conditions improve and risk awareness deepens, the industry is well positioned to play a more significant role in supporting financial stability and long-term economic development.

Competitive Landscape – Industry Trends

The competitive landscape of Sri Lanka’s General Insurance Industry continued to evolve during 2025, shaped by changing market dynamics, shifting customer expectations, and varying strategic priorities across insurers. While overall industry growth improved with economic recovery, competition intensified across key segments, particularly as insurers sought to balance volume expansion with profitability.

A notable trend during the year was the increasing focus on Non-Motor and Corporate Segments, driven by the relatively higher margins associated with property, engineering and liability insurance. As economic activity recovered, particularly in construction, trade and SME sectors. Insurers increasingly targeted these segments to diversify portfolios and enhance underwriting performance. This has led to heightened competition in commercial lines, with greater emphasis on risk selection, pricing discipline and tailored solutions.

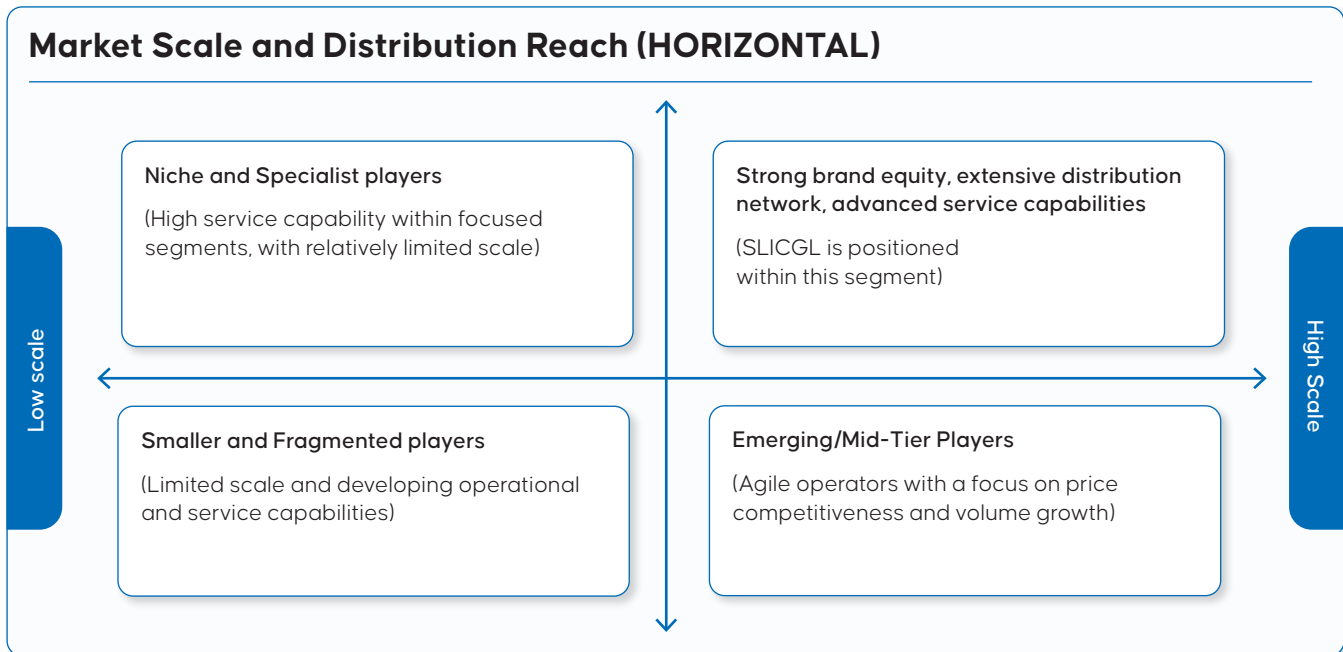
Meanwhile, Motor Insurance continued to experience pricing pressure, particularly from mid-tier and emerging players pursuing volume-driven growth strategies. This has contributed to competitive pricing practices within the segment, reinforcing its position as a high-volume but margin-sensitive line of business. The resumption of vehicle imports further intensified competition, as insurers sought to capture new business in an expanding market.

Additionally, there has been a growing shift across the industry towards enhancing customer experience. Insurers are increasingly investing in digital platforms, streamlined processes and faster claims settlement mechanisms to improve service delivery and customer engagement. Convenience, accessibility and responsiveness are becoming key differentiators, particularly in a market where product offerings are relatively standardised.

The industry has also seen the gradual expansion of niche and specialised offerings, targeting underserved segments and emerging risks. This includes tailored products for SMEs, sector-specific solutions and coverage addressing evolving risk exposures, including those linked to climate-related events.

Overall, the competitive environment is characterised by a combination of price-based competition in traditional segments and value-based differentiation through service quality, claims efficiency and brand strength. In this context, insurers with strong operational capabilities, trusted brands and disciplined underwriting practices are better positioned to sustain long-term performance.

The competitive dynamics of the industry can be broadly illustrated along two key dimensions: scale (market presence) and service and operational sophistication, as presented below:

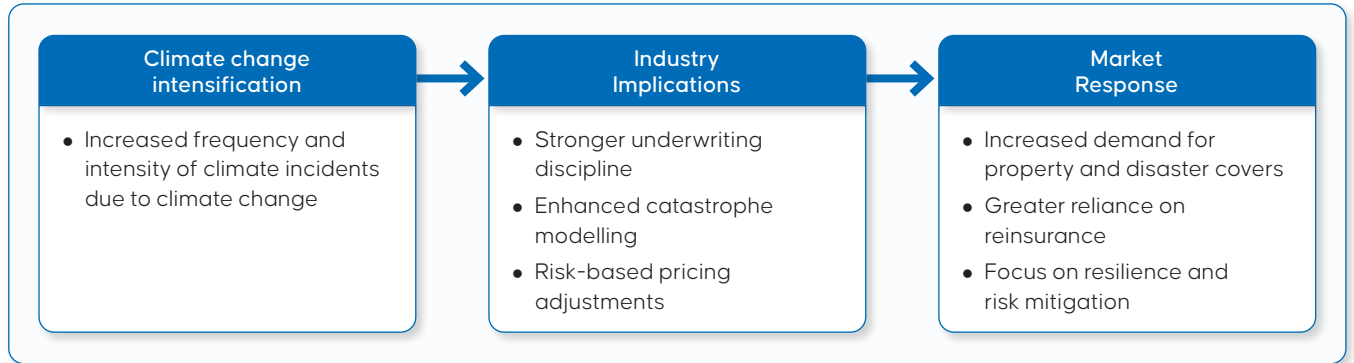


Market Scale and Distribution Reach (HORIZONTAL)/Service Capability and Brand Strength (VERTICAL)

Operating Environment

Climate and Environmental Context

The increasing frequency and severity of extreme weather events continue to highlight the growing impact of climate change on the insurance sector. Cyclone Ditwah, in particular, underscored the heightened exposure to catastrophe-related losses, while also revealing gaps in insurance penetration—especially among households and small and medium-sized enterprises. The event further emphasised the need for more robust catastrophe modelling and risk-based pricing mechanisms. Collectively, these developments are expected to influence underwriting practices across the industry, drive greater demand for property and disaster-related insurance solutions and increase reliance on reinsurance arrangements and broader risk mitigation strategies.



Key Implications for the Industry

The operating environment presents a combination of opportunities and challenges:

| Opportunities | Challenges |
|---|--|
| Economic recovery driving asset creation and insurance demand | Rising claims costs and catastrophe exposure |
| Expansion potential in underpenetrated non-motor segments | Pricing pressure in competitive segments |
| Increased awareness of risk following natural disasters | Regulatory and compliance requirements |
| | Volatility in global and local economic conditions |

Materiality

We focused on material issues like governance, climate resilience, and stakeholder trust, aligning our strategy and operations to manage risks and opportunities while supporting sustainable value creation.

Materiality represents the issues that significantly influence SLICGL’s ability to create, preserve, and protect value over the short, medium, and long term. For a national insurer entrusted with public capital, material issues extend beyond financial performance – they encompass governance integrity, climate resilience, underwriting discipline, and institutional trust.

Identifying and aligning our strategy, governance framework, and reporting processes with material issues enables the Company to achieve its objectives while fulfilling the expectations of increasingly discerning stakeholders.

Our Approach

SLICGL adopts a structured and systematic approach to determining material issues.

| Materiality Drivers | Strategic Response |
|--|---|
| <ul style="list-style-type: none"> • Macroeconomic analysis • Regulatory and statutory requirements • Enterprise Risk Management assessments • Strategic priorities • Stakeholder engagement outcomes • Operational performance indicators | <ul style="list-style-type: none"> • Probability of occurrence • Magnitude of financial and operational impact • Regulatory implications • Reputational consequences • Long-term sustainability considerations |

Through rigorous assessment and prioritisation, we filter non-essential topics and focus on issues that have the greatest potential to alter our trajectory and influence value creation.

Determining Materiality

As a general insurer operating in a recovering yet climate-vulnerable economy, SLICGL’s material issues reflect both opportunity and risk.

In 2025, our materiality assessment was influenced by:

- Macroeconomic recovery and sector expansion
- Reopening of vehicle imports impacting the Motor portfolio growth
- Catastrophic impact of Cyclone Ditwah
- Heightened regulatory expectations and evolving reporting standards
- Institutional governance strengthening initiatives

Stakeholder groups considered include policyholders, employees, regulators, reinsurers, the Government/ Treasury, and community stakeholders.



Materiality

Key Material Issues for 2025

1. Catastrophe Risk and Climate Volatility

Cyclone Ditwah significantly increased claims during the year, with total net claims rising to 12.3 Bn. and sharp increases in the Fire and Engineering segments.

Climate-related risk is no longer episodic; it is structural.

| Materiality Drivers | Strategic Response |
|--|--|
| <ul style="list-style-type: none"> Increased frequency and severity of extreme weather events | <ul style="list-style-type: none"> Strengthened reinsurance structures Enhanced catastrophe modelling |
| <ul style="list-style-type: none"> Educate general public and sales force to drive profitable non-motor lines Aggressively negotiate terms and conditions of the reinsurance arrangements for the best interest of the company | <ul style="list-style-type: none"> Improved asset-liability alignment Maintaining CAR well above regulatory minimums |
| <ul style="list-style-type: none"> Liquidity and capital strain during catastrophic events | |

2. Underwriting Discipline and Sustainable Profitability

While GWP grew by 19.6% to Rs. 30.3 Bn., profitability was impacted by elevated claims and catastrophe exposure.

| Materiality Drivers | Strategic Response |
|--|--|
| <ul style="list-style-type: none"> Motor portfolio concentration risk | <ul style="list-style-type: none"> More focus on driving profitable non-motor segments with more sophisticated system driven underwriting and claims settlements |
| <ul style="list-style-type: none"> Need to maintain a Combined Operating Ratio below 100% | <ul style="list-style-type: none"> GWP achieved in line with the annual budget, claim expenses and management expenses in line with the budget |
| <ul style="list-style-type: none"> Claims cost volatility | <ul style="list-style-type: none"> GWP achieved in line with the annual budget, claim expenses and management expenses in line with the budget Without deviating the customer expectations the SLICGL Management took certain cost management strategies to optimise claims costs within approved budget levels. During the year initiated to increase the Bee Express claims settlements, and importation of selected motor vehicle spare parts |
| <ul style="list-style-type: none"> Expense management pressures | <ul style="list-style-type: none"> The Company strictly follows annual Board-approved budgets for each operational unit. As per the Board's instructions, only 13-week budgets are uploaded, setting a maximum spending limit. Any unused amounts will be reversed, promoting stronger financial control and cost discipline |

Profitability in an SOE context is material not only to shareholders, but to national fiscal stability.

3. Capital Adequacy and Solvency Protection

Maintaining capital strength is foundational to organisational trust.

| Materiality Drivers | Strategic Response |
|---|--|
| <ul style="list-style-type: none"> Risk-based capital requirements | <ul style="list-style-type: none"> Conservative capital management Asset duration matching to liabilities |
| <ul style="list-style-type: none"> Asset volatility in equity and fixed-income markets | <ul style="list-style-type: none"> Diversified investment portfolio (Rs. 48.1 Mn. financial assets) |
| <ul style="list-style-type: none"> Catastrophe-related capital draw-downs | <ul style="list-style-type: none"> Strengthened reinsurance coverage - reassess high risk zones in order to reduce future underwriting risk profile |

SLICGL maintained a CAR significantly above the 120% regulatory minimum, demonstrating solvency resilience even under stress.

4. Governance, Compliance, and Institutional Integrity

As a State-Owned Enterprise, governance integrity is a core material issue.

| Materiality Drivers | Strategic Response |
|---|---|
| <ul style="list-style-type: none"> Public accountability expectations | <ul style="list-style-type: none"> Strengthened Board sub-committee oversight |
| <ul style="list-style-type: none"> Anti Money Laundering/ Combating Financing of Terrorism obligations | <ul style="list-style-type: none"> Four-lines-of-defence compliance framework |
| <ul style="list-style-type: none"> Audit findings and control environment | <ul style="list-style-type: none"> Enhanced internal audit follow-up |
| <ul style="list-style-type: none"> Preparation for SLFRS 17 and SLFRS 9 | <ul style="list-style-type: none"> The Company follows the CA Sri Lanka and IRCSL guidelines to meet the deadlines. In order to achieve this objective the Company has appointed a professional Consultant to implement the SLFRS 17 and 9 To review the progress of the implementation project the Company appointed a Steering Committee to review the implementation and to make sure each milestones are met towards the success of the implementation project. |

SLICGL's governance discipline directly influences public trust and institutional credibility.

5. Digital Transformation and Operational Efficiency

Manual processes and legacy systems create operational risk and inefficiency.

| Materiality Drivers | Strategic Response |
|--|--|
| <ul style="list-style-type: none"> Claims processing turnaround times | <ul style="list-style-type: none"> 80%+ claims payments converted to CEFT |
| <ul style="list-style-type: none"> Fraud and operational control risks | <ul style="list-style-type: none"> API-enabled collection integrations |
| <ul style="list-style-type: none"> Customer expectations for digital access | <ul style="list-style-type: none"> ICT infrastructure upgrades |
| <ul style="list-style-type: none"> Regulatory reporting automation | <ul style="list-style-type: none"> SLFRS 17 system readiness |

Digital modernisation enhances both service quality and internal control

6. Human Capital and Cultural Alignment

With over 1,800 employees serving island-wide, human capital is central to operational delivery.

| Materiality Drivers | Strategic Response |
|---|---|
| <ul style="list-style-type: none"> Need for performance accountability | <ul style="list-style-type: none"> Performance appraisal system aligned with KPIs |
| <ul style="list-style-type: none"> Cross-functional collaboration gaps | |
| <ul style="list-style-type: none"> Technical capability development | <ul style="list-style-type: none"> Internal company wide initiatives to foster greater cross functional collaboration and team work. Leadership succession planning |
| <ul style="list-style-type: none"> Ethical culture reinforcement | <ul style="list-style-type: none"> Reinforcement of corporate values: Trust, Respect, Integrity, Professional Commitment, and Excellence |

Cultural transformation underpins sustainable governance reform.

7. Reputation and Public Trust

Insurance confidence is built slowly and lost quickly.

| Materiality Drivers | Strategic Response |
|--|--|
| <ul style="list-style-type: none"> Claims responsiveness during a catastrophe | <ul style="list-style-type: none"> Transparent communication |
| <ul style="list-style-type: none"> Brand perception | <ul style="list-style-type: none"> Timely claims settlement |
| <ul style="list-style-type: none"> Market leadership expectations | <ul style="list-style-type: none"> Reinforced fiduciary messaging |
| <ul style="list-style-type: none"> Public scrutiny as an SOE | <ul style="list-style-type: none"> Service excellence focus |

Materiality and Value Creation

Each material issue is integrated into:

- Strategic planning
- Enterprise Risk Management
- Capital allocation decisions
- Governance oversight
- Performance measurement

By proactively addressing material issues, SLICGL strengthens resilience, safeguards public capital, and reinforces its mandate as the national general insurer.

Materiality is therefore not a compliance exercise – it is a strategic compass guiding sustainable value creation in an evolving risk landscape.

Materiality

| No. | Material Topic | Importance to SLICGL | Importance to Stakeholders | Reference point in the text |
|-----|--|----------------------|----------------------------|---|
| 01. | Economic Preference | Very high | Very high | “Operating Environment” – page 38 |
| 02. | Market presence | Very high | Very high | “Social and Relationship Capital” – page 86 |
| 03. | Anti-corruption | Very high | High | “Corporate Governance” – page 98 |
| 04. | Anti-competitive behaviour | High | High | “Corporate Governance” – page 98 |
| 05. | Employment | Very high | Very high | “Human Capital” – page 79 |
| 06. | Occupational health and safety | High | High | “Human Capital” – page 79 |
| 07. | Training and development | Very high | Very high | “Human Capital” – page 79 |
| 08. | Diversity, inclusivity, and equality | Very high | Very high | “Human Capital” – page 79 |
| 09. | Non-discrimination | High | High | “Human Capital” – page 79 |
| 10. | Freedom of association and collective bargaining | High | High | “Human Capital” – page 79 |
| 11. | Local communities | High | Medium | “Social and Relationship Capital” – page 86 |
| 12. | Customer wealth and safety | High | High | “Social and Relationship Capital” – page 86 |
| 13. | Marketing and labelling | High | Medium | “Social and Relationship Capital” – page 86 |
| 14. | Socio-economic compliance | High | High | “Corporate Governance” – page 98 |
| 15. | Macroeconomic development | Very high | High | “Operating Environment” – page 38 |



Strategic Priorities

Structural shifts within the insurance industry require a more disciplined, agile, and forward-looking strategic approach to navigate increasing competition, pricing pressures, and climate-related risks.

The evolving economic and industry landscape presents both opportunities and challenges for Sri Lanka Insurance Corporation General Limited (SLICGL). As the economy transitions into a recovery phase, supported by stabilising macroeconomic conditions, increasing asset creation, and rising awareness of risk, the Company is well positioned to strengthen its leadership while adapting to a more complex and competitive environment.

Meanwhile, structural shifts within the insurance industry, including increased competition in non-motor segments, pricing pressures in motor insurance, and the growing impact of climate-related risks, require a more disciplined, agile, and forward-looking strategic approach.

In response, SLICGL has identified key strategic priorities to enhance resilience, improve profitability, and drive sustainable value creation.

Alignment with National Development Priorities

In shaping its strategic direction for 2026, SLICGL has aligned its priorities with broader national development objectives, recognising its role as a State-Owned Enterprise in supporting economic progress and resilience.

The Government's focus on digitalisation and modern infrastructure development aligns closely with the Company's efforts to enhance digital capabilities, streamline processes, and improve operational efficiency. Continued investment in technology is expected to strengthen service delivery while supporting long-term cost optimisation and scalability.

The promotion of public-private partnerships (PPPs) and private sector participation in infrastructure development presents opportunities for the insurance sector to play a more active role in supporting large-scale projects. This includes the provision of specialised insurance solutions across engineering, property, and liability segments, contributing to national development initiatives.

In addition, the Government's emphasis on economic stabilisation, fiscal discipline, and structural reforms is expected to support improved business confidence and investment activity. As economic conditions strengthen and disposable incomes rise, demand for insurance products is likely to increase across both corporate and individual segments, supporting broader insurance penetration and financial resilience.

Through this alignment, SLICGL remains committed to contributing to national development while delivering sustainable value to its stakeholders.

Strategic Priorities

| Strategic Priorities for 2026 | |
|--|--|
| Strengthening Core Leadership While Expanding Non-Motor Portfolio | <p>SLICGL will continue to consolidate its leadership in motor insurance while accelerating growth in non-motor segments, particularly property, engineering, and commercial lines.</p> <p>The industry's structural concentration in motor insurance presents a significant opportunity to expand in underpenetrated segments, especially as economic recovery, infrastructure development, and SME growth drive demand for non-motor insurance solutions.</p> <p>Enhancing capabilities in these segments will be critical to achieving a more balanced and sustainable portfolio.</p> |
| Enhancing Underwriting Discipline and Profitability | <p>In an increasingly competitive environment, maintaining underwriting discipline remains a key priority.</p> <p>The Company will focus on improving portfolio quality, optimising pricing strategies, and ensuring that growth is aligned with risk-adjusted returns. This includes reducing reliance on volume-driven strategies in highly competitive segments and strengthening performance in higher-margin lines such as property and general accident insurance.</p> |
| Driving Operational Efficiency and Cost Optimisation | <p>Improving operational efficiency remains critical to enhancing profitability and competitiveness.</p> <p>Efforts will be directed towards streamlining processes, improving branch-level performance, and optimising procurement and cost structures. Automation and process improvements will play a key role in reducing inefficiencies and strengthening operational control.</p> |
| Accelerating Digital Transformation and Data Capabilities | <p>Digital transformation will continue to be a key enabler of efficiency, customer experience, and data-driven decision-making.</p> <p>The Company will focus on upgrading core systems, enhancing digital interfaces, and leveraging data analytics to improve underwriting, claims management, and customer engagement. These initiatives will support faster service delivery, improved accuracy, and greater operational agility.</p> |
| Enhancing Customer-Centricity and Service Excellence | <p>Customer expectations continue to evolve, with increasing demand for simplicity, speed, and transparency.</p> <p>SLICGL will strengthen its focus on customer-centricity across the organisation, improving responsiveness, simplifying processes, and enhancing communication. Delivering consistent, high-quality service will remain a key differentiator in a competitive market.</p> |
| Strengthening People Capabilities and Organisational Agility | <p>Building organisational capability remains central to executing the Company's strategy.</p> <p>This includes strengthening technical expertise, particularly in non-motor underwriting, enhancing cross-functional collaboration, and fostering a culture of innovation, accountability, and continuous improvement. Investment in people will be critical to supporting long-term growth and operational excellence.</p> |
| Enhancing Risk Management and Climate Resilience | <p>The increasing frequency and severity of climate-related events, as demonstrated by Cyclone Ditwah, underscore the need for stronger risk management and resilience.</p> <p>The Company will continue to strengthen its approach to catastrophe risk management, including improved underwriting practices, enhanced reinsurance strategies, and more robust risk modelling capabilities. These measures are essential to ensuring financial stability and supporting policyholders during periods of heightened risk.</p> |

Stakeholder Engagement

Stakeholder engagement was central to preserving trust, strengthening resilience, and reinforcing institutional accountability in a year marked by economic recovery and climate disruption.

Stakeholder Engagement

As Sri Lanka's national general insurer, SLICGL's stakeholder ecosystem extends beyond customers and shareholders. Our decisions influence households, SMEs, regulators, reinsurers, employees, and the National Treasury.

In 2025, a year marked by economic recovery and the disruptive impact of Cyclone Ditwah, stakeholder engagement was not merely a communication exercise. It was central to preserving trust, strengthening resilience, and reinforcing institutional accountability.

Our engagement framework is integrated with strategy formulation, enterprise risk management, and materiality determination processes.

Listening, Learning, Improving

SLICGL obtains feedback from our stakeholders in a number of different ways. This feedback is incorporated into:

- Strategic priority setting
- Risk assessments
- Material issue determination
- Digital transformation planning
- Underwriting and claims improvements

The experience of 2025 demonstrated that stakeholder expectations evolve rapidly during times of economic recovery and climate disruption. Continuous engagement enabled SLICGL to anticipate risk, strengthen governance, and adapt responsibly.

Building Trust through Engagement

The trust people place in SLICGL has been earned through decades of being in business.

In 2025, SLICGL engaged stakeholders through disciplined execution, transparent governance, and decisive crisis response. As we move forward, stakeholder engagement will continue to guide our strategy, reinforce accountability, and support our mandate as the national general insurer.

Engagement Priorities Emerging from 2025

High impact/high influence areas:

- Climate and catastrophe preparedness
- Underwriting profitability discipline
- Capital adequacy and solvency protection
- Digital transformation and claims efficiency
- Governance and compliance strengthening



Stakeholder Engagement

Stakeholder Engagement Matrix – 2025

| Stakeholder group | Key expectations | Engagement channels | Responses and Actions – 2025 |
|--|---|---|--|
| Policyholders and Customers  | <ul style="list-style-type: none"> Timely claims settlement Financial strength and solvency Simplified processes Reliable service during a crisis | <ul style="list-style-type: none"> Branch network (island-wide) Claims touchpoints Digital platforms Customer service centres | <ul style="list-style-type: none"> Rs. 12.3 Bn. claims honoured during elevated catastrophe year 80%+ claims payments converted to CEFT Enhanced digital integrations and API-enabled collections Maintained Motor market leadership (20.7% share) |
| Government/ Treasury (Shareholder)  | <ul style="list-style-type: none"> Sustainable profitability Capital preservation Governance integrity Contribution to national resilience | <ul style="list-style-type: none"> Board oversight Performance reporting Regulatory submissions SOE compliance reporting | <ul style="list-style-type: none"> CAR maintained well above 120% regulatory minimum Total assets increased to Rs. 64.1 Bn. Strengthened governance and risk oversight frameworks |
| Employees  | <ul style="list-style-type: none"> Fair governance Professional development Clear accountability Safe and stable work environment | <ul style="list-style-type: none"> Performance appraisal systems Training programmes Internal communications Branch-level leadership forums | <ul style="list-style-type: none"> KPI-linked appraisal system Professional upskilling initiatives Nationwide mobilisation during Cyclone Ditwah Reinforcement of corporate values |
| Regulators (IRCSL and Authorities)  | <ul style="list-style-type: none"> Solvency compliance Transparent reporting Risk governance AML/CFT adherence | <ul style="list-style-type: none"> Regulatory reporting Audit Committee reviews Risk Committee oversight Compliance monitoring systems | <ul style="list-style-type: none"> Four-lines-of-defence model operational Strengthened internal audit function SLFRS 17 & 9 implementation underway Enhanced AML/CFT monitoring |
| Reinsurers and Financial Partners  | <ul style="list-style-type: none"> Transparent risk exposure Capital strength Underwriting discipline Liquidity stability | <ul style="list-style-type: none"> Reinsurance treaties Investment Committee reviews Risk disclosures | <ul style="list-style-type: none"> Premium ceded to reinsurers increased to Rs. 8.7 Bn. (catastrophe) protection Diversified investment portfolio (Rs. 48.1 Bn.) Maintained strong solvency buffers |
| Communities and SMEs  | <ul style="list-style-type: none"> Disaster responsiveness Access to protection Financial stability Ethical conduct | <ul style="list-style-type: none"> Branch network Community outreach Marketing campaigns Claims response units | <ul style="list-style-type: none"> Rapid catastrophe response during Ditwah Support to affected policyholders Continued national insurance initiatives Strengthened risk awareness engagement |

PERFORMANCE REVIEW

Financial Capital

The Company remains focused on preserving capital strength through disciplined financial planning, prudent investment strategies, and robust liquidity and solvency oversight to ensure stability and long-term value.

Management Approach

Financial capital represents the core monetary resource that underpins the Company’s ability to operate, grow, and create sustainable value for its stakeholders. Derived from an optimal mix of shareholder equity, policyholder premiums, retained earnings, and investment income, this capital enables the Company to meet its obligations to policyholders while supporting strategic expansion, innovation, and long-term resilience.

The Company maintains full compliance with applicable regulatory and reporting frameworks, including Sri Lanka Accounting Standards (LKAS), Sri Lanka Financial Reporting Standards (SLFRS), and the regulatory requirements of the Insurance Regulatory Commission of Sri Lanka (IRCSL). Financial management practices are continuously reviewed and enhanced in line with evolving regulatory developments and global best practices, ensuring transparency, accountability, and disciplined capital stewardship.

Financial capital plays a pivotal role in enabling value creation across all other capitals. It supports underwriting capacity, strengthens claims-paying ability, facilitates investment management, enhances operational efficiency, and funds digital transformation initiatives aimed at improving customer experience and service delivery.

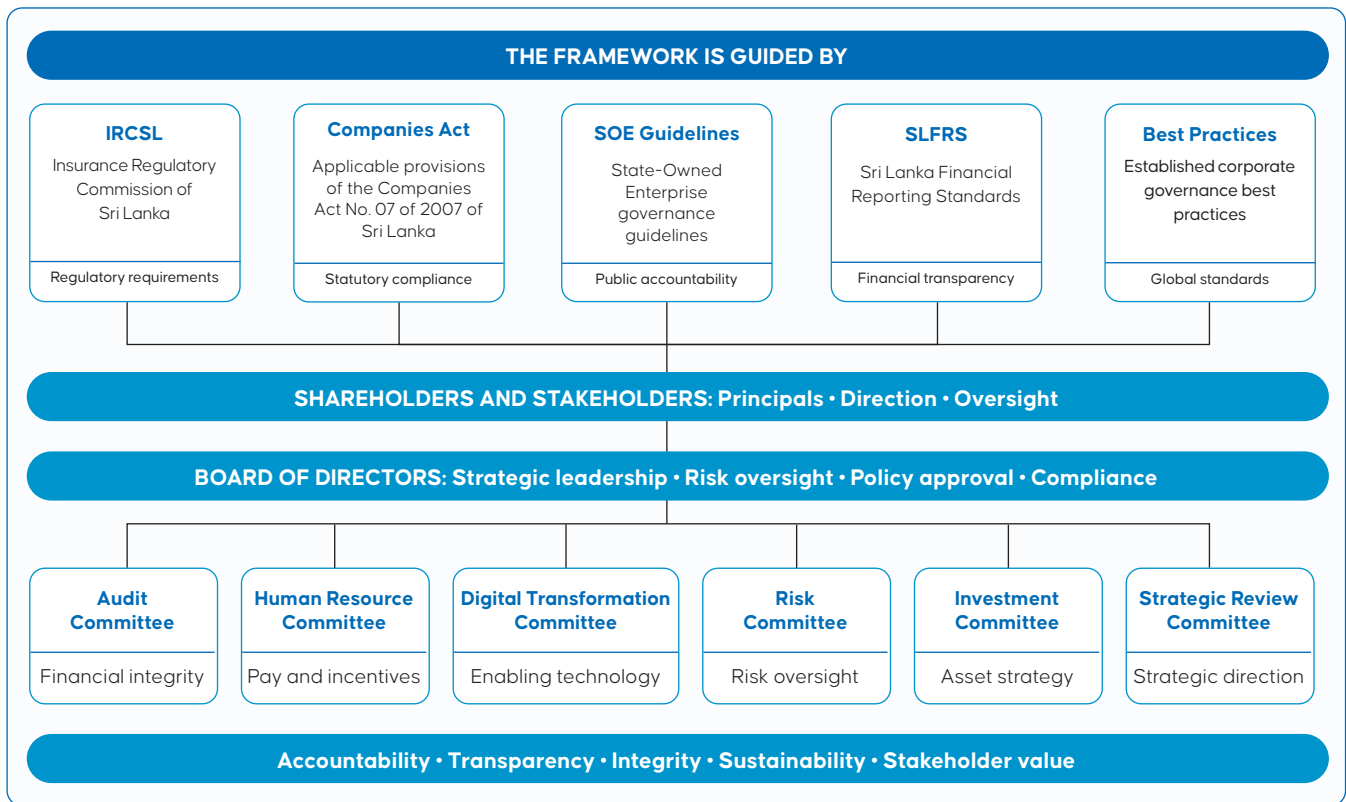
In a dynamic and often volatile operating environment, the Company remains focused on preserving capital strength through disciplined financial planning, prudent investment strategies, effective asset-liability management, and robust liquidity and solvency oversight. This approach ensures financial stability, reinforces stakeholder confidence, and positions the Company to deliver sustainable long-term value.

Governance Framework

The management of financial capital is governed by a comprehensive framework that ensures regulatory compliance, disciplined capital allocation, and alignment with stakeholder expectations.

The Board of Directors, supported by relevant Board Committees, provides oversight on capital adequacy, investment strategy, risk management, and financial performance. Board of Directors is responsible for implementing policies, maintaining internal controls, and ensuring effective execution of financial strategies.





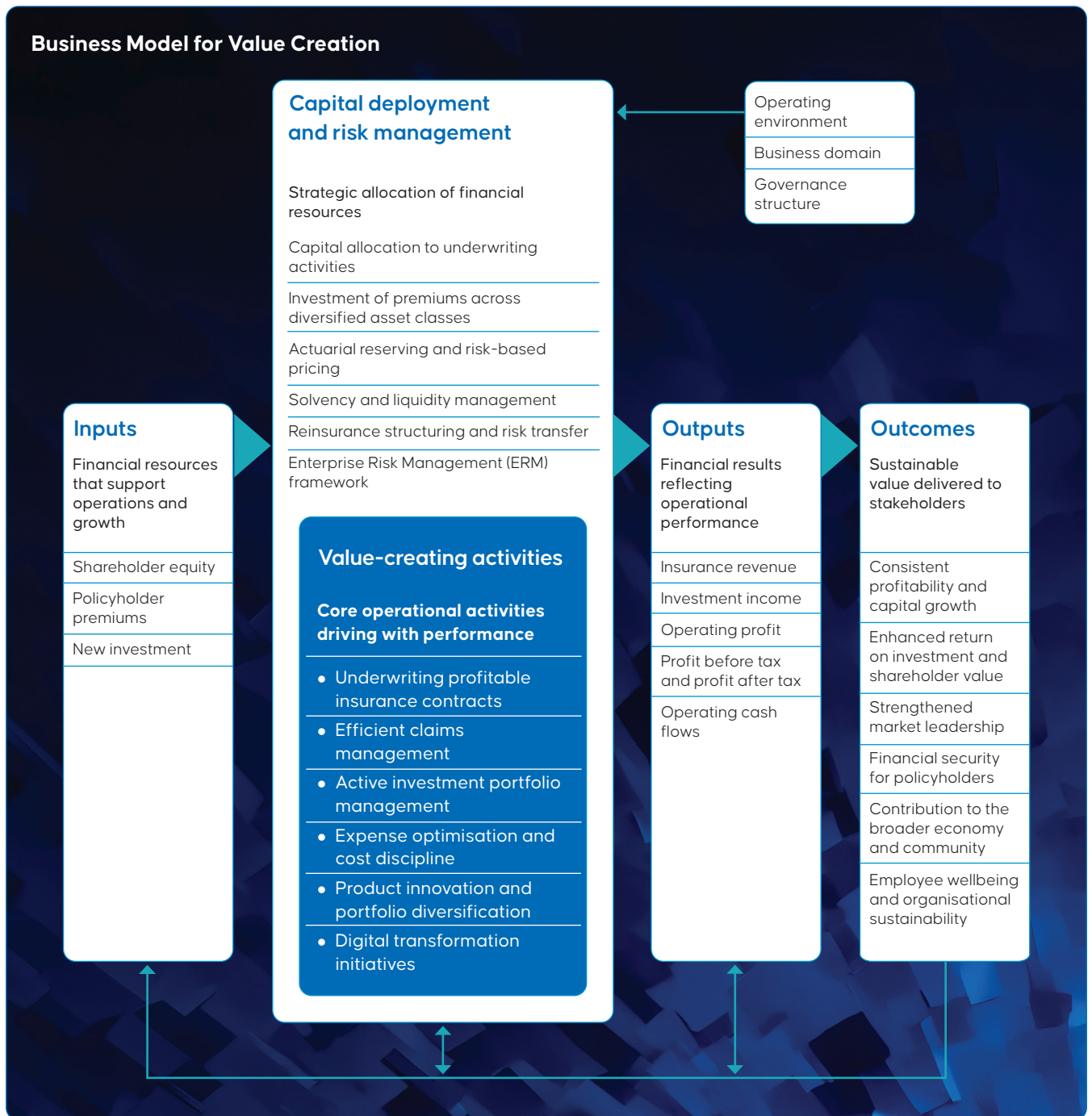
The Company continues to strengthen its governance framework by integrating digital capabilities and process enhancements. Ongoing initiatives include the implementation of online collection platforms, automation of financial processes, and the use of robotic and AI-enabled tools to enhance efficiency in premium collection and claims settlement. These initiatives are aimed at improving customer experience, operational effectiveness, and transparency while strengthening financial control environments.

Financial Capital Value Creation Process

The Company adopts a disciplined and integrated approach to managing financial capital, transforming financial resources into sustainable value through a structured and risk-aware value creation process. Financial capital, comprising shareholder equity, policyholder premiums, retained earnings, and investment funds, is strategically deployed across underwriting, investment, and operational activities within a

robust risk management framework. Through prudent capital allocation, actuarial discipline, reinsurance strategies, and enterprise risk management, the Company ensures optimal utilisation of financial resources while safeguarding solvency and liquidity. These inputs are translated into value through core insurance operations, supported by active investment management, cost discipline, and continuous innovation, including digital transformation initiatives. The resulting outputs, reflected in revenue generation, profitability, and cash flows, ultimately deliver sustainable outcomes for stakeholders, including financial security for policyholders, enhanced shareholder returns, strengthened market leadership, and broader economic and social value.

Financial Capital



Performance of Financial Capital Overview

The Company continued to prioritise the prudent management of financial capital in 2025, enabling it to remain resilient while delivering sustainable value to policyholders, the shareholder and other stakeholders. In a year marked by both opportunity and volatility, the Company benefited from strong premium growth, disciplined cost management and a diversified investment portfolio, all of which supported financial stability and operational continuity.

The year under review was characterised by a gradual recovery in the domestic operating environment, with improving macroeconomic conditions creating a more conducive backdrop for business growth. Within this context, the Company strengthened its market position, expanded its premium base, sustained sound liquidity and solvency levels, and continued to invest in future-readiness through digital and process enhancements.

Financial Capital

In accordance with Section 53 of the Insurance Industry Regulation (Amendment) Act No. 03 of 2011, Sri Lanka Insurance Corporation Limited (SLIC) was segregated into two separate legal entities with effect from 01 February 2024. As part of this process, assets were appropriately allocated between the entities, while certain assets were retained within each company to align with their respective capital structures and underlying business liabilities, thereby ensuring that each entity is adequately supported to meet its liabilities and equity requirements.

The financial statements for 2024 reflect only an 11-month period of insurance business operations from February to December 2024. However, for comparative purposes, the performance of the insurance business has been presented on a 12-month basis for the year ended 2024.

At the same time, the financial year was significantly affected by the Cyclone Ditwah catastrophic event, which led to elevated claims, particularly in selected lines of business, and exerted pressure on underwriting performance and profitability. Despite these adverse conditions, the Company demonstrated strong financial and operational resilience by continuing to honour policyholder obligations promptly, maintaining a strong capital base and preserving overall financial stability.

The devastating impact of Cyclone Ditwah in late 2025 resulted in a total direct physical damage of USD 4.1 Bn., a figure that reflects the varying degrees of destruction across key sectors. When analyzing the distribution of these losses, infrastructure bore the brunt of the disaster, accounting for approximately 42.3% of the total damage. The housing and residential sector followed, representing 24.0% of the losses, while the agricultural sector, a critical pillar of the local economy, sustained 19.9% of the total impact. Finally, non-residential assets, including essential public services like healthcare and education, accounted for the remaining 13.7% of the estimated physical damages.

(Source - World Bank's Global Rapid Post-Disaster Damage Estimation (GRADE) report)

The catastrophic impact of Cyclone Ditwah was the primary driver of the year's operational deficit, severely affecting key lines of business. The event incurred a substantial net loss of Rs. 1,521 Mn., which fundamentally altered the Company's operational profitability.

This is most clearly reflected in the combined ratio, which escalated to 104.8%, signaling an operational loss. In contrast, excluding the extraordinary claims and disruptions caused by the cyclone, the Company maintained a strong underlying performance with a normalised combined ratio of 97.2%.

Overall, the Company's performance in 2025 reflects the strength of its business model, the discipline of its capital management approach, and its ability to remain responsive and resilient in the face of both market opportunities and unforeseen shocks.

| | 2025 Rs. Mn. | 2024 Rs. Mn. |
|--|-----------------|-----------------|
| Gross written premium | 30,303 | 25,333 |
| Net written premium | 21,567 | 18,080 |
| Net earned premium | 19,951 | 18,071 |
| Total other revenue | 4,320 | 4,916 |
| Claims, acquisition and other expenses | (21,020) | (18,948) |
| Profit before taxation | 3,251 | 4,039 |
| Income tax expenses | (723) | (753) |
| Profit for the year | 2,528 | 3,286 |

Operational Performance

Gross Written Premium (GWP)

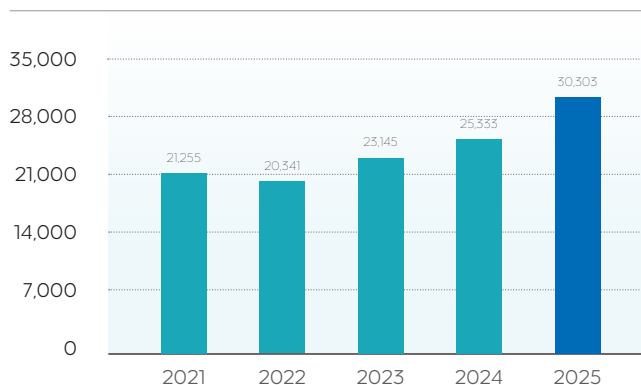
The Company recorded strong growth in 2025, with gross written premium increasing by 19.6% to Rs. 30,303 Mn., supported by improving macroeconomic conditions, improved fiscal discipline and the relaxation of vehicle import restrictions. These factors contributed to a more stable business environment and renewed demand for General Insurance products across both personal and commercial segments.

The Company achieved 97.6% of its GWP target, reflecting strong commercial execution and broad-based growth across the portfolio. Importantly, the Company also achieved its strategic objective of becoming the market leader in the General Insurance industry, a significant milestone that reflects the strength of its brand, distribution network, underwriting capability and customer franchise.

The strong performance in GWP demonstrates the Company's ability to capture market opportunities while maintaining underwriting discipline. It also reflects the resilience of the business model and the Company's capacity to convert economic recovery into commercial momentum.

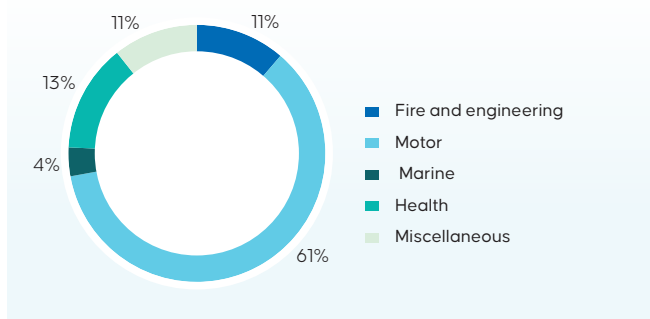
Gross Written Premium (GWP)

(Rs. Mn.)



Financial Capital

GWP composition (%)



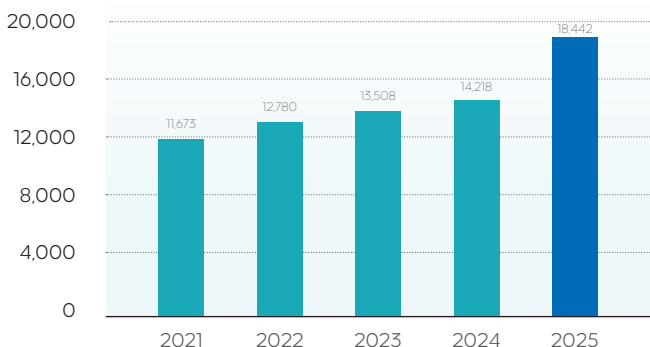
Motor Segment

Motor insurance remained the largest contributor to the Company’s premium portfolio in 2025, with GWP increasing by 29.7% to Rs. 18,442 Mn. This growth was driven by higher policy volumes, improved business retention, strengthened distribution channels and increased demand associated with the easing of vehicle-related market restrictions.

The Company’s 20.7% market share reinforces its long-standing dominance in the motor segment, marking more than a decade of market leadership. This sustained leadership reflects the strength of the Company’s market presence, customer trust, branch reach and execution capability in the largest segment of the General Insurance market.

The motor portfolio remains a cornerstone of the Company’s premium generation strategy and a key driver of market positioning. Its continued growth also provides scale advantages that support operating leverage, portfolio stability and market visibility.

Motor insurance (GWP) (Rs. Mn.)

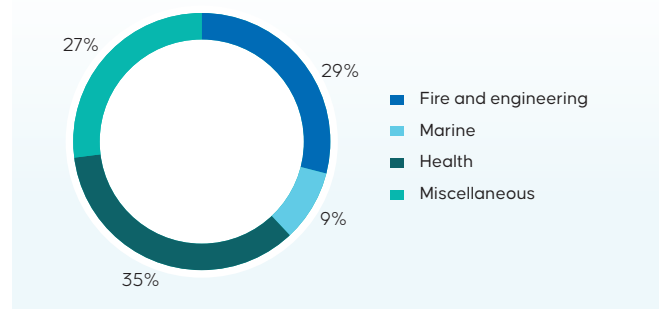


Non-motor Segment

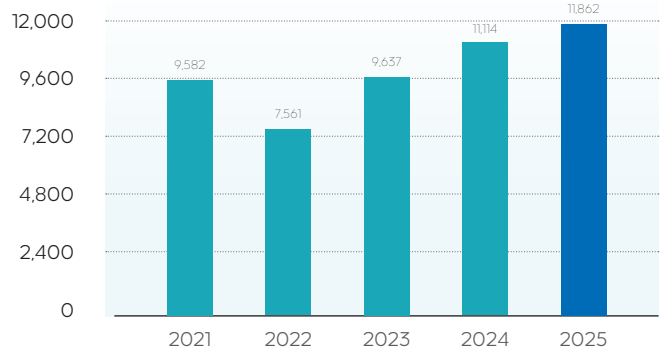
The non-motor segment recorded steady growth of 6.7% to Rs. 11,862 Mn., supported by improved performance in fire, health and miscellaneous classes. This performance reflects the Company’s ongoing efforts to strengthen portfolio diversification and deepen its presence in selected commercial and retail non-motor lines.

The growth in non-motor business is strategically important as it supports broader portfolio balance and reduces over-reliance on a single line of business. It also reinforces the Company’s long-term objective of building a diversified and sustainable General Insurance portfolio that can better withstand market cycles and segment-specific volatility.

Non-motor composition (%)



Non-motor GWP (Rs. Mn.)

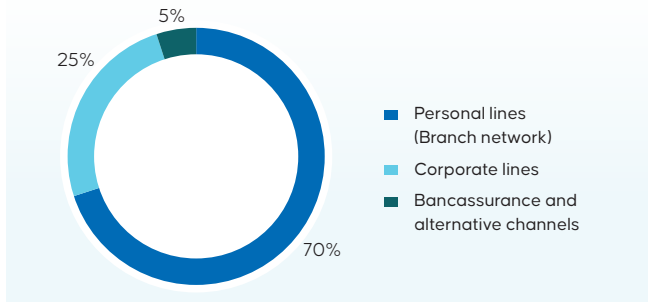


Channel Distribution

The Company maintained a diversified distribution model in 2025, enabling broad market access and supporting continued premium growth.

This distribution profile demonstrates the continued importance of the Company’s branch network in driving business volumes, while also highlighting the contribution of corporate and emerging partnership based channels. The breadth of the distribution platform enhances market reach, supports customer accessibility and provides flexibility in responding to evolving customer preferences and market opportunities.

Channel composition (%)



Reinsurance and Net Written Premium

Reinsurance continued to play a critical role in the Company’s capital and risk management framework. It provides a vital mechanism for risk transfer and mitigate the risk exposure from large and catastrophic losses, and supports underwriting capacity across business lines.

Premiums ceded to reinsurers and the National Insurance Trust Fund (NITF) increased by 20.4% to Rs. 8,736 Mn., reflecting both the growth in the premium base and a prudent approach to portfolio protection. The increase also reflects the Company’s response to catastrophe-related exposures during the year, including the need to ensure adequate coverage against severe weather-related events.

Net Written Premium (NWP) increased by 19.3% to Rs. 21,567 Mn., demonstrating that the Company was able to sustain growth in retained business while maintaining a prudent level of external risk transfer.

The Company’s reinsurance strategy remains an important component of capital preservation and solvency resilience, enabling it to support premium growth without exposing beyond the risk tolerance limit of the Company.

Claims Performance

Total net claims increased by 16.7% to Rs. 12,269 Mn., compared to the previous year, primarily due to the impact of the Cyclone Ditwah event. The increase in claims reflects both higher frequency and severity across affected segments, demonstrating the influence of catastrophic and weather-related events on claims experience.

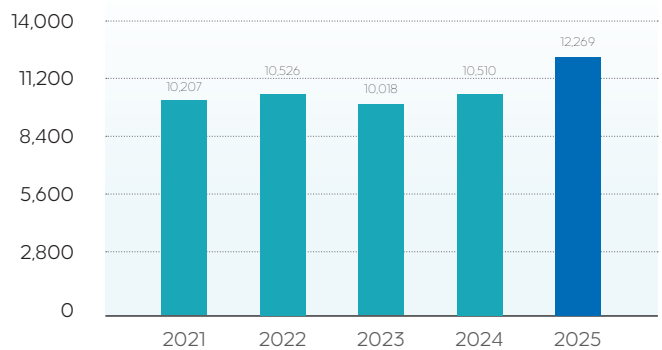
A significant contributor to this increase was the gross claims incurred amounting to Rs. 4,749 Mn. arising from the cyclone Ditwah.

The motor segment remained the largest contributor to claims, with claims increasing by 12.2% to Rs. 7,662 Mn., partly due to Ditwah-related incidents and a higher volume of claims associated with portfolio growth.

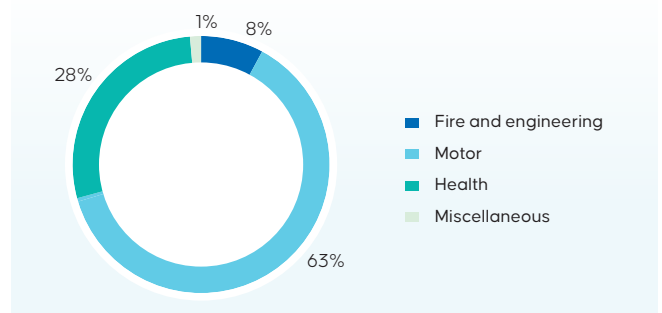
The most significant catastrophe-related impact was observed in the fire and engineering segment, where net claims incurred rose sharply to Rs. 968 Mn., compared to Rs. 83 Mn. in 2024.

Despite the elevated claims environment, the Company continued to honour claims promptly and responsibly, demonstrating financial strength, operational responsiveness and a strong commitment to policyholder service. This performance reinforces the Company’s reputation as a dependable insurer and underlines the importance of prudent reserving, reinsurance protection and robust claims management capabilities.

Net claims incurred (Rs. Mn.)



Net claims incurred (%)



Operating Expenses

Operating expenses increased by 7.6% to Rs. 8,762 Mn., driven by annual salary adjustments, inflationary pressures and the execution of both recurring and specific business activities.

Notwithstanding these pressures, cost discipline remained strong, with 92.7% of the approved budget utilised during the year. This demonstrates the Company’s continued focus on expense optimisation, budgetary control and disciplined execution in a challenging cost environment.

The effective management of operating expenses remains an important contributor to overall profitability, supporting underwriting performance and preserving capital efficiency.

Financial Capital

Capital Expenditure

Capital expenditure for the year ended 2025 amounted to Rs. 178 Mn. and was primarily directed towards enhancing IT infrastructure, upgrading branch facilities, and acquiring essential operational equipment to support business delivery and improve long-term operational efficiency.

These investments reflect the Company’s continuing commitment to modernisation, service enhancement and operational resilience. Capital expenditure also supports the Company’s broader digitalisation agenda by enabling the infrastructure required for process automation, improved system integration and enhanced customer engagement.

In addition, the Company has allocated substantial amount towards the implementation of SLFRS 17 and SLFRS 9, including the required upgrades to ICT infrastructure and related technological capabilities. These investments are expected to support compliance readiness, strengthen financial reporting processes, and enhance the quality and timeliness of relevant financial information for decision-making.

Investment Income

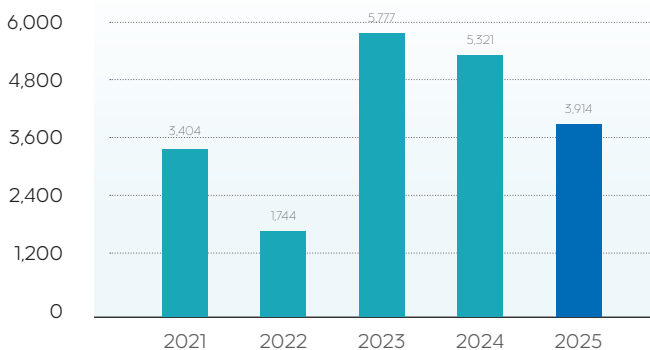
Investment income amounted to Rs. 3,914 Mn. in 2025, compared to Rs. 5,321 Mn. in 2024. The decline was primarily attributable to the absence of dividend income from the segregated subsidiary, which had supported the prior year’s performance.

Excluding this one-off structural impact, the underlying performance of the investment portfolio remained stable and aligned with prevailing market conditions. The Company achieved 96.4% of its budgeted investment income for the year and recorded a Return On Investment (ROI) of 8.9%.

The investment portfolio continues to play an important role in supporting profitability, liquidity and capital preservation. Its diversified composition enables the Company to balance yield generation with risk management, while also supporting asset-liability alignment and regulatory compliance.

Investment income from financial investments

(Rs. Mn.)



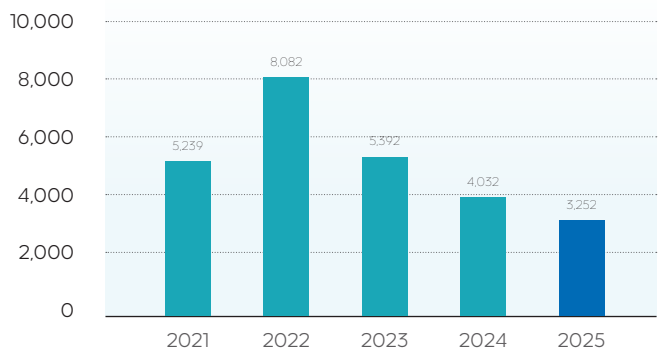
Profitability

For the financial year 2025, the Company recorded a Profit Before Tax (PBT) of Rs. 3,252 Mn. and a Profit After Tax (PAT) of Rs. 2,528 Mn.

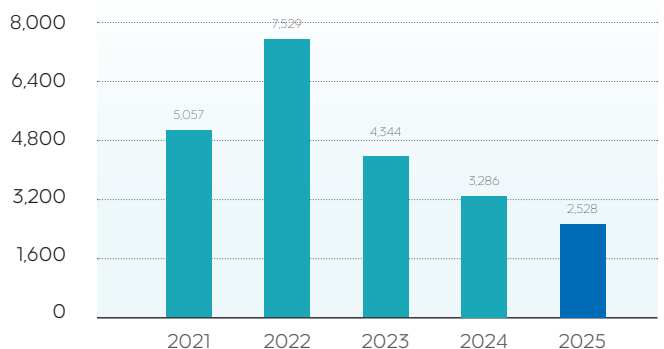
Profit after tax declined by 23.1% compared to the previous year, primarily due to the impact of Cyclone Ditwah, which significantly increased claims and placed pressure on underwriting margins. As a result, profitability was materially affected despite the strong growth in premium volumes.

Nevertheless, the Company remained profitable and financially resilient, demonstrating the benefit of disciplined underwriting, prudent reinsurance arrangements, cost control and a diversified earnings base supported by investment income. This ability to remain profitable in a stressed claims environment is an important indicator of the underlying strength of the business and the resilience of its capital base.

Profit before tax (Rs. Mn.)



Profit after tax (Rs. Mn.)



Financial Position as at 31 December 2025

Assets and Liabilities

The Company's total asset base increased by 25.2% to Rs. 64,015 Mn., reflecting business growth, investment expansion and the continued strengthening of the balance sheet. This growth in assets supports the Company's ability to meet policyholder obligations, maintain liquidity and sustain future underwriting capacity.

Total liabilities increased by 25.1% to Rs. 36,464 Mn., driven mainly by the growth in insurance contract liabilities in line with higher business volumes and claims experience.

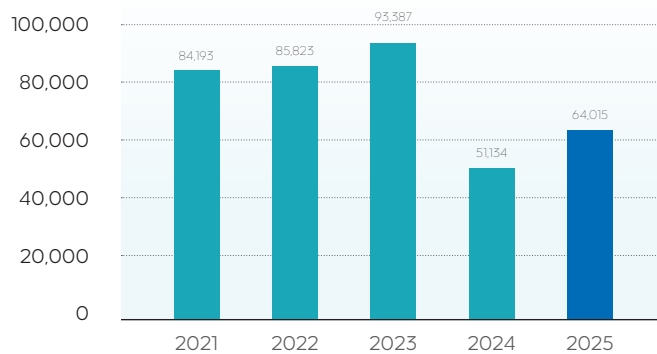
The rise in liabilities is consistent with the expansion of operations and reflects the Company's obligation to maintain adequate provisions and reserves against its growing insurance portfolio.

The Company recorded a Return On Assets (ROA) of 5.6%, demonstrating its continued ability to generate earnings from its asset base despite the adverse impact of the catastrophic claims event during the year. Excluding the effect of this event, the ROA would have been 8.3%, reflecting the underlying strength of the Company's operational performance.

Overall, the growth in both assets and liabilities demonstrates that the Company has continued to scale its operations while maintaining a balanced and resilient financial position.

| | 2025 Rs. Mn. | 2024 Rs. Mn. |
|-------------------------------------|-----------------|-----------------|
| Financial investments | 48,080 | 39,585 |
| Cash and cash equivalents | 613 | 1,189 |
| Fixed and intangible assets | 616 | 673 |
| Other assets and receivables | 14,706 | 9,687 |
| Total assets | 64,015 | 51,134 |
| Equity and liabilities | | |
| Equity | 27,551 | 21,978 |
| Liabilities | | |
| Insurance contracts | 26,458 | 20,441 |
| Other liabilities | 10,006 | 8,715 |
| Total liabilities | 36,464 | 29,156 |
| Total equity and liabilities | 64,015 | 51,134 |

Total assets (Rs. Mn.)



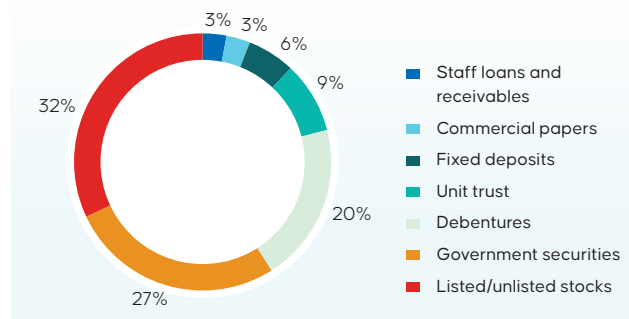
Financial Assets

The Company's investment portfolio grew by 21.5% to Rs. 48,080 Mn., driven by increased allocations to financial instruments, including equities and debentures, while maintaining the regulatory requirements of Insurance Regulatory Commission of Sri Lanka under the Risk-Based Capital (RBC) framework. The portfolio continued to be maintained with appropriate exposure to government securities to ensure stability and liquidity.

This growth reflects a deliberate investment strategy that seeks to balance capital preservation, liquidity and income generation. The portfolio remains diversified across key asset classes, thereby reducing concentration risk and enhancing the resilience of investment earnings over time.

The portfolio's structure also supports the Company's regulatory, solvency and liquidity objectives by ensuring that sufficient high-quality and marketable assets are available to meet policyholder obligations and support financial flexibility.

Investment composition (%)



Financial Capital

| Financial instrument | 2025 Rs. Mn. | 2024 Rs. Mn. |
|-----------------------------------|-----------------|-----------------|
| Government securities | 12,779 | 13,830 |
| Fixed deposits | 2,984 | 3,310 |
| Listed and unlisted debentures | 9,847 | 5,852 |
| Listed/unlisted stocks | 15,363 | 10,320 |
| Commercial papers | 1,505 | 1,718 |
| Unit trust | 4,304 | 3,096 |
| Staff loans and receivables | 1,297 | 1,458 |
| Total financial investment | 48,080 | 39,585 |

Technical Reserves

Technical reserves represent the Company's obligations to policyholders arising from insurance contracts in force as at the reporting date. These include provisions for net claims outstanding, claims incurred but not reported, unearned portions of premiums and other insurance-related liabilities determined in line with actuarial valuations and regulatory requirements.

The Company maintains these reserves on a prudent basis to ensure that it remains capable of meeting future policyholder obligations under both normal and stressed conditions. The adequacy of technical reserves is a critical element of financial resilience in General Insurance, as it directly supports claims-paying ability, policyholder confidence and regulatory compliance.

The Company also continues to align its investment strategy with IRCSL requirements relating to the backing of technical reserves, ensuring that policyholder liabilities are supported by admissible, liquid and appropriately structured assets. This disciplined approach supports solvency, enhances capital quality and reinforces balance sheet strength.

| Description | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|--------|--------|--------|--------|--------|
| Technical reserves (Rs. Mn.) | 19,996 | 17,969 | 18,219 | 18,096 | 18,508 |
| Investment in government securities (Market value) (Rs. Mn.) | 7,472 | 6,405 | 18,040 | 18,096 | 13,720 |
| Investment in government securities as % of technical reserve | 37% | 36% | 99% | 100% | 74% |

Effective from 01 February 2024, the Company successfully completed the segregation of its insurance business into General Insurance and Life Insurance entities, in line with regulatory requirements.

As part of this process, assets were appropriately transferred between the entities, while certain assets were retained within each company to align with their respective capital structures and underlying business liabilities. This ensured that each entity is supported by sufficient assets to cover its liabilities.

Subsequent to the segregation, the Company has complied with the regulatory requirement of IRCSL by investing a minimum of 20% of its technical reserves in government securities. Accordingly, the remaining balance assets represent funds available after meeting this statutory investment threshold, demonstrating the Company's commitment to prudent investment management and regulatory compliance.

Capital Adequacy and Asset-liability Alignment

The Company maintained a strong Capital Adequacy Ratio (CAR) in 2025, remaining significantly above the regulatory minimum requirement of 120%. This reflects a prudent capital management approach, strong solvency discipline and the Company's ability to support its underwriting and investment activities with an adequate buffer against unexpected losses.

Capital adequacy is supported by two key components:

- Total Available Capital (TAC), representing the capital resources available to absorb losses and support business operations; and
- Risk based Capital Requirement (RCR), representing the regulatory capital required based on the Company's risk profile.

Over the years, the Company has consistently maintained TAC in excess of RCR, demonstrating a strong capacity to absorb stress while protecting policyholder and shareholder interests. This strong capital position has remained resilient even after the segregation of the composite insurer and the resulting changes to the capital structure.

Capital Adequacy Five Year Trend

| Description | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|--------|--------|--------|--------|--------|
| Total Available Capital (TAC) (Rs. Mn.) | 26,880 | 21,286 | 46,464 | 37,902 | 33,416 |
| Risk based Capital Requirement (RCR) (Rs. Mn.) | 9,978 | 7,675 | 20,504 | 15,227 | 13,669 |
| Risk based Capital Adequacy Ratio (CAR) (%) | 269 | 277 | 227 | 244 | 244 |
| Required minimum Capital Adequacy Ratio (CAR) (%) | 120 | | | | |

The Company's asset-liability management practices further support capital adequacy by ensuring that asset cash flows are appropriately aligned with liability obligations. This helps mitigate liquidity, interest rate and market risks, reduces the likelihood of asset-liability mismatches, and strengthens the Company's ability to meet claims and other obligations as they fall due.

A disciplined asset-liability approach is particularly important in insurance operations, where the timing and magnitude of liabilities can be affected by both claims development and catastrophe events. By aligning investment strategy with liability characteristics, the Company strengthens solvency resilience, improves capital stability and supports the sustainable deployment of financial capital.

Capital Structure and Shareholder Value

Following the segregation of the composite insurer in 2024, the Company operates with a capital base of Rs. 15,000 Mn., comprising stated capital and reserves. This capital structure provides a solid foundation for underwriting growth, regulatory compliance and long-term value creation.

As at 31 December 2025, the Company's net assets increased by 25.4% to Rs. 27,551 Mn., reflecting continued balance sheet strengthening and capital accumulation. The Company recorded a Return On Equity (ROE) of 10.2%, demonstrating its ability to generate returns to the shareholder despite the pressure on operational performance caused by the catastrophic claims event during the year.

The Company continues to enhance shareholder wealth through disciplined capital management, prudent underwriting, active investment management and effective risk control mechanisms. These measures support capital preservation and growth, while also enabling the Company to fulfil its public interest and policyholder protection mandate as the leading state-owned insurer.

Over time, the continued strengthening of the balance sheet and the preservation of a strong capital buffer are expected to support both strategic flexibility and long-term shareholder wealth creation.

As a wholly owned subsidiary of SLICGL, the Company operates with a fully equity-funded capital structure and carries no external debt. Accordingly, there is no impact from gearing on the Company's financial position.

Capital structure

Rs. 27,551 Mn.

Stated capital

Rs. 14,000 Mn.

Restricted reserve

Rs. 1,000 Mn.

Revaluation reserve

Rs. 185 Mn.

Revenue reserve

Rs. 4,777 Mn.

AFS reserve

Rs. 7,589 Mn.

Digitalisation of Financial Processes

The Company continued to strengthen its digital capabilities in 2025 in order to enhance customer experience, improve operational efficiency and modernise financial processes. These efforts form part of a broader transformation agenda aimed at improving service delivery, reducing manual intervention, enhancing accuracy and accelerating turnaround times across key workflows.

Key initiatives included:

- Digitisation of premium collection processes
- Integration with banking platforms for real-time validation and confirmation
- Migration of over 80% of payments to CEFT
- Automation of claims processing through technology platforms

These initiatives improve the speed, reliability and convenience of customer-facing financial transactions while also strengthening internal controls and operational transparency. Application Programming Interface (API) enabled collection mechanisms and real-time payment validation support more efficient premium collection and better policy administration. At the same time, the migration to electronic fund transfer channels enhances transaction accuracy, reduces processing risk and improves customer convenience.

Financial Capital

The automation of claims processes is also expected to improve claim handling efficiency, shorten settlement timelines and enhance customer satisfaction. Over time, the use of robotic and AI-enabled tools is expected to further strengthen process consistency, productivity and service quality across the finance and claims value chain.

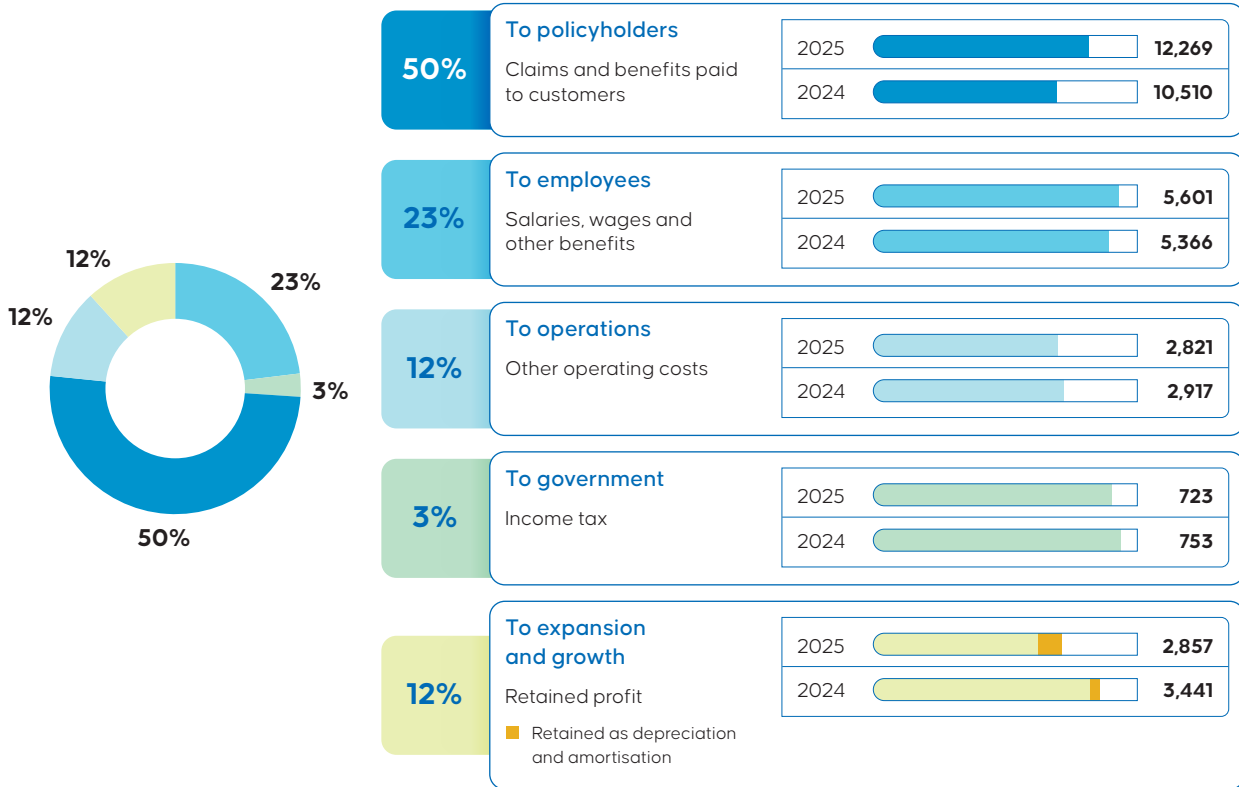
Collectively, these initiatives support the more efficient deployment of financial capital, strengthen the control environment and contribute to sustainable value creation through better customer experience and improved operating efficiency.

Economic Value Added

How value was created

| | | |
|-----------------------|-----------------------------|-----------------------|
| Net earned premium | Investment and other income | Total value added |
| Rs. 19,951 Mn | Rs. 4,320 Mn. | Rs. 24,271 Mn. |
| 2024 - Rs. 18,071 Mn. | 2024 - Rs. 4,916 Mn. | 2024 - Rs. 22,986 Mn. |

How value was distributed



| |
|-----------------------|
| Shareholders' funds |
| Rs. 27,550 Mn. |
| 2024 - Rs. 21,978 Mn. |

| |
|----------------------|
| Retained profit |
| Rs. 2,857 Mn. |
| 2024 - Rs. 3,441 Mn. |

| |
|------------------------|
| General Insurance fund |
| Rs. 26,458 Mn. |
| 2024 - Rs. 20,441 Mn. |

Outlook for 2026

Looking ahead, the Company remains focused on sustainable growth, operational efficiency and enhanced financial resilience. While the external environment continues to present uncertainties, the Company is well-positioned to build on its market leadership, strong capital base and diversified operating model.

A major priority in 2026 will be the implementation of SLFRS 17 and SLFRS 9, which is expected to strengthen financial reporting transparency, sharpen risk management capability and improve the quality of performance measurement across underwriting, claims provisioning and investment management. The completion of these implementations by quarter three 2026 will be an important milestone in the Company's financial and reporting transformation journey.

Strategically, the Company intends to remain focused on the following priorities:

- Maintaining market leadership
- Achieving a combined ratio below 100%
- Improving ROI to 10.2%
- Enhancing ROE to 15.9%
- Sustaining CAR above 275%

These targets reflect the Company's intention to improve underwriting quality, capital productivity and overall operating efficiency while preserving solvency strength and policyholder security.

In addition, the Company is expected to continue investing in digitalisation, process improvement and customer experience enhancement, while maintaining discipline in underwriting, claims management and expense control. The continued strengthening of the investment portfolio, the prudent use of reinsurance and a strong focus on risk-based capital management are also expected to remain central to the Company's value creation approach.

Despite ongoing macroeconomic challenges, the Company remains well-positioned to deliver long-term value through disciplined underwriting, digital transformation and strong capital management. With a leading market position, a resilient balance sheet and a clear strategic focus, the Company enters 2026 with confidence in its ability to create sustainable value for policyholders, the shareholder and the wider community.

| KPIs | 2025 | 2026 Target | 2027 Target | 2028 Target |
|-----------------|--------|-------------|-------------|-------------|
| ROI | 8.9% | 10.2% | 9.8% | 10.1% |
| ROE | 10.2% | 15.9% | 15.8% | 15.8% |
| CAR | 269.4% | Above 275% | Above 275% | Above 275% |
| Combined ratio | 104.8% | 96.0% | 95.0% | 94.0% |
| Market position | No. 01 | No. 01 | No. 01 | No. 01 |

Manufactured Capital

The Company's extensive physical and digital infrastructure enables broad market access, faster claims processing, and improved service delivery across diverse geographic and economic segments.

Management Approach

Manufactured capital represents the physical and technological infrastructure that enables SLICGL to deliver insurance services reliably, efficiently, and at scale.

For a market leading, large scale national insurer this includes an extensive branch network, digital systems and ICT infrastructure, claims processing platforms, communication systems, and operational facilities that collectively support service delivery across the country.

In 2025, investment in manufactured capital was guided by a central objective: enhancing service delivery while strengthening institutional efficiency, operational control, and responsiveness to stakeholder needs.

Investment in Infrastructure

SLICGL continued to invest in strengthening its operational infrastructure during the year, focusing on improving service delivery capabilities and supporting long-term operational resilience.

| | FY 2025 Rs. '000 | FY 2024 Rs. '000 | FY 2023 Rs. '000 | FY 2022 Rs. '000 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Additions to fixed assets | 102,089 | 147,144 | 371,582 | 515,245 |
| NBV of fixed assets | 499,975 | 611,198 | 12,644,259 | 12,763,092 |

Effective 1 February 2024, the Company successfully completed the segregation of its insurance business into General Insurance and Life Insurance entities, in line with regulatory requirements.

As part of this process, assets were appropriately transferred between the entities, while certain assets were retained within each company to align with their respective capital structures and underlying business liabilities. This ensured that each entity is supported by sufficient assets to cover its liabilities.

These investments reflect a continued focus on modernising infrastructure, improving operational efficiency, and supporting business growth.

Service Delivery Network

SLICGL operates one of the most extensive branch networks in Sri Lanka, ensuring accessibility across urban, semi-urban, and rural regions.

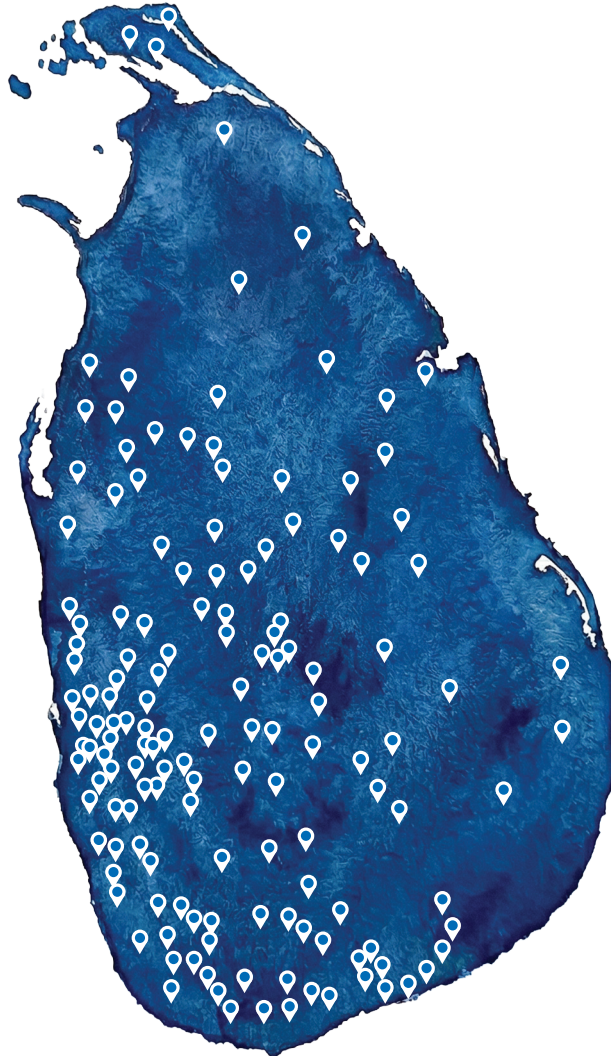
Branch Distribution by Province

| Province | 2025 | 2024 | 2023 |
|---------------|---|---|---|
| | Branch penetration (Number of branches including ABDCs, including counter at LHC) | Branch penetration (Number of branches including ABDCs, including counter at LHC) | (Number of branches/branch penetration including ABDCs) |
| Western | 64 | 64 | 65 |
| Southern | 32 | 32 | 32 |
| Central | 16 | 15 | 18 |
| Northern | 16 | 18 | 14 |
| North Central | 14 | 15 | 13 |
| Eastern | 10 | 11 | 11 |
| North Western | 29 | 25 | 25 |
| Sabaragamuwa | 10 | 12 | 13 |
| Uva | 10 | 10 | 10 |

Manufactured Capital

Islandwide Branch Network

The branch network enables broad market access and supports insurance penetration across diverse geographic and economic segments.



| Western 1 | |
|-----------|---|
| Branches | Battaramulla, Colombo City Office, Dehiwala, Kirulapone, Moratuwa, Nugegoda, Pitakotte, Ratmalana |
| Counter | Lanka Hospital Counter |

| Western 2 | |
|-----------|--|
| Branches | Colombo Metro 1, Colombo Metro 10, Colombo Metro 11, Colombo Metro 2, Colombo Metro 3, Colombo Metro 4, Colombo Metro 6, Kadawatha, Kiribathgoda |
| ABDCs | 0 |

| Western 3 | |
|-----------|--|
| Branches | Athurugiriya, Homagama, Ingriya, Kaduwela, Kottawa, Maharagama, Malambe, Piliyandala |
| ABDCs | Padukka |

| Upper Western | |
|---------------|--|
| Branches | Gampaha, Ja-Ela, Kandana, Kochchikade, Marawila, Minuwangoda, Negombo, Nittambuwa, Veyangoda, Wennappuwa, Yakkala |
| ABDCs | Dankotuwa, Divulapitiya, Ganemulla, Kirillawala, Kirindiwela, Mahabage, Mirigama, Pugoda, Katana ABDC, Naiwala ABDC, Urapola, Weliveriya |

| Central | |
|----------|---|
| Branches | Digana, Gampola, Kandy City, Kandy Main, Katugasthota, Kegalle, Matale, Mawanella, Mawathagama, Nawalapitiya, Pilimathalawa, Rikillagaskada |
| ABDCs | Aranayaka, Bulathkohupitiya, Galagedara, Peradeniya, Wattegama |

| Western 4 | |
|-----------|--|
| Branches | Bambalapitiya, Borella, Kotahena, Kotikawatta, Pettah, Ragama, Wattala |
| ABDCs | Wellawatta |

| Wayamba 2 | |
|-----------|---|
| Branches | Anamaduwa, Chilaw, Dambulla, Galewela, Galgamuwa, Maho, Nikaweratiya, Puttalam, Thambuttegama, Wariyapola |
| ABDCs | Ambanpola ABDC, Norochcholai |

| Eastern | |
|----------|--|
| Branches | Akkarapattu, Batticaloa, Kalmunai, Kanthale, Trincomalee |
| ABDCs | Kaluwanchikudy, Pothuwil, Mutur |

| Wayamba 1 | |
|-----------|---|
| Branches | Giriulla, Kuliapitiya, Kurunegala City, Kurunegala Main, Melsiripura, Narammala, Polgahawela, Rambukkana, Rideegama, Warakapola |
| ABDCs | Alawwa, Hettipola, Ibbagamuwa, Katupotha, Pannala, Polpittigama |

| Southern 3 | |
|------------|---|
| Branches | Tangalle, Beliatta, Ambalantota, Tissamaharamaya, Hambanthota |

| Uva | |
|----------|---|
| Branches | Badulla, Bandarawela, Bibila, Hatten, Mahiyangana, Monaragala, Nuwaraeliya, Welimada, Wellawaya |
| ABDCs | Passara, Siyambalanduwa, Hettipola |

| Northern | |
|----------|--|
| Branches | Chankanai, Chavakachcheri, Jaffna, Kilinochchi, Mannar, Mullaitivu, Nelliady, Vavunia |
| ABDCs | Chunnakam, Mallavi, Kaithady, Visuwamadu, Kodikamam, Pallai ABDC, Point Pedro ABDC, Pudukudiruppu ABDC |

| Rathnapura | |
|------------|--|
| Branches | Avissawella, Balangoda, Eheliyagoda, Embilipitiya, Kahawatta, Kalawana, Pallebedda, Rathnapura, Ruwanwella |
| ABDCs | Deraniyagala, Hanwella |

| Southern 2 | |
|------------|---|
| Branches | Akuressa, Kamburupitiya, Deniyaya, Dickwella, Hakmana, Matara, Weligama, Kamburupitiya |
| ABDCs | Deyyandara, Imaduwa, Kekanadura, Middeniya, Morwaka, Thelijawila ABDC, Urubokka, Walasmulla |

| Southern 1 | |
|------------|--|
| Branches | Aluthgama, Ambalangoda, Baddegama, Bandaragama, Elpitiya, Galle, Horana, Kalutara, Mathugama, Panadura, Thalgaswala, Udugama |
| ABDCs | Habaraduwa, Karapitiya, Pitigala, Thanipolgaha, Uragaha |

| Eastern O2 | |
|------------|--------------------|
| Branches | Ampara, Samanthure |

| North Central | |
|---------------|--|
| Branches | Anuradhapura, Aralaganwila, Bakamuna, Dehiattakandiya, Hingurakgoda, Horowpathana, Kaduruwela, Kekirawa, Medawachchiya, Padavi Parakramapura |
| ABDCs | Habarana, Mahaoya, Medirigiriya, Galenbindunuwewa ABDC |

Manufactured Capital

Value Through Physical Presence

The Company’s extensive physical presence creates tangible value by ensuring close proximity to policyholders, enabling faster claims intake and assessment, and facilitating localised customer engagement across diverse geographic and economic segments. This widespread network supports deeper market penetration while strengthening accessibility and service delivery across urban, semi-urban, and rural areas. Importantly, it enhances the Company’s ability to respond effectively during periods of disruption. During Cyclone Ditwah, branch-level presence was instrumental in mobilising claims assessment teams, expediting on-ground support, and assisting affected communities, demonstrating the critical role of physical accessibility in delivering timely and responsive service.

Operational Infrastructure

The below illustration presents the functionality of our physical presence, and the enhancements achieved in 2025, through changes initiated across workflows, workspace utilisation, and process standardisation:

| Services facilitated through our physical presence | Outcomes |
|--|---|
| Underwriting and policy administration | Faster decision-making |
| Claims management and settlement | Improved cross-functional coordination |
| Investment management | Enhanced risk oversight |
| Compliance, governance, and risk oversight | Strengthened institutional accountability |

Digital Infrastructure

Digital enablement remained a key priority during 2025, with SLICGL continuing to strengthen its technological infrastructure to enhance service delivery and operational efficiency.

Technological investments contributed to improved claims processing efficiency, automated payment systems, enhanced financial reconciliation controls, and greater reporting transparency. More than 80% of claims payments were processed through Common Electronic Fund Transfers (CEFT), significantly reducing manual intervention and accelerating settlement timelines.

The Company expanded its digital platforms to improve accessibility and customer engagement, including mobile applications and self-service portals that facilitate policy management, premium payments, renewals, and claims tracking.

Automation technologies were also deployed to streamline operations. Robotic Process Automation (RPA) was utilised to expedite policy issuance processes, particularly in third-party motor insurance, improving turnaround times and service consistency.

These capabilities were further strengthened through the introduction of digital tools such as Online Video inspection platforms, enhanced claims tracking systems, and customer-facing mobile applications, which have improved transparency, reduced turnaround times, and enhanced service delivery efficiency across key operational areas.

| Metric | 2025 performance | Value delivered |
|-------------------------------|---------------------------------------|--|
| Online inspection adoption | 30% of day time motor accident claims | Faster remote assessments and reduced reliance on physical inspections |
| Electronic receipt adoption | 60% of total cash transactions | Improved transaction efficiency and reduced paper usage |
| Digital medical claims usage | Over 8,000 active users | Enhanced accessibility and customer convenience |
| Digital medical claims volume | Over 2,500 claims processed monthly | Faster claims processing and improved operational efficiency |

System Enhancements

SLICGL continued to enhance its core systems and digital infrastructure during the year, with a focus on improving operational efficiency, accuracy, and scalability.

Key developments included upgrades to core systems, improvements in data integrity, and automation of reporting processes in preparation for SLFRS 17 and SLFRS 9 implementation. Cybersecurity frameworks were strengthened to safeguard data and ensure compliance with evolving regulatory requirements.

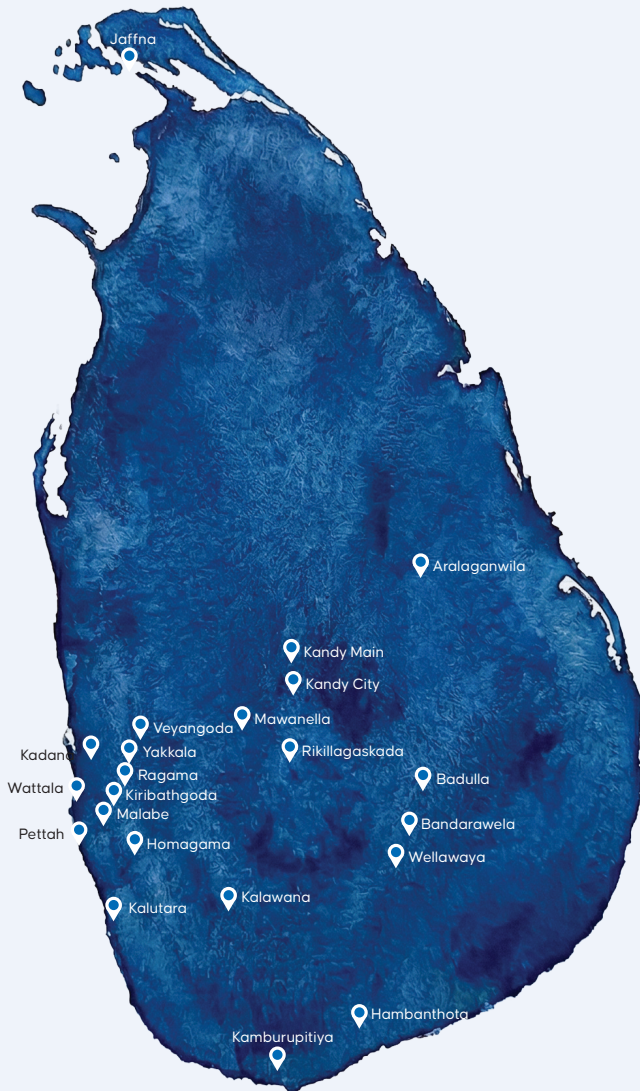
Digital tools were also introduced to support field operations, including online inspection capabilities for motor claims and non-motor underwriting assessments. Mobile applications enabled field officers to conduct accident assessments and process documentation more efficiently, improving service responsiveness.

Investment in digital platforms increased during the year, with overall IT expenditure rising by approximately 15%, reflecting a continued focus on infrastructure modernisation.

These enhancements, including the expansion of video-based inspection capabilities and real-time data capture tools, have enabled faster decision-making, reduced dependency on manual processes, and improved overall operational responsiveness.

Projects completed in 2025 and plan for 2026

Infrastructure expansion across SLICGL's branch network



Branch relocations

Carried forward from 2025: Nos. 4

- Kamburupitiya, Hambanthota, Kalawana, Wattala

Approved for 2026: Nos. 9

- Ragama, Kandana, Mawanella, Wellawaya, Kiribathgoda, Bandarawela, Malabe, Veyangoda, Pettah

Branch refurbishments

Carried forward from 2025: Nos. 1

- Rikillagaskada

Approved for 2026: Nos. 2

- Kandy City, Kandy Main

Additional space acquisition: Nos. 3

- Homagama, Yakkala, Aralaganwila

New Constructions - 2026

Carried forward from 2025: Nos. 2

- Badulla, Jaffna

Approved for 2026: Nos. 1

- Kalutara

Manufactured Capital

Key Highlights 2025

- API-based integration across core and supporting systems improving interoperability.
- Progressive migration of non-core applications to cloud environments following structured evaluation.

System Resilience

Robust system infrastructure and network connectivity remain critical to ensuring uninterrupted service delivery across the Company’s operations.

SLICGL’s digital ecosystem supports real-time transaction processing, centralised data management, faster claims approvals, and improved fraud detection capabilities. Investments in system redundancy, server capacity, and cybersecurity frameworks have strengthened operational resilience and reduced exposure to operational risks.

The Company also maintained its ISO 9001:2015 Quality Management System certification, reflecting a continued commitment to process standardisation, quality assurance, and operational excellence.

System resilience was particularly evident during Cyclone Ditwah, where digital connectivity enabled uninterrupted claims processing despite physical disruptions, ensuring continuity of service during a period of heightened demand.

Operational Performance

Operational performance is continuously monitored to assess the effectiveness of the Company’s infrastructure and service delivery systems. Underwriting and claims processing timelines are supported by a hybrid monitoring framework combining system-generated timestamps and operational tracking mechanisms across key functions. These capabilities reflect the strength of the Company’s operational infrastructure and its ability to deliver consistent and efficient service outcomes.

Service Portfolio

SLICGL’s service delivery capability is supported by a comprehensive portfolio designed to meet the protection needs of individuals, SMEs, corporates, and public institutions.

Portfolio Segmentation

- Motor Insurance
- Fire and Engineering
- Marine
- Medical and Personal Accident
- Liability and Specialised Covers



Manufactured Capital

| Product Category | Solutions | Target Customers | Description |
|-------------------------------------|---------------------|---|---|
| Personal | | | |
| Individual Medical Insurance | Medi 60 | Senior citizens between the ages of 60 and 80 years | Medi 60" is a health insurance policy designed to cater to the needs of senior citizens. It offers five packages for the customers to choose from based on their requirement and the financial affordability. Policy needs to be commenced after 60 years and prior to completion of 70 years of age. |
| | Medi Plus | Sri Lankan citizens between the ages of 18 and 59 years | Individual health insurance policies that cover a wide range of inpatient health insurance needs. The policy is renewable annually and includes a special no-claim bonus that increases the sum insured of the policy every no-claim year. |
| | Nagaraja | Buddhist Clergy | A customised and affordable medical product for Buddhist Clergy. Along with policy holder additional policies can be purchased for their parents and their siblings-up to 70 years. |
| Motor | Motor Plus | All vehicle types | <p>Motor Plus is SLICGL's no 1 and iconic comprehensive insurance brand. All Motor Plus products offer digital enabled ,fast and convenient facts and hassle free options.</p> <ul style="list-style-type: none"> • Be Express service - fast - at the accident site settlement offer with fast and hassle free claim settlement. • Online Video - allows customers to connect on their smart phones during daylight hours via a link and conduct a virtual inspection and drive off. No requirement to wait until the Insurance Technical Officer arrives on the site. |
| | Third Party Protect | All Vehicles | Affordable and accessible third party motor insurance. Easily accessible through islandwide branch network and 3 p selling apps. |
| | Motor Plus Pinnacle | Premium vehicle owner market segment | Sri Lanka Insurance Motor Plus Pinnacle is a premier motor insurance product that provides comprehensive coverage against a wide range of risks. It also offers enhanced personal accident cover, emergency breakdown assistance cost reimbursement, emergency accommodation cost reimbursement, hassle-free claim process, and premium add-on options. With SLICGL Motor Plus Pinnacle, consumers can expect an exceptional level of service. |
| | Motor Plus Drive 60 | Motor Insurance Cover for senior citizens | <p>The following special benefits are offered under Drive 60 insurance product:</p> <ul style="list-style-type: none"> • Free towing covers up to Rs. 10,000/- • Call and move the facility for vehicles above sum insured of Rs. 5 Mn. (private car and private dual-purpose vehicles) • Cashless repair facility from SLICGL registered garages • Bee Express fast track settlement facility for claims below Rs. 100,000/- • Waiving the after-repair inspection for claims under Rs. 100,000/- • Special repair offers for claims • Waiving off salvage parts for claims below Rs. 50,000/- <p>Discounts up to 75% (70% NCB and 5% MR)</p> |

Manufactured Capital

| Product Category | Solutions | Target Customers | Description |
|--------------------------------|---|---|--|
| | Motor Plus EV Plus | Owners of Electric Vehicles | SLICGL is the clear market leader in EV's giving consumers the benefit of experience in this growing segment. 100% battery cover in the first year. |
| | Motor Plus Ladies Only | Ladies who own private cars and private dual-purpose vehicles | A motor insurance policy that contains special features catering to the customers' specific vehicle insurance needs such as overnight accommodation in the event of accident and towing charges. |
| | Motor Plus Tuk | Three wheeler drivers | Comprehensive Motor insurance policy designed to cater to the insurance needs of the three-wheeler segment including free PA cover. |
| | Motor Plus Rider | Motor Cycle drivers | Comprehensive Insurance policy designed for motorcycles including free PA cover. |
| Households | Burglary Protect (Burglary Insurance) | Households | Protects your house and family from property loss or damage caused by break-ins. |
| | Home Fire Protect (Fire Insurance for Dwelling Houses Homeowners) | | Insures your house, whether it's finished, occupied, or under construction, from a variety of fire and fire-related risks. |
| | Home Protect Insurance | | Covers your home, your family, your valuables, and your domestic staff in the event of a disaster. |
| | Home Protect Lite | | Choose from 5 affordable options starting at Rs. 1,900 premium per annum – First-loss basis pre-underwritten householder insurance policy. This can be purchased over the counter or via online Portal. |
| Travel | Travel Protect | For all overseas travellers | Choose from 4 options- Provide coverage against medical emergencies, trip cancellation, lost baggage, or unforeseen travel disruption, and ensure travellers focus on enjoying their trip without any hassle. |
| Personal Accident | Personal Accident Protect (Personal Accident) | All citizens of Sri Lanka prioritizing working Labour force. | Provides compensation for death and bodily injuries caused by assault, accident, or other external and visible methods and protects the policyholder in the event of such unforeseeable events. |
| Personal Accident plus product | Jana Rekuma | All citizens of Sri Lanka Age Limit 18 - 64 Years | Affordable Cover against accidents – accidental death and permanent and total and partial disability caused by accidents. Includes hospital allowance for same and funeral expense cover due to natural and accidental death. Choose from 3 options. |
| | Guru Bhuman | All teachers | Guru Bhuman House and Personal accident insurance is introduced at an affordable premium as a gratitude of appreciation to all Teachers islandwide for their tremendous services towards Educational sector. This policy provides protection to their household against Fire and Burglary. This insurance also covers personal injuries sustained by accidents, ensuring coverage anytime, anywhere. |
| | Dheewara Rekuma | Fishermen and those in the fisheries trade | Dheewara Rekuma Personal Accident Cover provides extensive protection for fishermen and those in the fisheries trade against injuries sustained by accidents. The affordable premiums, combined with a comprehensive range of benefits ensures coverage anytime, anywhere. |

Manufactured Capital

| Product Category | Solutions | Target Customers | Description |
|------------------|--|--|--|
| Business | | | |
| Property | Business Premises Protect (Insurance for Business Premises) | Business owners | Tailored for commercial buildings, offices, production facilities, and warehouses. This insurance solution offers comprehensive protection from a variety of risks including fire, burglary, natural disasters, and all allied perils, ensuring your business operations can continue with minimal disruption. |
| | Trade Protect (Trade Insurance) | Shopkeepers and storeowners of retail or wholesale businesses. | Designed specifically for shopkeepers and storeowners of retail or wholesale businesses. This policy provides flexible coverage options that cater to the unique needs of the retail sector, ensuring comprehensive protection against a range of perils. |
| | Business Club (Traders Combined Insurance Policy) | SME sector - those engaged in trading business | Custom designed for traders needs including fire, burglary, personal accident covers for employer and employees and Workers Compensation for workers. Includes other add on covers at additional premiums to cater to trading businesses requirements. |
| | Tea Factory Protect (Tea Factory Insurance) | Plantation sector in Sri Lanka | Tea Factory Insurance is designed exclusively for the tea sector of Sri Lanka. This comprehensive policy covers tea plantations, factories and their storage along with risks affecting their machinery, buildings, stocks, and working processes. The policy is segmented into two sections, providing tailored coverage based on the specific needs of the tea industry. |
| | Hotel Plus Protect (Hoteliers Comprehensive Insurance) | Hoteliers in Sri Lanka | Provides specialised coverage tailored to the complex needs of the hospitality industry. This policy encompasses extensive protections for property, operations, and legal liabilities. |
| | Contractor Protect (Contractors All Risks Insurance) | Contractors undertaking construction projects | Specifically designed for the construction industry, addressing the myriad risks associated with fast-paced and demanding civil construction projects. This comprehensive policy serves as both a safety net and a contractual requirement for building bridges, roads, developments, and dams. |
| | Installation Protect (Erection All Risks Insurance) | Construction projects | Tailored for industries and businesses involved in machinery and equipment installations. This policy provides specialised coverage designed to support the erection process, ensuring all risks associated with such operations are comprehensively covered. |
| | Electronic Equipment Protect (Electronic Equipment Insurance) | Business premises and factories | Designed to cover a wide range of electronic and electrical appliances and tools, ensuring comprehensive protection against potential perils that can impact your progress |
| | Machinery Protect (Machinery Breakdown Insurance) | Business premises and factories | Offers essential coverage for unforeseen and sudden physical loss or damage to machinery, facilitating rapid repair or replacement. This policy is crucial for industries that depend on continuous machinery operation and can be supplemented with fire insurance for industrial/business premises for comprehensive protection. |
| | Contractor Equipment Protect (Contractors Plant and Machinery Insurance) | Construction projects | This specialised insurance policy is designed for contractors utilising plant and machinery during construction projects. It provides targeted coverage against various types of risks that these assets might face on site, ensuring smooth operational continuity throughout the construction phase. |

Manufactured Capital

| Product Category | Solutions | Target Customers | Description |
|---------------------------------|--|---|---|
| | Cold Storage Protect (Deterioration of Stock Insurance) | Business premises and factories | Deterioration of Stock Insurance is tailored for businesses that utilising cold storage facilities to store perishable goods. This policy is designed to protect against the risks associated with the smallest changes in storage conditions, which could lead to the rapid deterioration of items such as food, pharmaceuticals, or flowers due to mechanical failures or other unforeseen incidents. |
| | Machinery Income Protect (Machinery Loss of Profits Insurance) | Business premises and factories | Designed to protect businesses against the financial impact of downtime due to machinery breakdown. This policy indemnifies the actual loss of gross profit resulting from such interruptions, ensuring that your business can sustain its operational and financial health during recovery periods. |
| | Solar Protect (Solar panel Insurance) | Individual homes and at businesses | Secure your investment in solar panels with comprehensive insurance coverage designed especially for private dwelling houses and business premises. |
| Marine | Marine Hull (Marine Hull and Machinery Insurance) Freight Forwarder's Liability Insurance. | Fishing boats and ocean going vessels Liability towards Bill of Lading | Marine Hull Insurance policy offers comprehensive coverage for the hull and machinery of ocean-going and other vessels that navigate waterways, safeguarding them against a specified array of risks. Upon payment of additional premium, coverage can be obtained for war, strikes, terrorism, riots & civil commotion risks. Liability towards Bill of Lading. |
| | Marine Cargo Protect (Marine Cargo Insurance) | Exporters and Importers | SLICGL's comprehensive marine insurance solution offers complete protection for maritime ventures to support every aspect of shipping operations, from shippers ware house to buyers ware house as applicable. |
| Employee Related | Employee Protect (Workmen's Compensation Insurance) | Factories, manufacturing companies, and offices | Highlights employer responsibilities under the recently updated Workmen's Compensation Act No. 10 of 2005, which provides compensation to workers injured while on the job. |
| | Personal Accident Protect (Personal Accident Cover) | Factories, manufacturing companies, and offices | Provides compensation for death and bodily injuries caused by assault, accident, or other external and visible methods and protects the policyholder in the event of such unforeseeable events. |
| | Group Health Protect (Group Medical Insurance) | All types of organisations/ companies | Group medical insurance provides coverage for the employee, management, and the Board of Directors of companies/organisations against medical and health-related perils. |
| Special Motor Categories | Motor Fleet Protect (Motor Fleet Solutions) | Individual and company-owned car fleets | Accident risk and damage coverage for corporate-owned car fleets. |
| | Motor Plus Commercial | Owners of commercial vehicles | Provides exclusive motor insurance coverage for commercial vehicles (hiring cars, dual-purpose vehicles, private and hiring lorries) that contribute to the nation's economy. |
| | Agricultural Vehicles and Special Vehicles | Individual and company-owned agricultural or special vehicle types | Agricultural and special vehicle insurance solutions are designed to cater the specific needs of the respective category considering the nature of usage of the vehicle and vehicle type. |

Manufactured Capital

Beyond traditional lines, SLICGL supports:

- Bankers Indemnity
- Rubber Factory
- Cyber Security
- Aircraft Insurance
- Public Liability
- Products Liability

These products strengthen financial resilience across multiple layers of the economy.

New Services

In 2025, SLICGL introduced targeted product enhancements aligned with evolving market needs and emerging risk exposures. Key initiatives included the launch of an EV Motor Insurance product tailored to the growing electric vehicle segment, as well as the introduction of the B Express Service to enhance the efficiency and speed of claims settlement. These developments reflect the Company’s continued focus on ensuring customer relevance, strengthening risk-based pricing discipline, and supporting sustainable underwriting practices.

Operational Efficiency

Operational improvements during the year focused on reducing inefficiencies, improving turnaround times, and strengthening internal controls.

| Key efficiency initiatives | Efficiency improvements |
|---|------------------------------|
| Automation of claims settlement processes | Reduced administrative costs |
| Integration of electronic payment platforms | Improved processing speed |
| ICT infrastructure modernisation | Enhanced audit trails |
| Reconciliation process automation | Lower operational risk |
| Strengthening of internal control systems | Reduced leakages |

Value Creation

Manufactured capital creates value across multiple stakeholder groups:

| Stakeholder | Value Created |
|---------------------------|---|
| Policyholders | <ul style="list-style-type: none"> • Improved customer onboarding processes • Faster claims settlement • Accessible branch services • Digital payment convenience • Reduced service turnaround times through enhanced digital infrastructure |
| Employees | <ul style="list-style-type: none"> • Improve workflow efficiency • Better data visibility/Dashboards • Enhanced operational support |
| Regulators | <ul style="list-style-type: none"> • Stronger control environment • Improved monitoring, & enabling proactiveness • Reduced compliance risk |
| Shareholders and Treasury | <ul style="list-style-type: none"> • Lower operational cost base • Improved underwriting profitability • Stronger institutional resilience |

Outlook for 2026

SLICGL will continue to strengthen its manufactured capital to support long-term sustainability and service excellence.

Key priorities include:

- Enhance branch-level efficiency with efficient penetration focus to build market confidence
- Improve market leverage to maintain market position with improved market share
- Strengthen digital claims automation
- Invest in cybersecurity and system resilience
- Improve data analytics capabilities
- Support regulatory reporting transformation

Intellectual Capital

Intellectual capital at SLICGL combines knowledge, systems, and analytics to support effective operations, strategic decision-making, and long-term value creation.

Management Approach

Intellectual capital represents the collective knowledge, systems, processes, brand strength, and analytical capabilities that enable Sri Lanka Insurance Corporation General Limited (SLICGL) to operate effectively, innovate responsibly, and make informed decisions in a dynamic environment.

Strategic decision-making is supported by a structured planning framework that integrates value chain analysis, stakeholder engagement, and the identification of material matters. Insights derived from this process inform the development of strategic priorities across underwriting, claims management, distribution, digital enablement, and risk management, which are subsequently translated into measurable business plans and operational targets.

In the insurance sector, intellectual capital plays a critical role in underwriting discipline, risk assessment, customer engagement, and long-term value creation. It transforms data into insight, systems into intelligence, and experience into institutional strength.

During 2025, SLICGL continued to strengthen its intellectual capital by enhancing digital capabilities, deepening data-driven decision-making, and reinforcing brand and market intelligence.

ICT Strategy and Policy

SLICGL's ICT strategy is aligned with its broader business objectives, ensuring that technology investments directly support operational efficiency, customer experience, and long-term value creation.

The Company focuses on accelerating product innovation, enhancing digital customer engagement, strengthening distribution channels, and improving internal processes through technology enablement.

Data management and analytics are prioritised to generate deeper insights into customer behaviour, risk trends, and claims patterns, supporting more informed decision-making and proactive risk management.

Continuous evaluation of emerging technologies ensures that the organisation remains agile, resilient, and competitive within a rapidly evolving insurance landscape.

Oversight of digital strategy and transformation is further reinforced through Board-level governance structures, including the Digital Transformation Committee, which provides strategic direction, monitors implementation progress, and ensures alignment between technology initiatives and business objectives.

Moreover, dedicated oversight mechanisms, including the appointment of a Data Protection Officer and the integration of data protection requirements into operational policies, contracts, and internal processes, reinforce data governance. Regular training and awareness programmes ensure that data protection principles are embedded across the organisation.



Digital Capability and Transformation

SLICGL continued to advance its digital transformation agenda, focusing on enhancing customer experience, improving operational efficiency, and enabling more responsive service delivery.

The Company increasingly leveraged digital solutions to create faster, more personalised, and transparent customer interactions. Initiatives such as the introduction of AI-enabled customer support capabilities and the expansion of self-service platforms reflect a shift towards more intelligent and customer-centric service models.

While digital channels currently contribute less than 1% of new business, this is recognised as a strategic growth area, with continued efforts to expand digital adoption and strengthen distribution capabilities.

Key highlights in 2025

- Expanded digital product offerings including Motor Third Party, Travel Protect, Home Lite, and Medi 60 Plus
- Introduction of digital claim submission platforms including the Suraksha student portal
- Simplified Digital Portals and App for Medical Group Policy claim process

Data, Analytics and Risk Intelligence

Data-driven decision-making remains central to SLICGL’s intellectual capital.

During the year, the Company strengthened its analytical capabilities across key areas, including underwriting analytics, claims trend monitoring, catastrophe exposure modelling, and portfolio risk segmentation. These capabilities enable more accurate risk pricing, improved fraud detection, and better alignment between assets and liabilities.

Analytical capabilities are further strengthened through structured cost allocation frameworks aligned to classes of business, enabling more accurate performance measurement across product lines. This approach supports better decision-making, improved pricing discipline, and enhanced visibility into cost drivers, particularly in areas such as underwriting, claims management, and technology investment.

Enhanced data visibility and reporting automation have further supported decision-making, enabling management to respond more effectively to emerging risks and market dynamics.

Data intelligence plays a critical role in transforming operational experience into actionable insight, supporting both strategic planning and day-to-day execution.

These capabilities are supported by structured performance monitoring systems that combine system-generated data with operational tracking mechanisms. This hybrid approach enables the Company to capture, analyse, and interpret performance across key service areas, including underwriting, claims, and reinsurance, providing a comprehensive view of operational efficiency and responsiveness.

Continuous improvements in service delivery are informed by insights derived from these systems, including trends in processing efficiency, documentation quality, and workflow performance. These insights enable targeted process enhancements, improved risk assessment, and more effective allocation of resources across the organisation.

Key highlights in 2025

- Upgraded IBM Cognos platform to the latest version and strengthened business intelligence platform to enhance real-time reporting, Data analytics, which drive informed decision-making
- Launch of a Management Dashboard Mobile app with near-real time sales performance – National level, Regional Level, Branch level and Channel wise performance views

Innovation and Process Excellence

SLICGL continues to embed innovation and process excellence across its operations, focusing on improving efficiency, consistency, and service quality.

Automation and process improvements have been implemented to streamline workflows, reduce manual intervention, and enhance operational control. These initiatives reflect a broader shift towards continuous improvement and disciplined execution, ensuring that service delivery is both efficient and reliable.

Best practices in process management and operational optimisation support improved turnaround times, reduced errors, and enhanced customer experience, while strengthening internal controls and compliance.

Process optimisation is further supported by structured performance evaluation frameworks that identify key drivers of efficiency improvements. These include the integration of digital tools, enhanced workflow transparency, and improved documentation accuracy, all of which contribute to more consistent service delivery and reduced operational variability.

Key highlights in 2025

- Upgrade of firewall infrastructure and branch network connectivity with SASE based network architecture for next wave of branch connectivity experience
- Robust Security Strengthening – XDR implementation and Establishment of 24x7 Security Operations Centre (SOC), Implementation of End User Management and Application Monitoring
- Implementation of ITSM platform to streamline the IT operational framework and Progress towards ISO 20000 ITSM alignment

Intellectual Capital

Digital Performance and Customer Experience

The Company monitors the performance of its digital initiatives through a combination of operational and adoption indicators.

Current metrics focus on the utilisation of digital servicing platforms, efficiency gains from automation, and customer interaction through digital channels. While digital adoption remains at an early stage, it is expected to increase as digital capabilities are expanded and customer engagement improves.

At present, digital customer satisfaction (CSAT) is not formally measured. The Company plans to introduce structured digital customer experience measurement frameworks in 2026 to better evaluate customer journeys and service effectiveness.

Accessibility and Digital Inclusion

SLICGL continues to enhance accessibility through the expansion of digital channels and customer-facing platforms.

The introduction of mobile applications, self-service portals, and a tri-lingual corporate website has improved accessibility for a wider range of customers, enabling easier interaction and engagement.

These initiatives support broader insurance inclusion by making services more accessible, particularly across diverse geographic and demographic segments.

Brand, Market Insight and Institutional Knowledge

SLICGL’s intellectual capital is significantly strengthened by its brand equity and market intelligence capabilities.

The Company continues to maintain its position as the most valuable general insurance brand in Sri Lanka, supported by strong market presence, consistent performance, and a reputation for reliable claims settlement.

Brand strength is reinforced through:

These capabilities enable more effective customer targeting, support underwriting discipline, and enhance portfolio optimisation.

Brand communication is aligned with the Company’s core principles of trust, reliability, and national responsibility, particularly in the context of climate-related risks and economic uncertainty.

| Digital Engagement Reach | |
|---------------------------------|-------------------|
| Reach | 10,131,721 |
| Unique reach | 3,776,625 |
| Impressions | 15,839,666 |
| Engagement | 704,392 |
| FB followers | 10.5K |
| IG profile visits | 9.8K |

Protecting and Enhancing Brand Integrity

SLICGL continues to safeguard and strengthen its brand integrity through adherence to recognised standards, governance frameworks, and consistent service delivery practices.

A key pillar of this commitment is the maintenance of ISO 9001:2015 certification since 2008, reflecting alignment with internationally recognised quality management standards. Guided by the principle “Customer first in everything we do,” the certification encompasses underwriting, claims processing, settlement, and support services across all operational locations.

This structured quality framework supports operational consistency, strengthens regulatory compliance, and enhances service reliability. In doing so, it reinforces stakeholder confidence and underpins the credibility and trust associated with the SLICGL brand.

ICT Strategy and Governance Framework

SLICGL’s digital and intellectual capital is supported by a structured ICT governance framework.

This includes Board-level oversight, supervision by the Digital Transformation Committee, and the implementation of information security policies aligned with regulatory requirements.

Key elements of the framework include:

- Risk based cybersecurity protocols
- Business continuity and disaster recovery planning
- Strengthened compliance and monitoring mechanism

This governance structure ensures that digital transformation is implemented in a controlled, secure, and compliant manner.

Key highlights in 2025

- ISO/IEC 27001:2022 certification achieved in 2025

Intellectual Risk Management

The increasing reliance on digital systems and data introduces new categories of risk that must be actively managed.

Key intellectual capital risks include:

- Cybersecurity threats
- Data privacy vulnerabilities
- Technology obsolescence
- Knowledge concentration risk
- Regulatory transition challenges

Mitigation measures include regular system audits, strengthened ICT policies, staff training in cybersecurity awareness, and preparedness for regulatory changes such as SLFRS 17 and SLFRS 9.

Intellectual resilience has become a critical component of enterprise risk management.

Digital and Innovation Roadmap

SLICGL has established a phased digital transformation roadmap to guide its evolution towards a more intelligent and data-driven organisation.

2024 Foundation and Stabilisation

- Strengthening core infrastructure
- Review and upgrade of core insurance systems
- Assessment of digital gaps in claims and premium processing
- Cybersecurity vulnerability testing and policy enhancement
- Alignment of ICT governance framework with enterprise risk management

Focus
Stabilise systems and prepare for automation

2025 Acceleration and Automation

- Enhancing customer experience and financial controls
- 80%+ claims payments transitioned to CEFT
- API-enabled premium collection integration
- Automation of reconciliation and internal control processes
- Strengthening disaster recovery and system resilience
- Initiation of SLFRS 17 and SLFRS 9 system readiness upgrades

Focus
Improve speed, transparency, and control

2026 Integration and Intelligence

- Date-driven decision-making
- Full SLFRS 17 and SLFRS 9 reporting implementation
- Advanced underwriting analytics deployment
- Claims trend analytics and fraud detection enhancement
- Integrated dashboard reporting for management oversight
- Strengthened cybersecurity monitoring tools

Focus
Convert data into risk intelligence

2027 Digital Optimisation and Predictive Capability

- Embedding Smart Risk-Management
- AI-assisted claims triaging (Planned)
- Predictive underwriting modelling
- Expanded customer self-service digital platforms
- End-to-end digital claims lifecycle integration
- Enhanced catastrophe modelling tools

Focus
Proactive, predictive, and customer-centric insurance delivery

Intellectual Capital

Contribution to Sustainability and National Development

SLICGL’s intellectual capital contributes to broader sustainability and national development objectives.

Key contributions include:

- Promoting SME resilience and financial protection
- Supporting digital inclusion and access to insurance
- Enhancing awareness of disaster risk protection
- Encouraging adoption of insurance in climate-vulnerable regions

These initiatives align with national priorities and selected Sustainable Development Goals, including economic growth, innovation, and climate resilience.

Value Creation through Intellectual Capital

Intellectual capital creates value across multiple stakeholder groups:

| Stakeholder | Value created |
|------------------------|--|
| Customers | Improved service experience, transparency, and trust |
| Employees | Enhanced systems, better decision-making tools, productivity gains |
| Regulators | Stronger compliance, accurate reporting, improved governance |
| Shareholders/ Treasury | Brand strength, operational efficiency, reduced risk |

Contribution to UN Sustainable Development Goals

Marketing and brand initiatives contribute to:

- 8 DECENT WORK AND ECONOMIC GROWTH**
 - Promoting SME risk protection and business continuity awareness.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
 - Supporting digital engagement and technology-enabled insurance access.
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
 - Enhancing public awareness of disaster risk protection.
- 13 CLIMATE ACTION**
 - Encouraging insurance adoption in climate-vulnerable regions.
 - Insurance awareness campaigns strengthen economic resilience.

Outlook for 2026

SLICGL will continue to strengthen its intellectual capital by strengthening digital transformation, expanding data analytics capabilities, and enhancing cybersecurity frameworks.

The Company will also focus on strengthening brand equity, improving customer engagement, and embedding sustainability considerations into underwriting and governance practices.

Future competitiveness will increasingly depend on the intelligence embedded within systems, processes, and organisational culture. Through disciplined innovation and responsible digital transformation, SLICGL is well positioned to operate as a resilient, modern, and trusted national insurer.

Human Capital

Management Approach

At SLICGL, human capital is a strategic enabler of underwriting discipline, claims efficiency, governance integrity, and customer trust.

With an island-wide presence supported by 1,829 permanent employees, as well as a network of independent insurance agents forming a sales force active cadre of the organisation's workforce remains central to sustaining operational resilience and service continuity, particularly during periods of economic recovery and climate-related disruptions such as Cyclone Ditwah.

Our approach to human capital management focuses on workforce stability, capability development, and leadership continuity, ensuring long-term institutional strength.

Workforce Structure and Composition

SLICGL maintains a geographically dispersed and operationally diverse workforce, enabling effective service delivery across all regions.

Key workforce indicators 2025

| Metric | 2025 |
|--|---------------|
| Total Employees | 1,829 |
| Branch Network Coverage | 143 locations |
| Female Representation | 37.9% |
| Management-level Female Representation | 27.4% |
| Average Training Hours per Employee | 18 hours |
| New Recruits | 207 |
| Employee Retention Rate | 99.2% |
| Average Years of Service | 12 years |

Workforce Distribution by Grade and Gender

| Grade | Number | | | Composition Percentage (%) | |
|-------------------|--------|--------|-------|----------------------------|--------|
| | Male | Female | Total | Male | Female |
| Senior managerial | 45 | 13 | 58 | 77.6 | 22.4 |
| Managerial | 150 | 46 | 196 | 76.5 | 23.5 |
| Assistant manager | 67 | 40 | 107 | 62.6 | 37.4 |
| Executive | 218 | 280 | 498 | 43.8 | 56.2 |
| Clerical | 371 | 306 | 677 | 54.8 | 45.2 |
| Technical | 199 | 0 | 199 | 100.0 | 0.0 |
| Non-clerical | 59 | 4 | 63 | 93.7 | 6.3 |
| Minor | 25 | 6 | 31 | 80.6 | 19.4 |
| Total | 1,134 | 695 | 1,829 | 62.0 | 38.0 |

The workforce structure reflects a strong operational base, with a significant proportion of employees in executive and clerical roles, supporting frontline service delivery. Female participation is higher at executive levels but declines at senior management levels, indicating a leadership pipeline opportunity.



Human Capital

Regional Workforce Distribution

| Region | Number |
|---------------|--------------|
| Central | 129 |
| Eastern 1 | 38 |
| Eastern 2 | 5 |
| Head Office | 728 |
| North Central | 60 |
| Northern | 36 |
| Ratnapura | 64 |
| Southern 1 | 100 |
| Southern 2 | 53 |
| Southern 3 | 30 |
| Upper Western | 115 |
| Uva | 58 |
| Wayamba 1 | 90 |
| Wayamba 2 | 60 |
| Western 1 | 91 |
| Western 2 | 45 |
| Western 3 | 72 |
| Western 4 | 55 |
| Total | 1,829 |

The organisation's extensive branch network ensures nationwide access to insurance services, supporting inclusive economic participation.

Workforce Demographics

| Age Group | Male | Female | Percentage |
|--------------|--------------|------------|--------------|
| 18 - 24 | 64 | 15 | 4.3 |
| 25 - 29 | 127 | 82 | 11.4 |
| 30 - 34 | 196 | 132 | 17.9 |
| 35 - 39 | 158 | 124 | 15.4 |
| 40 - 44 | 198 | 69 | 14.6 |
| 45 - 49 | 163 | 29 | 10.5 |
| 50 - 54 | 138 | 118 | 14.0 |
| 55 and above | 90 | 126 | 11.8 |
| Total | 1,134 | 695 | 100.0 |

| Number of years working at SLICGL | Male | Female | Percentage |
|-----------------------------------|--------------|------------|--------------|
| 0 - 5 | 422 | 111 | 29.1 |
| 6 - 10 | 155 | 163 | 17.4 |
| 11 - 15 | 180 | 103 | 15.5 |
| 16 - 20 | 226 | 71 | 16.2 |
| 21 and above | 151 | 247 | 21.8 |
| Total | 1,134 | 695 | 100.0 |

The workforce demonstrates a balanced mix of experienced employees and emerging talent, with an average service period of 12 years, supporting both institutional memory and adaptability.

| Category | Permanent employees |
|-------------------|---------------------|
| Managerial | 196 |
| Assistant manager | 107 |
| Executive | 498 |
| Clerical | 677 |
| Technical | 199 |
| Non-clerical | 63 |
| Minor | 31 |
| Total | 1,829 |

In addition to its permanent workforce, the Company engages a network of independent insurance agents, constituting a sales force of approximately 2,000 professionals.

Workforce Movement

| Metric | 2025 |
|----------------|-------|
| New recruits | 207 |
| Promotions | 359 |
| Retirements | 50 |
| Total exits | 246 |
| Retention rate | 99.2% |

Recruitment Profile

| Age group | Male | Female | Total | Percentage % |
|--------------|------|--------|-------|--------------|
| 18 - 24 | 54 | 14 | 68 | 32.9 |
| 25 - 29 | 47 | 17 | 64 | 30.9 |
| 30 - 34 | 29 | 09 | 38 | 18.4 |
| 35 - 39 | 13 | 03 | 16 | 07.7 |
| 40 - 44 | 08 | 03 | 11 | 05.3 |
| 45 - 49 | 04 | 00 | 04 | 01.9 |
| 50 - 54 | 05 | 01 | 06 | 02.9 |
| 55 and above | 00 | 00 | 00 | 00 |
| Total | 160 | 47 | 207 | |

Recruitment efforts in 2025 focused on attracting individuals with the technical and behavioural competencies required in a rapidly evolving insurance environment.

Meanwhile, SLICGL continues to contribute to national youth employment by integrating early-career professionals into its workforce. The age profile indicates a significant proportion of employees below the age of 35, reflecting the organisation’s role in providing structured employment opportunities for young talent across regions. Recruitment, induction, and training programmes are designed to build technical and professional capabilities, supporting long-term career development while strengthening the Company’s future talent pipeline.

Employee Exits

The organisation maintained a high retention rate of 99.2%, reflecting workforce stability and effective retention strategies.

Retention

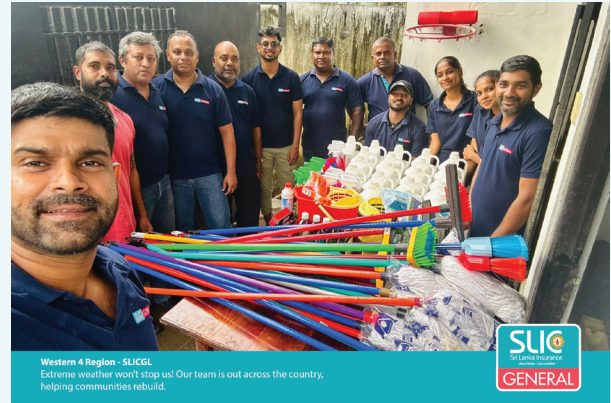
| | 2025 | 2024 | 2023 |
|----------------------|-------|-------|-------|
| Number of staff | 1,829 | 1,843 | 2,684 |
| Staff retention rate | 99.2 | 88.6 | 91.4 |

Employee exits

| Age group | Male | Female | Total | Percentage |
|--------------|------|--------|-------|------------|
| 18 - 24 | 40 | 10 | 50 | 20 |
| 25 - 29 | 42 | 10 | 52 | 21 |
| 30 - 34 | 33 | 7 | 40 | 16 |
| 35 - 39 | 13 | 4 | 17 | 7 |
| 40 - 44 | 17 | 2 | 19 | 8 |
| 45 - 49 | 7 | 0 | 7 | 3 |
| 50 - 54 | 7 | 0 | 7 | 3 |
| 55 and above | 19 | 35 | 54 | 22 |
| Total | 178 | 68 | 246 | 100.0 |

Employee Response During Cyclone Ditwah

The events of late 2025 highlighted the human dimension of insurance.



During Cyclone Ditwah,

- Claims and branch teams mobilised rapidly. Staff around the country from 143 branches worked closely with affected communities on clean up projects. Employees also contributed from their salary towards Ditwah rebuilding fund. Personal time and effort was used to pack dry rations as part of initial aid efforts.
- Extended working hours were undertaken to process elevated claims volumes.
- Employees demonstrated commitment beyond routine duty.

The response reflected not only operational competence but also a shared sense of responsibility to affected communities.

Human Capital

HR Policy Framework and Governance

| | |
|--|---|
| Non-discriminatory and equal opportunity employment | The Company maintains a non-discriminatory policy at all stage of the employee life cycle, from recruitment to retirement. |
| Diversity and inclusion | <p>SLICGL has created an environment where all employees are treated equally regardless of race, religion, gender, or age. We strive to provide possible opportunities for disabled people.</p> <p>Female workforce participation stood at 38%, with ongoing efforts to improve representation at senior levels.</p> <p>Diversity enhances organisational resilience, innovation, and decision-making capability.</p> <p>While quantitative workforce representation data is currently being enhanced for disclosure, the Company continues to strengthen its inclusive employment practices in line with regulatory expectations and national priorities.</p> |
| Health and safety | <p>Given the nature of our industry, employees are not exposed to major occupational risks. Nevertheless, we make our working environment as safe as possible. SLICGL has a comprehensive health and safety policy in place to facilitate maintaining of employee's health. Assessing of risks is done in consultation with many stakeholders.</p> <p>SLICGLs Risk Management Department carries out regular assessment of health risks and takes corrective action. The HR Department, in coordination with other departments, carries out programmes to raise health and safety awareness.</p> |
| Ethics and integrity | <p>We instill in our employees the importance of carrying out all their duties in the most ethical manner. Our code of conduct is disseminated to all employees, and all are expected to adhere to it, as well as to the terms and conditions laid down in their letters of appointment.</p> <p>We strictly prohibit all forms of child labour, forced labour, and compulsory labour.</p> |
| Employee grievances | <p>SLICGL has a comprehensive procedure for handling employee grievances, which employees may avail himself/herself of without any fear of adverse consequences. This may be used in connection with both personal and official grievances, and for individual or group issues.</p> <p>Procedures to report grievances and deal with grievances are clearly laid down.</p> <p>A Grievance Handling Committee handles grievances, under the auspices of the Human Resources Board Subcommittee.</p> |
| Recruitment strategies | <p>Recruitment policies and procedures have been crafted to ensure that all employees have the necessary knowledge, skills, experience, attitudes, and aptitudes. To ensure these new recruits have to complete a series of aptitude tests.</p> <p>When recruiting we are conscious of the demands the fast paced nature of the industry places on employees. When recruiting for higher positions, the first preference, is always given to internal applicants. External applicants are considered only if no suitable internal applicant is available.</p> <p>Recruitment panellists include both subject matter specialists and members of the Senior Management Team. All panel evaluations follow pre-set standards. Following standards and transparency in the process is ensured by an HR representative being present at all interviews. An induction programme is conducted for all new hires to help them get acquainted with the Company and get inculcated into the SLICGL culture.</p> |
| Retention and succession | <p>Retaining talented staff is imperative given the competitive and fast-moving nature of the industry, as well as the need to maintain a strong brand image. The Company not only focuses on retaining employees but also on developing their capabilities for future growth. Through its Performance Appraisal System, SLICGL identifies high-potential individuals and includes them in a structured talent pool comprising outstanding performers. These individuals are considered for future opportunities as they arise. Members of the talent pool are provided with access to both technical and behavioural training programmes, along with mentorship initiatives, enabling them to strengthen their competencies and prepare for expanded roles within the organisation.</p> |

| | |
|---|---|
| <p>Non-discriminatory and equal opportunity employment</p> | <p>The Company maintains a non-discriminatory policy at all stage of the employee life cycle, from recruitment to retirement.</p> |
| | <p>Succession planning is approached separately, with a focus on ensuring leadership continuity. SLICGL recognises the importance of building a strong internal leadership pipeline to support long-term organisational stability. In this regard, the Company is in the process of developing a structured Leadership Pipeline Development framework. This framework is intended to systematically identify and develop future leaders, strengthen succession planning practices, and support internal talent progression for key leadership positions.</p> |
| <p>Benefits</p> | <p>To retain and motivate employees we offer remuneration packages that are competitive with the market. We also offer our employees a diversity of benefits other than their basic remuneration.</p> <p>The Company adjusts its practices keeping in mind any hardships employees may be facing. During the energy crisis we introduced flexible working hours on a case by case basis.</p> <p>SLICGL scrupulously adheres to all statutory provisions relating to working conditions, to ensure the well-being of employees. This includes maternity benefits for female employees. The employees have the option of requesting an extended period of up to two months without pay. The Company also provides medical coverage for all employees and their families.</p> <p>Work-life balance of our employees is an area we are greatly concerned with. For their physical and mental well-being, we provide a well-equipped gymnasium and yoga classes. The gym is staffed with a qualified instructor who provides guidance.</p> <p>We maintain three holiday homes in Nuwara Eliya, Anuradhapura, and Kataragama which are available for use by our employees. These homes are equipped with all modern facilities and are staffed by competent caretakers.</p> <p>The Company provides educational support for employees' children, including seminars for students sitting for the Grade 5 Scholarship Examination.</p> <p>In line with our vow of being "Like a Father, Like a Mother" SLICGL also takes a sympathetic approach at times of bereavement and extends a helping hand. The Company provides death benefits, as well as emotional and psychological assistance to employees and their families.</p> <p>Our staff have the use of a library with about 1,800 books, both fiction and non-fiction. The non-fiction section includes books on insurance, management, finance, marketing, and sales. This gives them an opportunity to broaden their knowledge .</p> |

Talent Acquisition and Retention

SLICGL adopts a structured and transparent recruitment process, ensuring alignment with organisational requirements and governance standards.

Retention is supported through competitive remuneration, employee benefits, and a supportive work environment, including flexible work arrangements during periods of economic disruption.

Employee wellbeing is further supported through:

Internal candidates are prioritised for senior roles

Recruitment panels include subject matter experts and Senior Management

Standardised evaluation criteria ensure fairness and consistency

Medical coverage for employees and families

Work-life balance initiatives (gymnasium, wellness programmes)

Employee assistance during personal hardship

Human Capital

**Professional Excellence -
General Insurance
Pinnacle Award (GIPA)**



Sustainable Industry Initiative

Conceptualised in 2023 and launched internationally in Kuala Lumpur in 2024, the General Insurance Pinnacle Award, a pioneering initiative originated by SLICGL, further established its global standing in 2025 with the successful hosting of the GIPA International Awards Ceremony in Jakarta, bringing together leading industry professionals from Indonesia and Sri Lanka to foster regional knowledge exchange. Evaluating performance across pillars including volume, new business contribution, retention, growth, and profitability, GIPA was further validated through accolades at the Best Management Practices Company Awards 2025 and the Project Management Awards 2024, affirming our long-term ambition of evolving it into an independent global platform that advances excellence and professional standards across the worldwide general insurance industry.

**Recognising and Inspiring
Our Sales Force**

Our marketing team remains a vital part of our value creation. As such, in 2025, we hosted the Summit in Hambantota and the Annual Sales Conference in Colombo under the theme "Unstoppable Together", reinforcing a culture of collaboration and shared purpose.



Learning, Capability and Skills Development

Continuous professional development is central to strengthening operational efficiency and reducing institutional risk.

Investment in training and development 2025

| Type | 2025 Rs. Mn. |
|--------------------------------------|-----------------|
| In-house training | 4.94 |
| External training | 0.41 |
| Conferences | 1.93 |
| Insurance and professional education | 0.25 |
| Professional memberships | 1 |

Reimbursement of examination expenses 2023 - 2025

| Type | 2025 Rs Mn. | 2024 Rs Mn. | 2023 Rs Mn. |
|-------------------------------|----------------|----------------|----------------|
| Total investment on employees | 0.83 | 1.5 | 9.4 |

Number of training programmes conducted 2023 - 2025

| Type | 2025 | 2024 | 2023 |
|----------------------|------|------|------|
| Number of programmes | 104 | 61 | 81 |

Number of induction programmes conducted 2023 - 2025

| Type | 2025 | 2024 | 2023 |
|-----------|------|------|------|
| Induction | 7 | 5 | 4 |

Total training investment for the year amounted to LKR 7.55 Mn, with an average of 18 training hours per employee.

Specialised Skills Development

Training programmes are aligned with core insurance competencies and strategic priorities:

Technical underwriting programmes

Claims assessment workshops

Risk management and compliance training

ICT and Digital system training

Professional insurance education

These initiatives strengthen technical capability, improve claims accuracy, and enhance governance compliance.

Leadership Development and Succession

SLICGL is strengthening its approach to leadership continuity through the development of a structured Leadership Pipeline Development framework. This framework is intended to support formal succession planning and enable the systematic development of future leaders for key roles. The initiative is currently under development and has not yet been fully implemented.

In parallel, the Company continues to build its future talent pipeline through structured internship programmes conducted across key functional areas, including sales, technical operations, and support functions. These programmes provide participants with broad-based exposure aligned with organisational requirements and cadre availability. During 2025, approximately 100 interns were recruited under these programmes. Based on performance evaluations, selected interns are absorbed into the outsourced cadre. Subject to cadre availability, these individuals may subsequently be considered for permanent roles as Trainee Insurance Assistants through a formal selection process, including examinations and interviews conducted by Management.

Performance Management and Rewards

SLICGL fosters a performance-driven culture through structured evaluation and merit-based recognition.

Performance Appraisal System

The biannual Performance Appraisal System aligns individual performance with organisational objectives through KPI-based evaluations, combining self-assessment and managerial review.

Employees requiring development are supported through Individual Development Plans.

Performance-linked Rewards

Salary increments are directly linked to performance outcomes, reinforcing accountability and driving results-oriented behaviour.

Value Creation through Human Capital

Human capital contributes to value creation across key stakeholder groups:

| Stakeholder | Value created |
|--------------|---|
| Customers | <ul style="list-style-type: none"> Reliable service delivery Professional claims handling Trustworthy engagement |
| Regulators | <ul style="list-style-type: none"> Strong compliance adherence Reduced governance risk |
| Shareholders | <ul style="list-style-type: none"> Operational Stability Sustainable profitability |
| Communities | <ul style="list-style-type: none"> Rapid response during a crisis Professional support in recovery |

Contribution to the United Nations Sustainable Development Goals (SDGs)

Human capital initiatives align with several UN SDGs:

| | |
|--|--|
|  | <ul style="list-style-type: none"> Safeguarding employee emotional wellbeing through facilitating work-life balance. Cultivating a safe work place culture. |
|  | <ul style="list-style-type: none"> Continuous professional training Technical upskilling initiatives |
|  | <ul style="list-style-type: none"> Inclusive hiring practices Promotion of women into leadership roles Equal opportunity framework |
|  | <ul style="list-style-type: none"> Stable employment across regions Skill development and professional growth Performance-linked career advancement |
|  | <ul style="list-style-type: none"> Island-wide employment access Branch presence in diverse economic regions |

By strengthening workforce capability and stability, SLICGL contributes to national economic resilience.

Outlook for 2026

SLICGL will continue to strengthen its human capital framework by:

- Enhancing workforce planning and performance accountability
- Expanding digital and technical skills development
- Strengthening leadership succession pipelines
- Reinforcing ethical culture and governance

Through disciplined human capital management, the organisation remains well-positioned to support sustainable growth and national resilience.

Social and Relationship Capital

Management Approach

Social and relationship capital reflects the strength of SLICGL's relationships with policyholders, intermediaries, regulators, reinsurers, and the broader community.

As the national general insurer, trust is the foundation of these relationships – trust that claims will be honoured, risks will be managed responsibly, and financial protection will be delivered when it is most needed.

SLICGL's approach to social capital is closely aligned with its stakeholder engagement framework (refer Stakeholder Engagement section on page 49), with a focus on delivering consistent service outcomes, strengthening accessibility, and contributing to national resilience.

Service Efficiency and Responsiveness

SLICGL continues to enhance service delivery through ongoing process optimisation and digital enablement. A hybrid monitoring system, combining system-generated timestamps and operational tracking, is utilised to assess performance across key service areas including underwriting, claims, and reinsurance. Continuous improvements driven by digital initiatives, including Online Video Inspection capabilities, mobile platforms, and streamlined claims processing systems, have contributed to improved turnaround times, greater transparency, and enhanced customer experience.

Customer Engagement and Service Excellence

SLICGL continuously monitors customer experience to ensure service quality and responsiveness across its operations.

Customer satisfaction is assessed through a structured Net Promoter Score (NPS) framework, supported by both quantitative and qualitative methodologies. During 2025, the Company recorded an CSS (Customer Satisfaction Score) of 8.1 for Motor and 7.6 for Non-Motor segments, reflecting a strong level of customer satisfaction across core service areas. These insights are derived through a combination of CATI (Computer-Assisted Telephone Interviews) and in-depth customer interviews, enabling a comprehensive understanding of customer perceptions and expectations.

| Metric | 2025 | Methodology |
|-----------------------------|--------------------------------|-------------------------------------|
| Customer satisfaction score | Motor – 8.1 Non-motor – 7.6 | NPS–CATI and qualitative interviews |
| Customer retention rate | Motor – 84% Non-Motor – 59% | Based on Number of Policies |

Customer experience is evaluated across key service touchpoints, including initial interaction with agents and branches, quotation and documentation processes, inspections, claims handling, renewals, payment processes, and call centre engagement. This structured approach enables continuous improvement across the end-to-end customer journey.

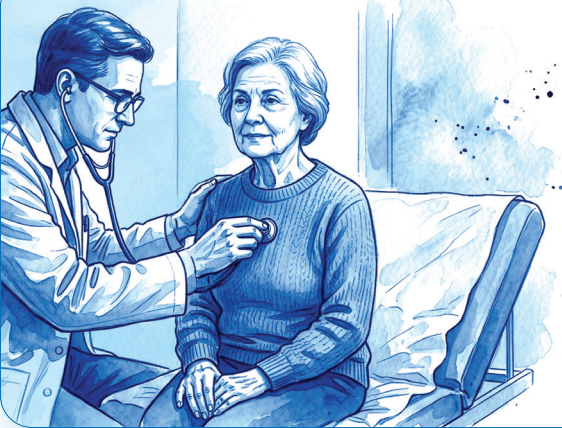
These outcomes are further supported by improvements in service efficiency, with underwriting processes typically completed within 24 hours to 7 working days, and claims processed within timelines ranging from 3 hours to 15 days depending on complexity. These timelines reflect ongoing investments in digital enablement and streamlined operational processes.

During the NPS qualitative survey, feedback was gathered from customers who had undergone the claims process. Customers are provided with multiple channels and methods to conveniently check the status of their claims. As part of our commitment to customer satisfaction, we consistently focus on meeting and exceeding customer expectations.




General Insurance Product Portfolio


New aligned look logos are in the process of Regulator approval.




HEALTH INSURANCE SOLUTIONS



Senior Citizen Health Insurance Plan



Health Insurance Plan



සෞඛ්‍ය සහතිකයක් ලෙසින්, සෞඛ්‍ය සහතිකයක් ලෙසින්



BUSINESS INSURANCE SOLUTIONS



Enhanced Trade Insurance



Trade Insurance Policy



Solar Panel Insurance Policy



Erection & Risks Insurance Policy



Comprehensive Hotel Insurance



Comprehensive Business Premises Insurance



Machinery breakdown Insurance policy



Contractors Plant & Machinery Insurance



Workmen's Compensation Insurance



Contractors All Risks Insurance



Electronic Equipment Insurance Policy



Machinery Loss of Profits Insurance Policy



Group Medical Insurance Policy



Comprehensive Tea Factory Insurance Policy



Deterioration of Stock Insurance Policy



HOUSE HOLDERS INSURANCE SOLUTIONS



Comprehensive Home Insurance



Affordable Home Insurance Policy



Home Fire Insurance Policy



Home Burglary Insurance Policy

Social and Relationship Capital

New aligned look logos are in the process of Regulator approval.

MOTOR INSURANCE SOLUTIONS



MOTORPLUS
The Best Option
SLIC GENERAL

MOTORPLUS RIDER
Motor Bikes Comprehensive Insurance
SLIC GENERAL

MOTORPLUS Drive60
Senior Citizen Comprehensive Motor Insurance
SLIC GENERAL

MOTORPLUS Ladies Only
Ladies Comprehensive Motor Insurance
SLIC GENERAL

MOTORPLUS FLEET
Motor Fleet Insurance Policy
SLIC GENERAL

MOTORPLUS TUK
Three-Wheeler Comprehensive Motor Insurance
SLIC GENERAL

THIRD PARTY PROTECT
Affordable & Accessible Third-Party Motor Insurance
SLIC GENERAL


MOTORPLUS COMMERCIAL
Commercial Vehicle Comprehensive Motor Insurance
SLIC GENERAL

MOTORPLUS EV PLUS
Electric Vehicles Comprehensive Insurance
SLIC GENERAL

MOTORPLUS PINNACLE
Premium Vehicles Comprehensive Motor Insurance
SLIC GENERAL

MOTORPLUS AGRI & SPECIAL
Agricultural & Special Vehicle Insurance Policy
SLIC GENERAL

MARINE INSURANCE SOLUTIONS



Marine Cargo PROTECT
Marine Cargo Insurance Policy
SLIC GENERAL

Marine Hull PROTECT
Marine Hull & Machinery Insurance Policy
SLIC GENERAL

TRAVEL INSURANCE SOLUTIONS



Travel PROTECT
Comprehensive Overseas Travel Insurance
SLIC GENERAL

PERSONAL ACCIDENT INSURANCE SOLUTIONS



දිවර රැකුම
දුර්වල බැඳී ආකාර ආවරණය
SLIC සඳහා

මුරු රැකුම
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SLIC සඳහා

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SLIC සඳහා

PERSONAL ACCIDENT PROTECT
Basic Personal Accident Insurance
SLIC GENERAL

Complaint Management and Resolution

SLICGL maintains structured mechanisms to address customer grievances promptly and fairly, supporting continuous service improvement.

Complaints resolution performance

| Metric | 2025 |
|------------------------------------|-------|
| Total complaints received (No.) | 317 |
| Total complaints resolved (No.) | 310 |
| Complaints resolved within SLA (%) | 62.14 |
| Average resolution time (days) | 14 |

Complaint resolution timelines vary depending on the nature and complexity of each case, particularly where legal or investigative elements are involved. Complaint tracking and escalation are managed through a structured Complaint Management System, enabling continuous monitoring, timely resolution, and improved service accountability.

The most common complaint categories relate to claims processing, policy servicing, underwriting, and marketing and sales activities, providing valuable insights to further enhance service delivery and customer engagement.

Claims Service and Customer Trust

The Company’s ability to honour claims, particularly during periods of stress, remains central to building long-term trust. In 2025, total number of reported claims amounted to Rs. 12.3 Bn. with processing accelerated through enhanced digital systems and the rapid mobilisation of field teams during Cyclone Ditwah. These combined efforts ensured timely financial support to affected policyholders and reinforced the Company’s reputation for reliability and responsiveness.

These outcomes were further supported by digital initiatives such as Bee Express claim settlements, Online Video Inspection capabilities, and enhanced claim tracking systems, which contributed to improved turnaround times and greater transparency. The Company also maintained efficient case management practices throughout the year, with no backlog of claims recorded, subject to the timely submission of required documentation.

Market Presence and Accessibility

SLICGL’s nationwide presence enables broad access to insurance services across urban, rural, and underserved communities. The Company operates an extensive network of 143 branches across all nine provinces, supported by 16 dedicated Claims Centres, ensuring accessibility and specialised service delivery across the country.

This network is complemented by a multi-channel distribution model, including bank partnerships, insurance brokers, leasing companies, and the Agency Development Business Centre (ABDC) network, which extends service reach into areas where direct branch presence is limited. Digital platforms further enhance accessibility by enabling customers to access services remotely.

Accessibility improved during the year, supported by the expansion of the active agency from 1,700 in 2024 to 1,900 in 2025, alongside an increase in Marketing Executives from 380 to 450. The introduction of pre-underwritten products and the utilisation of the national postal network for third-party motor insurance issuance further enhanced customer convenience and outreach.



Brand, Marketing and Public Trust

SLICGL’s marketing strategy is centred on building confidence and reinforcing its role as a trusted national insurer. This positioning is supported by strong brand recognition, including being named the Most Valuable General Insurance Brand by Brand Finance and being the only Sri Lankan General insurer rated A+ by Fitch. These accolades serve to reinforce public trust, strengthen credibility, and affirm the Company’s financial strength and reliability in the eyes of its stakeholders.

This strong position is further supported by enhanced digital engagement strategies, enabling broader reach, improved customer interaction, and increased service accessibility across multiple platforms.

Social and Relationship Capital

Customer-centric Campaigns

Marketing initiatives in 2025 focused on enhancing awareness, accessibility, and service transparency.

Key initiatives included:

- Promotion of digital claims services such as BeeExpress and Online Video Inspection
- Motor insurance campaigns highlighting fast and hassle-free claims
- Tri-lingual corporate website improving accessibility
- Partnerships across national platforms to reach diverse customer segments

Digital engagement was strengthened through targeted platforms, enabling the Company to connect with customers in relevant contexts.

| Metric | 2025 Rs. Mn. |
|-----------------------------|-----------------|
| Total marketing expenditure | 142.6 |

Social Impact beyond Motor and Community Engagement

SLICGL’s corporate social responsibility initiatives are aligned with its role as a national insurer, focusing on enhancing public safety, improving risk awareness, and supporting community resilience. In 2025, these efforts were unified under the “Safer Sri Lanka” initiative, reflecting a structured and purpose-driven approach to reducing accident-related risks and promoting safer behaviours across society. Complementing these efforts, the Company also engaged with diverse communities and industries through targeted awareness and partnership platforms, extending the reach and relevance of insurance Motor Plus as the No. 1 Motor Insurance brand.

Safer Sri Lanka – Road Safety Initiative

Island-wide awareness programme promoting responsible driving behaviour and reducing accident risk.

Digital Road Safety Campaigns – “Why the Rush?”

Targeted awareness campaigns during festive seasons and long weekends to promote responsible driving among highway users.



Colombo Motor Show Engagement

Showcasing digital claims innovations and interactive customer engagement tools to improve awareness of modern insurance solutions.



School Transport Safety Programme (Children’s Day Initiative)

Engagement with School-van drivers across 143 branches, including distribution of “I am a Safe Driver” pledges to encourage accountability and safe practices.

Social and Relationship Capital



**Pilgrim Safety Support –
Poson (Anuradhapura)**

Provision of free towing services during large-scale religious gatherings to ensure safer travel and emergency support.



**SLARDAR motor races and
Gangarama Perahera**

Provided support for sports as the official insurance partner.

Insurance Awareness and Community Outreach

Additionally, we partnered as the Official Insurance Partner at several national platforms to engage diverse customer segments:



- Kandella Exhibition – Promoting Home Protect solutions
- Sri Lanka AI Summit – Showcasing Cyber Insurance offerings
- SLIIT Teachers’ Conference – Introducing “Guru Buhuman” protection cover
- Aqua Planet International Expo – Promoting “Deewara Rekuma” for the fisheries sector
- National Insurance Month Roadshows (Jaffna) – Enhancing public awareness in collaboration with IRCSL
- These initiatives reflect the Company’s role in promoting safer communities and reducing systemic risk.

Developmental KPIs (Social Impact Measurement)

| KPI | 2025 |
|---|--|
| Number of beneficiaries reached | Over 500,000 |
| Number of activations and conducted | 200 (Including large scale and small-scale events) |
| Regions covered | Across all 9 provinces and 17 regions |
| Cyclone Ditwah supporting disaster recovery | Rs. 4.7 Bn. in Gross Claims |

These initiatives contribute to reducing systemic risk, strengthening community resilience, and promoting safer behaviours across society.

Social and Relationship Capital

Institutional Relationships

SLICGL maintains strong relationships with regulators, reinsurers, and intermediaries, ensuring stability and transparency in operations.

- Reinsurance partnerships strengthen risk transfer and catastrophe resilience
- Regulatory engagement ensures compliance and governance integrity
- Intermediary relationships support distribution and customer reach

These institutional relationships underpin the Company’s credibility and long-term sustainability.

Output and Outcome Analysis

Building Strong Stakeholder Relationships

To strengthen relationships with key corporate clients and intermediaries, we hosted appreciation and networking events including the Key Client Dinner Dance “Together We Shine” and Broker Cocktails “A Night of Synergy.” These engagements reinforced partnerships built on trust, performance, and shared growth.

| Outputs (Operational Delivery) | Outcomes (Impact Created) |
|---|---|
| <ul style="list-style-type: none"> Claims reports net 12.3 Bn. Complaints managed and resolved effectively Customer engagements across multiple service platforms Marketing and awareness campaigns executed nationwide | <ul style="list-style-type: none"> Strengthened financial protection for households and businesses Faster recovery following natural disasters Improved service responsiveness and reduced processing timelines Enhanced accessibility to insurance services across regions Increased public awareness of risk and insurance solutions |

Social and relationship capital transforms operational activity into measurable societal and economic impact.

Value Creation through Social and Relationship Capital

| Stakeholder | Value created |
|-----------------------------|--|
| Customers | Reliable protection, timely claims settlement, improved service accessibility |
| Communities | Financial resilience, risk awareness, safer environments |
| Government | Economic stability, reduced fiscal burden during disasters |
| Intermediaries and partners | Sustainable business growth and strengthened collaboration |
| Sales Force | Enhanced motivation and performance, strengthened alignment with organisational goals, recognition of excellence, and exposure to global industry best practices |

Looking Ahead

SLICGL will continue to strengthen its social and relationship capital by:

- Enhancing customer experience through digital engagement
- Strengthening service responsiveness and complaint resolution
- Expanding community outreach and social impact initiatives
- Nurturing stakeholder partnerships
- Reinforcing trust through transparency and consistent delivery

We will continue to strengthen relationships and deliver meaningful impact to transform insurance into a mechanism for national resilience and shared value creation.

Natural Capital

In 2025, environmental events underscored the need to integrate sustainability into core operations. SLICGL focused on reducing its environmental impact while enhancing efficiency through ensuring long-term sustainability and operational strength.

Management Approach

SLICGL operates within a climate-vulnerable environment where natural capital represents both an operational dependency and a core underwriting exposure.

Events such as Cyclone Ditwah in 2025 highlighted the financial implications of environmental volatility, reinforcing that environmental stewardship is not only a corporate responsibility but also integral to risk management, capital preservation, and national resilience.

The Company's approach to natural capital focuses on managing environmental impact across operations while strengthening efficiency, reducing costs, and enhancing resilience in a climate-sensitive insurance landscape.

Governance and Policy Framework

Environmental stewardship at SLICGL is guided by:

- Board-approved sustainability principles
- Environmental and energy management policies
- Compliance with national environmental regulations
- Internal audit and monitoring mechanisms
- ICT-enabled resource tracking systems

These frameworks ensure that environmental performance is systematically monitored and aligned with regulatory and operational requirements.

Environmental Certifications and Compliance

SLICGL's environmental management practices are aligned with internationally recognised standards, including ISO frameworks relevant to environmental performance and greenhouse gas management. These standards support a structured approach to identifying, monitoring, and mitigating environmental impacts across operations.

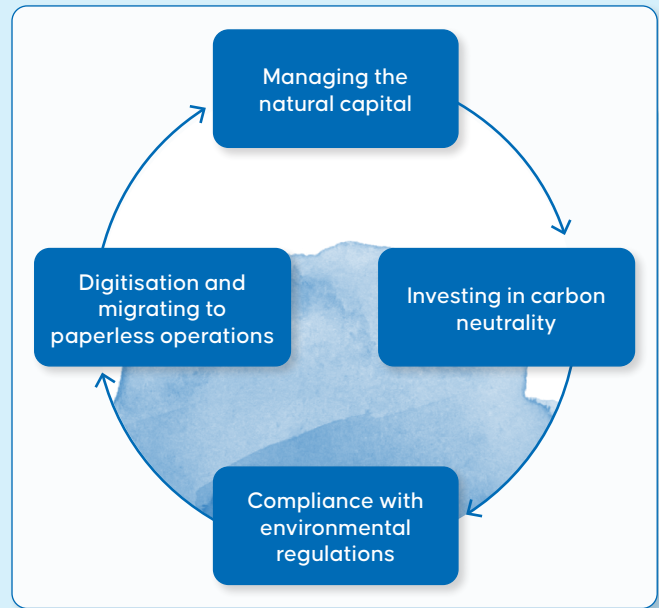
Where applicable, environmental systems and reporting practices are subject to periodic internal reviews and external validation processes, strengthening compliance, consistency, and transparency in environmental management.

Natural Capital Management Approach

SLICGL's natural capital strategy is built on four key pillars:

- Resource efficiency
- Waste reduction
- Emission control
- Climate risk integration

This is achieved through a three-prolonged plan.



Environmental management is closely linked with investments in digital transformation and operational efficiency, enabling the Company to reduce resource consumption while improving service delivery.



Natural Capital

Compliance and Standards

SLICGL complies with:

- National environmental regulations
- Local authority requirements
- Workplace environmental and safety standards
- Energy and emissions reporting frameworks
- Internal monitoring and audit processes ensure adherence to applicable standards

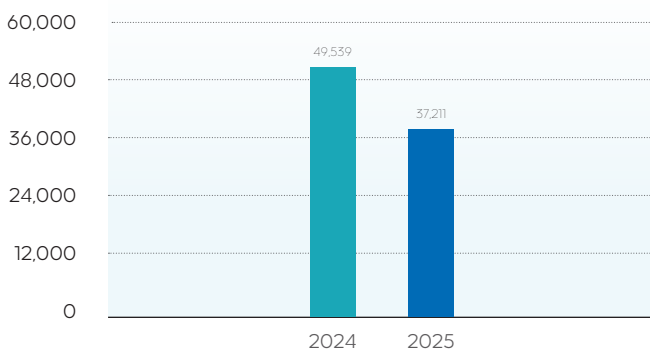
Resource Efficiency and Environmental Performance

Water Management

SLICGL monitors water consumption across head office and branch operations to improve efficiency and reduce environmental impact.

| Key Indicators - 2025 | |
|--------------------------------|-----------------------|
| Total water consumption | 37,211 m ³ |
| Water consumption per employee | 20 m ³ |
| Reduction compared to 2024 | 25% |

Water consumption
(m³)



Water conservation measures include:

- Installation of water-efficient fixtures
- Leak detection protocols
- Awareness programmes across branches

Water efficiency supports cost management and environmental responsibility.

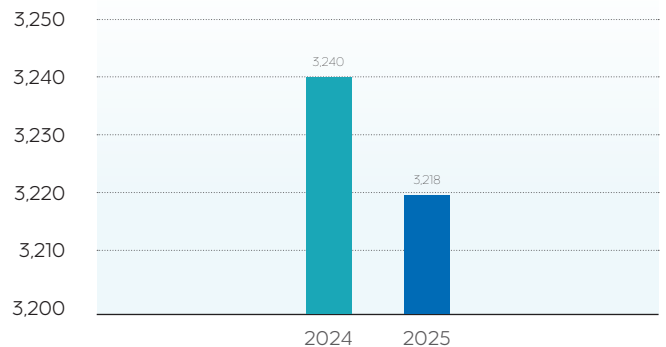
Energy Management

Electricity consumption represents the primary source of operational environmental impact.

A significant proportion of the Company’s branch network, including the Head Office, is located in long-established premises situated within densely populated urban areas. These locations present practical constraints for the installation of on-site renewable energy solutions such as solar panels. Despite these limitations, the Company has initiated its transition towards renewable energy, with the Gampaha branch achieving 100% of its energy requirements through solar power. This marks an important first step in advancing the Company’s renewable energy journey.

| Key Indicators - 2025 | |
|------------------------------------|---------------|
| Total electricity consumption | 3,218,739 kWh |
| Electricity consumption per branch | 22,667 kWh |
| Renewable energy usage | 0% |
| Reduction in energy intensity | 0.7% |

Electricity consumption
(kWh '000)



Energy efficiency initiatives included:

- LED lighting conversions
- Air-conditioning optimisation
- Server efficiency upgrades
- ICT infrastructure consolidation

The Company is evaluating phased investment in renewable energy installations, including rooftop solar panels at selected branches, to move toward partial energy neutrality.

Digitisation and Material Efficiency

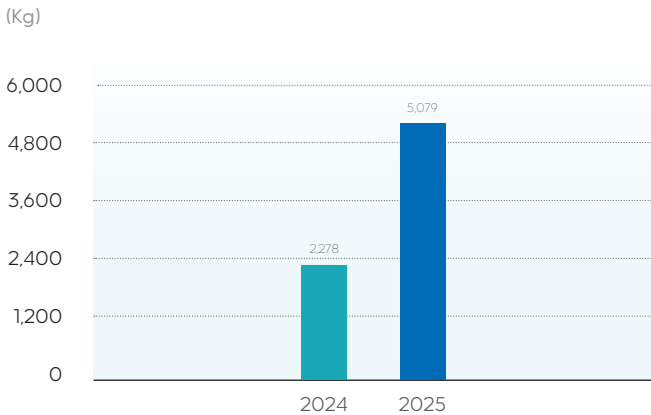
Digital transformation continued to play a key role in reducing material consumption and enhancing operational efficiency. During 2025:

- Over 80% of claims payments were processed electronically
- Electronic policy issuance increased
- Financial processes were further automated
- As a result, total paper consumption reduced by 30% to 4,934 reams.

Paper Usage and Recycling

Notwithstanding the reduction in paper usage, the Company strengthened its waste management practices, resulting in a significant increase in paper recycling volumes from 2,278 Kg to 5,079 kg during the year. This reflects improved collection mechanisms and a greater emphasis on resource recovery.

Paper recycling



The increase in paper recycling reflects strengthened waste management practices, complementing the Company’s broader efforts toward operational efficiency and sustainability.

Waste and Emissions Management

Waste Management

SLICGL implements structured waste management practices, including:

- Segregation of recyclable materials
- Secure disposal of confidential documents
- E-waste recycling and responsible disposal

Effluent discharge is minimal due to the nature of office operations; however, branch-level monitoring ensures compliance with local municipal standards.

GREENHOUSE GAS VERIFICATION OPINION
 Sri Lanka Climate Fund (Pvt) Ltd
 Ministry of Environment

Organization Level GHG statement developed by
Sri Lanka Insurance Corporation General Limited
 No. 21, Vauxhall Street, Colombo 02, 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/0443
 Date of Issue : 25.08.2025
 Period of Assessment : 01.01.2024 – 31.12.2024
 Selected Boundary : Operationally controlled business operations of Sri Lanka Insurance Corporation General Limited

Direct GHG Emissions : 1,509 tonnes of CO₂ equivalent
 Indirect GHG Emissions : 1,548 tonnes of CO₂ equivalent
Total GHG Emissions : 3,057 tonnes of CO₂ equivalent

**Scope 1 Direct GHG Emissions : 1,509 tonnes of CO₂ equivalent
 Scope 2 Electricity Indirect GHG Emissions : 1,353 tonnes of CO₂ equivalent
 Scope 3 Other Indirect GHG Emissions : 195 tonnes of CO₂ equivalent

Chairman
 Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
 Sri Lanka Climate Fund (Pvt) Ltd

Period of Validity: 25.08.2025 – 31.03.2026
 Exclusions: GHG Emissions from Employee Commuting, Upstream and Downstream Transportation & Distribution and Investments
 *Materiality threshold is below 5%. **GHG emissions have been reported in accordance with GHG Protocol

Emissions Management

SLICGL conducts annual greenhouse gas (GHG) assessments in line with ISO 14064 standards, supporting its long-term carbon neutrality objectives.

2025 Emissions Indicators

- Total emissions (Scope 1 and 2): 3,106 tCO₂e
- Operational emissions primarily arise from electricity consumption, fuel usage, and corporate transport.
- Ongoing initiatives include fuel efficiency monitoring, gradual transition to energy-efficient vehicles, and increased adoption of renewable energy.

Natural Capital

Climate Risk and Insurance Relevance

Climate risk is both an environmental and financial variable for SLICGL.

Extreme weather events increase claims frequency and severity, directly impacting underwriting performance and capital allocation. The experience of Cyclone Ditwah demonstrated how environmental volatility translates into claims escalation and operational pressure.

To address this, the Company integrates climate considerations into underwriting practices, reinsurance strategies, and risk assessment processes, strengthening resilience in a climate-exposed market.

Capital Linkages

Natural capital is closely interconnected with other capitals:

Financial Capital

Environmental events influence claims costs and profitability

Manufactured Capital

Energy-efficient infrastructure reduces operating costs

Intellectual Capital

Climate analytics enhances underwriting precision

Social Capital

Disaster response strengthens community trust

Effective management of natural capital supports overall capital efficiency and long-term sustainability.

Value Creation through Natural Capital

| Stakeholder | Value created |
|--------------|--|
| Customers | Stronger insurer resilience and claims-paying ability |
| Communities | Reduced environmental impact and improved sustainability practices |
| Regulators | Compliance with environmental standards and reporting requirements |
| Shareholders | Cost efficiency, reduced environmental risk exposure |

Contribution to UN Sustainable Development Goals (SDGs)

Natural capital initiatives contribute to:

- 7 AFFORDABLE AND CLEAN ENERGY** • Energy efficiency measures and renewable adoption initiatives.
- 11 SUSTAINABLE CITIES AND COMMUNITIES** • Supporting resilience through environmental risk transfer.
• Insurance plays a stabilising role in climate-affected economies.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION** • Paper reduction and waste recycling programmes.
- 13 CLIMATE ACTION** • Catastrophe risk modelling and strengthened reinsurance protection.

Looking Ahead

SLICGL will continue to strengthen its natural capital management by:

- Expanding digital and paperless operations
- Increasing investments in renewable energy
- Enhancing energy and emission monitoring
- Strengthening climate risk analytics in underwriting
- Integrating environmental metrics into performance reporting

In a climate-vulnerable environment, effective natural capital management is essential to sustaining operational efficiency, protecting financial stability, and supporting long-term resilience.

GOVERNANCE, RISK AND COMPLIANCE

Corporate Governance Report

Chairman's Introduction

Sri Lanka Insurance Corporation General Limited (SLICGL), as a State-Owned Enterprise, is firmly committed to the highest standards of corporate governance. Our governance framework is anchored in accountability, transparency, ethical conduct, and fairness, and is designed to support effective oversight, prudent risk management, and timely, well-considered decision-making across the organisation.

The Board of Directors provides leadership by setting the tone at the top and embedding a culture of integrity and responsibility throughout the Company. In discharging this responsibility, the Board upholds four fundamental principles of corporate governance: responsibility, accountability, transparency, and fairness, which guide the manner in which SLICGL conducts its business and engages with stakeholders.

In line with Direction No. 17 issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), the Company complies with the provisions of the Code of Best Practice on Corporate Governance 2017, issued by the Institute of Chartered Accountants of Sri Lanka, as revised in November 2023. In addition, we have adopted and continue to adhere to the Guidelines on Corporate Governance and Operational Manual for State-Owned Enterprises issued by the Ministry of Finance, ensuring consistency with national governance expectations for SOEs.

To further strengthen governance effectiveness, the Board has approved a Schedule of Matters Reserved for the Board, which clearly delineates matters requiring Board approval from those delegated to Management. This framework enhances clarity, reinforces accountability, enables the Board to focus on strategic oversight, and mitigates governance and operational risks.

During the year under review, the Board and its Board-appointed subcommittees continued to exercise diligent oversight over the Company's affairs. Regular monthly Board meetings were held to review performance, monitor risks, and evaluate Management's execution of approved strategies. The Non-Executive Directors played an active role in providing independent judgment, constructive challenge, and specialist insights, thereby strengthening the quality of Board deliberations.

The Board remains of the firm view that strong corporate governance is integral to the long-term sustainability, financial soundness and reputation of SLICGL. Accordingly, we are committed to the continuous enhancement of our governance practices in line with evolving regulatory requirements and best practices. The governance arrangements and initiatives adopted during the year are detailed in the sections that follow.



Mr Nusith Kumaratunga

Chairman

31 March 2026

Governance Framework

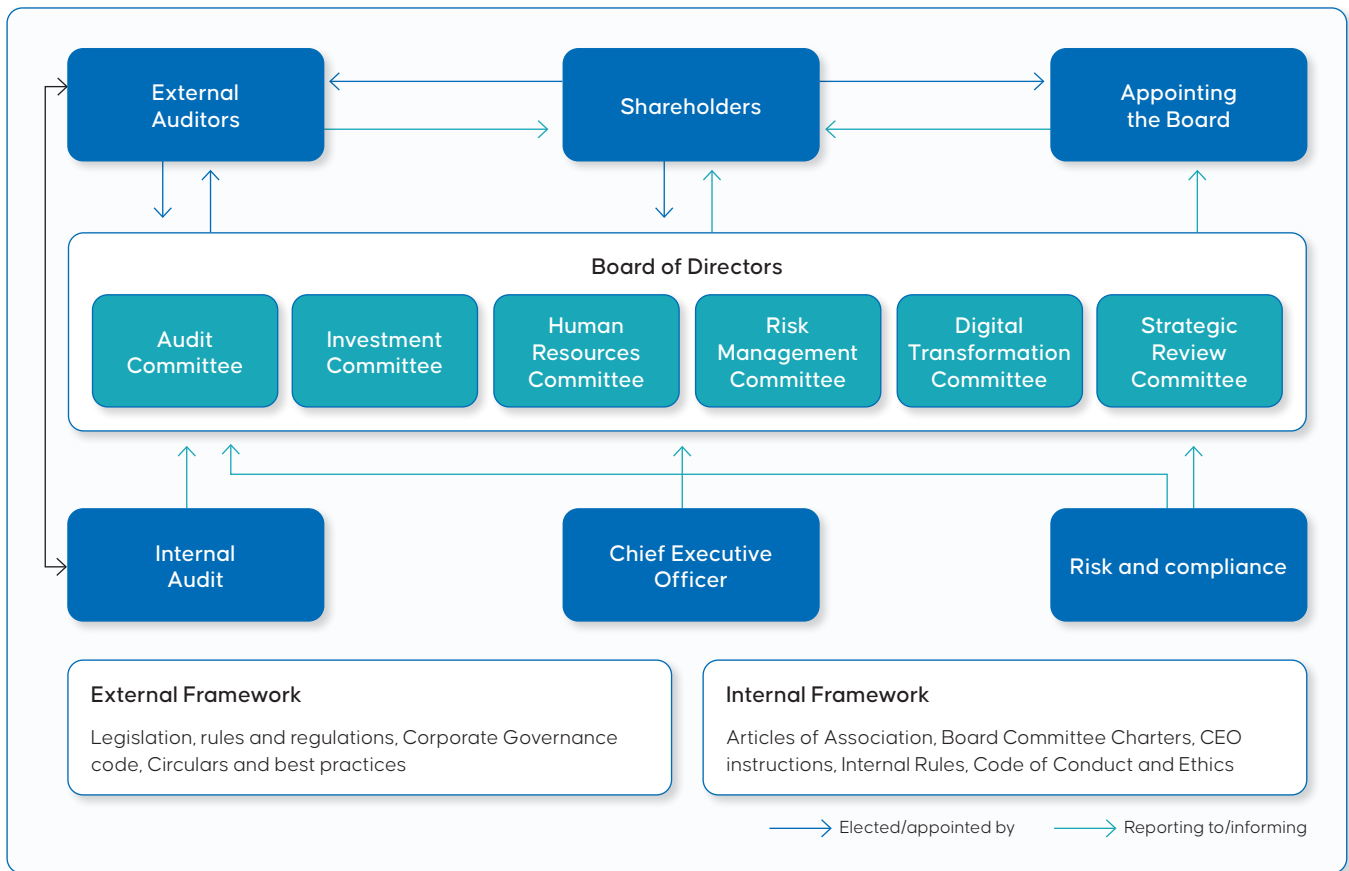
The Company, through the leadership and oversight of its Board of Directors and Board sub-committees, has established and sustained a robust governance framework encompassing all areas of operations. This framework is underpinned by well-defined policies, procedures, guidelines, and clearly articulated management reporting lines.

The governance framework is multi-dimensional, integrating statutory requirements, directives issued by the primary regulator, and adherence to recognised best practice codes. This comprehensive approach reflects the Company's commitment to upholding integrity, professionalism, prudence, transparency, and accountability within the insurance industry, thereby safeguarding the interests of policyholders and other stakeholders.

The Board of Directors exercises full and effective control over the affairs of the Company and provides strong strategic leadership. The Board plays a pivotal role in setting strategic direction, overseeing management and operational performance, determining key policies and processes, and ensuring the soundness of the Company's risk management and internal control framework. The Board's oversight ensures compliance with all applicable laws, regulations, directions, determinations, and circulars, as well as the Code of Best Practice on Corporate Governance issued by CA Sri Lanka jointly with the Securities and Exchange Commission of Sri Lanka (SEC).

The Company maintains a structured approach to regulatory compliance, which is embedded within its governance framework and operational processes. Compliance with applicable laws, regulations, regulatory directives, internal policies, and ethical standards is supported through clearly defined roles and responsibilities, continuous monitoring, and regular oversight by Senior Management and the Board of Directors. As a State-Owned Enterprise, the Company promotes a strong culture of integrity, transparency, and accountability across all levels of the organisation.

The Board of Directors is responsible for determining the Company's compliance risk appetite and ensuring that compliance with applicable laws, regulations, and internal policies is effectively managed across the organisation. Compliance risk management is integrated with the Company's overall governance and risk management framework, supported by collaboration across key control functions including Risk Management, Internal Audit, Legal, and Human Resources.



Board of Directors

Composition

As at the reporting date, the Board comprised six (06) Non-Executive, Non-Independent Directors, all of whom are distinguished professionals with extensive experience and expertise in their respective fields. The Board is of the view that its composition provides a broad and balanced range of skills, knowledge, and industry insight necessary to effectively oversee the Company’s operations and strategic direction.

As a State-Owned Enterprise (SOE), the Board serves as a vital intermediary between the State, as the sole shareholder, and the Company’s management.

Roles and Responsibilities

The Board is entrusted with the responsibility of ensuring that the Company is managed in a prudent, transparent, and accountable manner, while aligning its objectives with national priorities and stakeholder expectations.

The Board is collectively responsible for the overall stewardship, leadership, and governance of the Company. Its primary role encompasses strategic oversight, policy formulation, and long-term planning. The Board regularly reviews and evaluates the Company’s financial and commercial performance to ensure sustainability and value creation.

The Directors confirm that they have reviewed the effectiveness of the Company’s risk management and internal control systems. The internal control framework comprises established policies, procedures, processes, operational practices, and behavioural standards designed to safeguard assets, ensure compliance, and support efficient operations.

To further strengthen governance and enhance oversight, the Board has established Corporate and Operational Sub-Committees, which support the Board in discharging its responsibilities and contribute to the effective delivery of the Company’s objectives and long-term value to stakeholders.

Board Processes

Board Meetings

The Board members meet once a month to ensure that all its duties are discharged effectively. In addition, the Board members meet as needed for specially scheduled meetings.

Corporate Governance Report

There were twelve (12) Board meetings held during 2025.

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr Nusith Kumaratunga | 12 |
| Mr Dushmantha Thotawatte | 12 |
| Mr Ravindra Pathmapriya resigned w.e.f. 01 August 2025 | 06 |
| Mr Rajiv Dharmendra appointed w.e.f. 01 January 2025, resigned w.e.f. 23 June 2025 | 04 |
| Mr Niel Unamboowe appointed w.e.f. 01 January 2025 | 11 |
| Mr Rohan Philip Buultjens appointed w.e.f. 01 January 2025 | 12 |
| Mr Somadasa Palihawadana appointed w.e.f. 30 June 2025 | 08 |
| Ms Sinhalage Ajitha Batagoda appointed w.e.f. 13 August 2025, Resigned w.e.f. 13 November 2025 | 02 |
| Mr Bastiankorallage Anthony Thushara Rodrigo Appointed w.e.f. 13 November 2025 | 03 |

Board Appointed Sub Committees

To support effective governance and strengthen oversight, the Board has established a number of specialised subcommittees. These subcommittees enable deeper focus on key areas of the Company's operations, enhance the quality of deliberations, and promote efficiency, accountability, and robust control mechanisms.

Each subcommittee operates within a clearly defined mandate approved by the Board and is entrusted with examining matters that require specialised knowledge and detailed consideration. Through this structure, the Board is able to draw on focused expertise in critical areas such as audit and assurance, human resources and remuneration, and risk management, while retaining overall responsibility and authority for decision-making.

The subcommittees are guided by Board-approved charters, policies, and procedures, which set out their scope, responsibilities, and reporting obligations. In discharging their duties, the subcommittees undertake detailed reviews, evaluate internal controls and processes, monitor performance against agreed objectives, and formulate recommendations for consideration by the full Board. Regular reporting by the subcommittees ensures transparency, informed decision-making, and alignment with the Company's strategic and governance objectives.

During the financial year 2025, all Board-appointed subcommittees met in accordance with the frequency and requirements stipulated in their respective charters. The Board of Directors remained fully compliant with applicable governance requirements, and the details of subcommittee meetings held during the year are set out below.

Board Risk Management Committee (BRMC)

The BRMC assists the Board in overseeing the Company's risk management framework. The Committee is responsible for reviewing and monitoring the effectiveness of the risk management system, ensuring that management regularly identifies, assesses, and updates the Company's risk profile and risk register, and that risk considerations are embedded in strategic and operational decision-making. It ensures that material risks are managed within the Board-approved risk appetite, that appropriate controls and mitigation measures are in place, and that the risk management framework operates efficiently and effectively. The Committee also reviews periodic risk reports and significant risk exposures and reports its findings and recommendations to the Board.

In addition to its oversight of the overall risk management framework, the Committee also reviews compliance-related risks to ensure that regulatory obligations are identified, assessed, and managed effectively. The Committee receives periodic updates on compliance status, key regulatory developments, and any significant breaches or corrective actions, ensuring that compliance risk is integrated into the Company's overall risk management processes.

Risk Management Committee Meetings – 2025

There were four (04) Risk Management Committee meetings during 2025. The Committee has a broad membership that represents different spectrums of risk managers from finance, investments, actuarial, reinsurance, compliance, internal audit, human resources management, and ICT departments.

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr Dushmantha Thotawatte (Chairman of the committee) | 04 |
| Mr Ravindra Pathmapriya resignation w.e.f. 01 August 2025 | 01 |
| Mr Rajiv Dharmendra appointed w.e.f. 01 January 2025, resigned w.e.f. 23 June 2025 | - |
| Mr Rohan Philip Buultjens appointed w.e.f. 01 January 2025 | 03 |
| Mr Niel Unamboowe appointed w.e.f. 01 January 2025 | 02 |
| Ms Sinhalage Ajitha Batagoda (Chairman of the committee), appointed w.e.f. 13 August 2025, resigned w.e.f. 13 November 2025 | - |
| Mr Bastiankorallage Antony Thushara Rodrigo (Chairman of the committee) appointed w.e.f. 13 November 2025 | 02 |

Note: As at the reporting date the following members serve the BRMC:

Mr Thushara Rodrigo, (Chairman of the Committee w.e.f. 13 November 2025)

Mr Dushmantha Thotawatte

Mr Rohan Philip Buultjens

Mr Niel Unamboowe, P. C.

Corporate Governance Report

Investment Committee (IC)

The IC aims to optimise investment while adhering to strict risk and regulatory guidelines. It ensures an efficient and effective investment decision-making process by thoroughly screening investments and analyzing various risks like liquidity, credit, price, and concentration.

Investment Committee Meetings - 2025

There were eight (08) Investment Committee meetings held during 2025. The Committee has a broad membership that represents different spectrums of investment managers and risk managers from finance, investments, actuarial, reinsurance, compliance, internal audit, human resources management and ICT departments.

| Name of the Director | No. of meetings attended |
|--|--------------------------|
| Mr Ravindra Pathmapriya (Chairman of the committee) resigned w.e.f. 01 August 2025 | 04 |
| Mr Dushmantha Thotawatte | 08 |
| Mr Nusith Kumaratunga | 08 |
| Mr Rajiv Dharmendra appointed w.e.f. 01 January 2025 resigned w.e.f. 23 June 2025 | 01 |
| Mr Somadasa Paliyawadana (Chairman of the committee from 04 September 2025), appointed w.e.f. 30 June 2025 | 05 |
| Ms. Sinhalage Ajitha Batagoda appointed w.e.f. 13 August 2025 resigned w.e.f. 13 November 2025 | - |
| Mr Bastiankorallage Antony Thushara Rodrigo appointed w.e.f. 13 November 2025 | 01 |

Note: As at the reporting date the following members serve the IC:

Mr Somadasa Paliyawadana

(Chairman of the Committee w.e.f 04 September 2025)

Mr Nusith Kumaratunga

Mr Dushmantha Thotawatte

Mr Bastiankorallage Antony Thushara Rodrigo

Mr Nalin Subasinghe – Chief Executive Officer

Mr Dayarathne Perera – Chief Officer

Ms Sriyani Kulasinghe – Chief Financial Officer (cover-up)

Mr Shashika Ranasinghe – Deputy General Manager Investment

Ms Subhashi Jayasumana – Senior Manager Enterprise Risk Management

Audit Committee (AC)

Primarily, the AC is tasked with ensuring the accuracy of the Company's Financial Statements. It also verifies that the Company operates in compliance with ethical standards and all relevant regulatory requirements, supported by regular reporting from the Compliance function on regulatory developments, compliance status, and any significant breaches or remedial actions.

The Compliance function reports to both the Audit Committee and the Risk Management Committee, ensuring that compliance matters receive appropriate focus and are not subsumed within broader audit-related agendas.

Audit Committee Meetings (ACM) – 2025

There were five (05) ACM during the year 2025

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr Dushmantha Thotawatte (Chairman of the Committee – NED) | 05 |
| Mr Ravindra Pathmapriya resigned w.e.f. 01 August 2025 | 02 |
| Mr Rohan Philip Buultjens appointed w.e.f. 01 January 2025 | 05 |
| Ms Sinhalage Ajitha Batagoda appointed w.e.f. 13 August 2025, resigned w.e.f. 13 November 2025 | 01 |
| Mr Bastiankorallage Antony Thushara Rodrigo appointed w.e.f. 13 November 2025 | 02 |

Note: As at the reporting date, the following members serve the AC:

Mr Dushmantha Thotawatte – Chairman of the AC

Mr Rohan Philip Buultjens

Mr Bastiankorallage Antony Thushara Rodrigo

Human Resource and Remuneration Committee

The HRSC ensures effective governance of the organisation's human resource functions. Guided by industry best practices and a data-driven, customer-centric culture, the committee oversees recruitment, training, performance management (KRs and KPIs), employee engagement, compensation and benefits, industrial relations, and administration. It also makes strategic HR recommendations to the Board.

The committee comprises four Directors (one serving as Chair). The CEO, DGM-HR, and DGM – Corporate Affairs participate as mandatory invitees to the committee. Meetings are held monthly or as needed to deliberate on key HR policies and decisions. The HRSC approves non-monetary policy changes, structural adjustments, and disciplinary actions for staff below senior manager level, referring major decisions to the Board. Minutes are shared with the Board to ensure transparency, and the committee conducts an annual review of its performance and charter.

Corporate Governance Report

Human Resources Committee Meetings-2025

There were ten (10) Human Resources Committee meetings during 2025.

| Name of the Director | No. of meetings attended |
|--|--------------------------|
| Mr Niel Unamboowe appointed w.e.f. 01 January 2025 | 10 |
| Mr Nusith Kumaratunga | 10 |
| Mr Dushmantha Thotawatte | 10 |
| Mr Somadasa Palihawadana appointed w.e.f. 30 June 2025 | 04 |

Note: As at the reporting date the following members serve the HRSC:

Mr Niel Unamboowe, P. C. (Chairman of the Committee)

Mr Nusith Kumaratunga

Mr Dushmantha Thotawatte

Mr Somadasa Palihawadana

Strategic Review Committee (SRC)

The Strategic Review Committee supports the Board of Directors by providing recommendations and guidance on the formulation, execution, and ongoing review of the Company's strategic plan. The Committee reviews the Company's strategic direction, long-term objectives, key initiatives, and associated risks, and facilitates a collaborative and interactive strategic planning process between the Board and management in support of the Board's supervisory responsibilities.

Strategic Review Committee - 2025

There were three (03) Strategic Review Committee meetings during 2025

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr Dushmantha Thotawatte (Chairman of the Committee) | 03 |
| Mr Rajiv Dharmendra appointed w.e.f. 01 January 2025, resigned w.e.f. 23 June 2025 | - |
| Mr Niel Unamboowe, PC appointed w.e.f. 01 January 2025 | 03 |
| Mr Rohan Philip Buultjens appointed w.e.f. 01 January 2025 | 03 |

Note: As at the reporting date the following members serve the SRC:

Mr Dushmantha Thotawatte (Chairman of the Committee)

Mr Niel Unamboowe, PC

Mr Rohan Philip Buultjens

Digital Transformation Committee

The Digital Transformation Committee assists and advises the Board on the Company's digital transformation strategy and the implementation of innovative technological solutions. The Committee oversees initiatives to ensure the effective, consistent, and scalable integration of digital technologies, systems, and processes across the organisation, supporting operational efficiency, enhanced service delivery, and long-term business value. The Committee is chaired by a Non-Executive Director who is a renowned IT professional.

Digital Transformation Committee Meetings - 2025

There were four (04) Digital Transformation Committee meetings during 2025.

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr Kandegamage Ravindra Pathmapriya (Chairman of the committee) resigned w.e.f. 01 August 2025 | 02 |
| Mr P Nusith Samarasee Kumaratunga | 02 |
| Mr Dushmantha Thotawatte | 04 |
| Mr Rohan Philip Buultjens (Chairman of the committee) appointed w.e.f. 13 November 2025 | 04 |

Note: As at the reporting date the following members serve the DTCM:

Mr Rohan Philip Buultjens (Chairman of the Committee w.e.f. 13/11/2025)

Mr Nusith Kumaratunga

Mr Dushmantha Thotawatte

Operational Management Committees

In addition to the Board-appointed Subcommittees, several management-level committees operate to support the Chief Executive Officer in the effective management of the Company. These include the Executive Committee (ExCo), Reinsurance Committee, Audit Follow-up Committee, Product Development Committee, Legal Committee, and Sales and Marketing Review Committee. Collectively, these committees form an integral part of the Company's governance and management framework.

Membership of these committees comprises Senior Management personnel selected based on their functional responsibilities and expertise. The Executive Committee is responsible for the day-to-day management of the business, including the formulation and execution of strategy, operational plans, policies, procedures, and budgets. The ExCo works in close coordination with the Board in the development and implementation of the Company's corporate strategy.

The Committee meets on a monthly basis and additionally as required. Meetings are convened by the Chairperson of the Committee, who is the Group Chief Executive Officer, to deliberate on matters within its approved Terms of Reference.

The Company Secretary

The Company Secretary of a State-Owned Enterprise (SOE) plays a pivotal role in upholding the integrity, effectiveness, and credibility of the corporate governance framework. This role extends well beyond traditional administrative functions and encompasses strategic advisory responsibilities, governance leadership, and rigorous compliance oversight.

The duties and obligations of the Company Secretary are principally governed by the Companies Act, No. 7 of 2007, together with applicable directions, determinations, and guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), as well as the relevant Codes of Corporate Governance.

The Company Secretary serves as a key governance adviser to the Board and its Committees, ensuring that Directors are properly guided on their statutory, fiduciary, and ethical responsibilities. All Directors have access to the advice and services of the Company Secretary, who is directly accountable to the Board for ensuring due process, procedural integrity, and full compliance with Board and Committee governance requirements.

Information Flow to the Board

Directors receive comprehensive and timely Board and sub-committee papers in advance of all meetings, enabling effective deliberation and informed decision-making. This includes regular reporting from assurance functions, including Compliance, on regulatory developments, compliance performance, and key risk exposures. Members of Senior Management and other relevant officers attend meetings, where necessary, to provide clarifications and briefings on matters under consideration.

The Board is empowered to obtain independent professional advice, at the Company's cost, where such advice is required to discharge its responsibilities. All Directors have unrestricted access to the Company Secretary, who supports the Board by ensuring compliance with established procedures and advising on governance and regulatory matters.

Board and committee documentation is made available to Directors through a secure electronic portal, facilitating efficient access while supporting environmentally sustainable practices. Summaries and minutes of sub-committee deliberations are submitted to the Board at regular intervals for information and oversight.

Compliance issues, incidents, and regulatory matters are escalated to the Board and its sub-committees for appropriate corrective and preventive actions, reinforcing the Company's commitment to ethical conduct and regulatory adherence.

Compliance and Ethical Governance

Compliance Framework

The Company has established a structured Compliance Management Framework to facilitate the effective identification, assessment, monitoring, and reporting of compliance risks. This framework ensures that regulatory obligations are identified promptly and consistently applied across all business functions.

The Board of Directors retains overall responsibility for overseeing compliance and determining the Company's compliance risk appetite. Governance and oversight are exercised through the Board and its subcommittees, supported by regular reporting on compliance status, regulatory developments, and corrective actions.

The management of compliance risk is supported through collaboration among key assurance functions, including Compliance, Enterprise Risk Management, Internal Audit, Legal, and Human Resources. Business units operate as the first line of defence, supported by independent monitoring and assurance functions.

Code of Business Conduct and Ethics

The Company has established a Code of Business Conduct and Ethics applicable to Directors, Key Management Personnel, and all employees. The Code defines the standards of professional conduct expected and reinforces the Company's commitment to ethical behaviour, regulatory compliance, and responsible business practices.

Whistleblowing

A Whistleblowing Policy is in place to encourage the reporting of unethical or improper conduct in a confidential and secure manner. The Compliance Officer serves as the designated Whistleblowing Officer and ensures that all disclosures are handled independently, fairly, and without fear of retaliation.

Financial Reporting

The Board of Directors accepts responsibility for the preparation and presentation of the Consolidated Financial Statements in compliance with applicable statutory requirements, regulatory directives, and accounting standards.

Internal Control and Risk Oversight

The Board maintains oversight of the Company's system of internal control and risk management through its governance framework and Board subcommittees. The detailed Statement of Internal Control and Risk Management, setting out the Board's responsibilities, oversight mechanisms, and assessment of effectiveness, is presented separately in this report.

Audit Committee Report

The Board Audit Subcommittee of Sri Lanka Insurance Corporation General Limited (SLICGL) functions in accordance with its approved Audit Charter and applicable corporate governance requirements. The Committee supports the Board in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, internal audit, external audit and regulatory compliance.

During the financial year ended 31 December 2025, the Board Audit Sub-committee held five (05) meetings in compliance with the requirements set out in the Audit Charter. The meetings were attended by Committee members, senior management, representative of National Audit Office and the Head of Internal Audit, as appropriate.

During the year under review, the Committee reviewed and discussed the adequacy and effectiveness of the Company's internal control framework. Particular focus was placed on the Internal Control Matrix, key control gaps identified, and management's action plans aimed at strengthening control effectiveness across operational and support functions.

The Committee also reviewed the findings of branch audits conducted by the Internal Audit Department, including significant observations, recurring issues and systemic control weaknesses identified across the branch network. Progress on audit follow-up actions and the timely implementation of agreed corrective measures were closely monitored to ensure that audit recommendations were addressed effectively by management.

In addition, the Board Audit Sub-committee reviewed internal audit reports, compliance matters and updates on the status of outstanding audit observations. The Committee ensured that significant audit issues and matters requiring Board attention were appropriately escalated and addressed in a timely manner.

Key Responsibilities of the Board Audit Subcommittee

In accordance with its Audit Charter, the principal responsibilities of the Board Audit Subcommittee include the followings:

1. Assisting the Board in overseeing the integrity and reliability of financial reporting and related disclosures.
2. Reviewing the adequacy and effectiveness of the Company's internal control systems, including the Internal Control Matrix.
3. Overseeing the Internal Audit function, including approving the risk-based Annual Internal Audit Plan, reviewing audit findings, and monitoring the implementation of follow-up actions.
4. Reviewing branch audit findings, significant control deficiencies and systemic issues, and ensuring timely management responses.
5. Monitoring compliance with applicable laws, regulations, regulatory guidelines and internal policies.
6. Reviewing the scope, independence and performance of the external auditors, and facilitating effective coordination between the internal and external audit functions.
7. Reporting significant matters relating to internal controls, audit, risk management and compliance to the Board of Directors.

The Board Audit Sub-committee is satisfied that the Internal Audit Department operated independently during the year and that appropriate mechanisms were in place to monitor internal controls, audit findings and follow-up actions. The Committee will continue to support the Board in maintaining a sound system of internal controls and promoting high standards of corporate governance across the Company.



Mr Dushmantha Thotawatte

Chairman – Audit Committee

31 March 2026

Investment Committee Report

Objectives of the Investment Committee

The objectives of the Investment Committee (IC) is to ensure that the company's investment activities are safe, profitable, liquid and compliant with regulations, while honouring claim related expenses and ensuring the company's long-term financial strength. The IC also ensures the investment decision making process is streamlined, efficient, effective and conforms to best practices in the industry.

The IC, which is comprised of professionals of multiple disciplines, look in to a broad array of aspects prior to coming to a consensus and making investment decisions. This thorough screening process ensures optimal investment decisions are made, which is evident by the strong investment income. Nimbleness in investment decision making facilitated generating sound investment income during 2025.

The IC also closely monitors the Asset & Liability Mismatches and manoeuvres investments towards optimizing returns based on interest rate movements. Diversification of investments across asset classes, maturity profiles and sectors is a key principal practiced by the IC in order to ensure systematic risks of investments are minimized.

Investments made are constantly monitored to ensure objectives of the particular investments are either met or on track to be met. Maintaining Solvency ratios at healthy levels and ensuring the Balance Sheet is healthy is also a key focus of the IC.

Investment Strategies

During 2025 the Sri Lankan economy continued to its recovery journey from the economic crisis in 2022, as GDP posted robust growth rates and economic activity continued to gain traction. IMF continued to support Sri Lanka during the year. CBSL was seen easing monetary policy during 2025 and the exchange rate remained largely stable in spite of the Government opening up restrictions it had imposed on vehicle imports. Tourism earnings, exports and remittances kept a steady flow of US dollars flowing in to the forex market.

The hit from cyclone Ditwah was estimated at USD 4.1 billion by the World Bank. This hit was totally unexpected and is likely to have had a knee jerk hit on the economy. However, we expect post disaster recovery itself to be the catalyst for the next phase of economic growth in the country.

Inflation which had remained negative for 11 consecutive months turned positive during 2025. CBSL's inflation target of around 5% might be reached during early second half of 2026, as post disaster recovery kicks in.

Private sector credit continued to show remarkable growth, as low interest rates encouraged expansion in demand for credit. Gross official reserves continued to accumulate as the CBSL was seen buying US dollars from the interbank foreign exchange market.

During 2025, as the yield curve gradually adjusted downward, the stock market leveraged on low interest rates, strong corporate earnings, attractive valuations compared to regional peers and on income tax advantages to rally to an all-time high. The Investment Committee of SLICGL was quick to capitalize on opportunities that presented itself during the course of the year.

Monitoring and control

Investment duties are segregated in to Front Office where trades originate, Middle where risks are monitored and Back Office where settlement and accounts are done. Investment performances are monitored and reported regularly. The IC keeps a close eye on the market developments and responds quickly to make use of investment and trading opportunities.

Year under review – Summary of Investment Activities

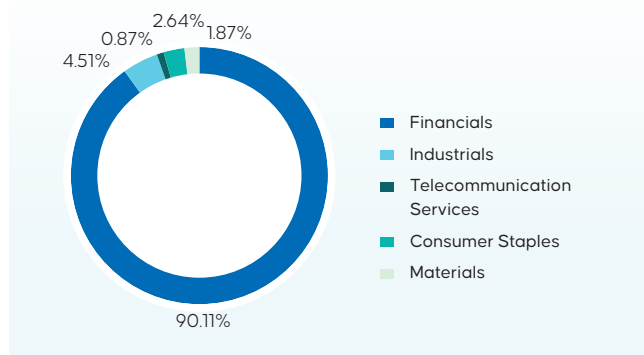
The General Insurance Fund (Technical Reserve) stood at Rs. 26.4 Bn.

Safety and stability of investments

The Investment Portfolio is well diversification in order to minimise non-systematic risks and reduce the dependence on investments on any single investment asset class.

The pie charts below illustrate allocation of investment assets of the General Insurance Fund as at 31 December 2025 (values are based on market values).

Sector allocation – General Insurance Fund 31 December 2025 (%)



Investment Income

Total investment income for the year stood at Rs. 3.9 Bn. for General Insurance.

ALM considerations

The IC consciously runs Asset and Liability Management mismatches in order to benefit from interest rate movements. Increasing the duration of assets in the back drop of falling interest rates was the focus during the year.

We expect the Sri Lankan economy to bounce back from the setback it suffered from the recent natural disaster, consolidate and recover in a V shape during 2026.

The Investment Committee is confident of achieving even greater heights during 2026.

Mr Somadasa Paliawadana

Chairman – Investment Committee

31 March 2026

Risk Committee Report

SLICGL integrates risk management into its strategic, financial, and operational decisions to ensure resilience, solvency, and long-term performance.

Risk Management Overview

Risk management at SLICGL is embedded within the Company’s strategic planning, capital management, and operational decision-making processes. During 2025, amid macroeconomic recovery, evolving monetary conditions, and catastrophe-related pressures, the Company continued to strengthen its Enterprise Risk Management (ERM) framework to preserve solvency, safeguard policyholder interests, and support sustainable long-term performance.

The Company adopts a proactive and structured approach to identifying, assessing, and managing risks across all areas of operations, ensuring resilience and long-term value creation.

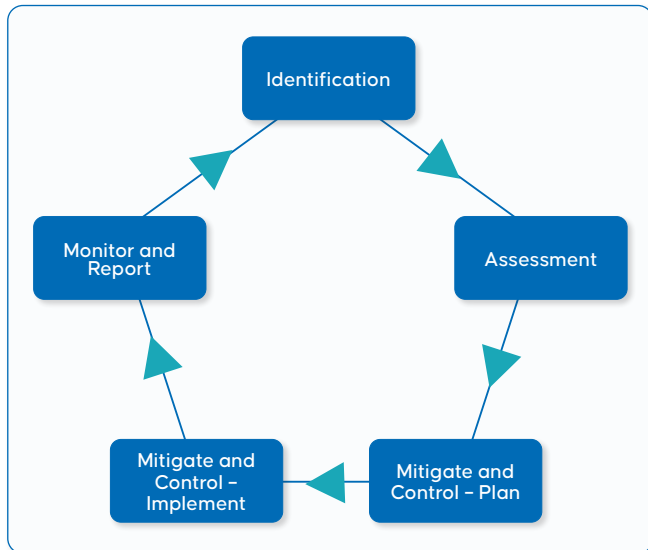
Enterprise Risk Management Framework

SLICGL has implemented a comprehensive ERM framework aligned with ISO 31000 principles and the Insurance Regulatory Commission of Sri Lanka (IRC SL) Risk-Based Capital (RBC) regime.

The framework addresses a broad spectrum of risks, including:

- Underwriting and catastrophe risk
- Capital adequacy and solvency risk
- Investment and market risk
- Information security and ICT risk
- Third-party and reinsurance risk
- Compliance and regulatory risk
- Operational and reputational risk

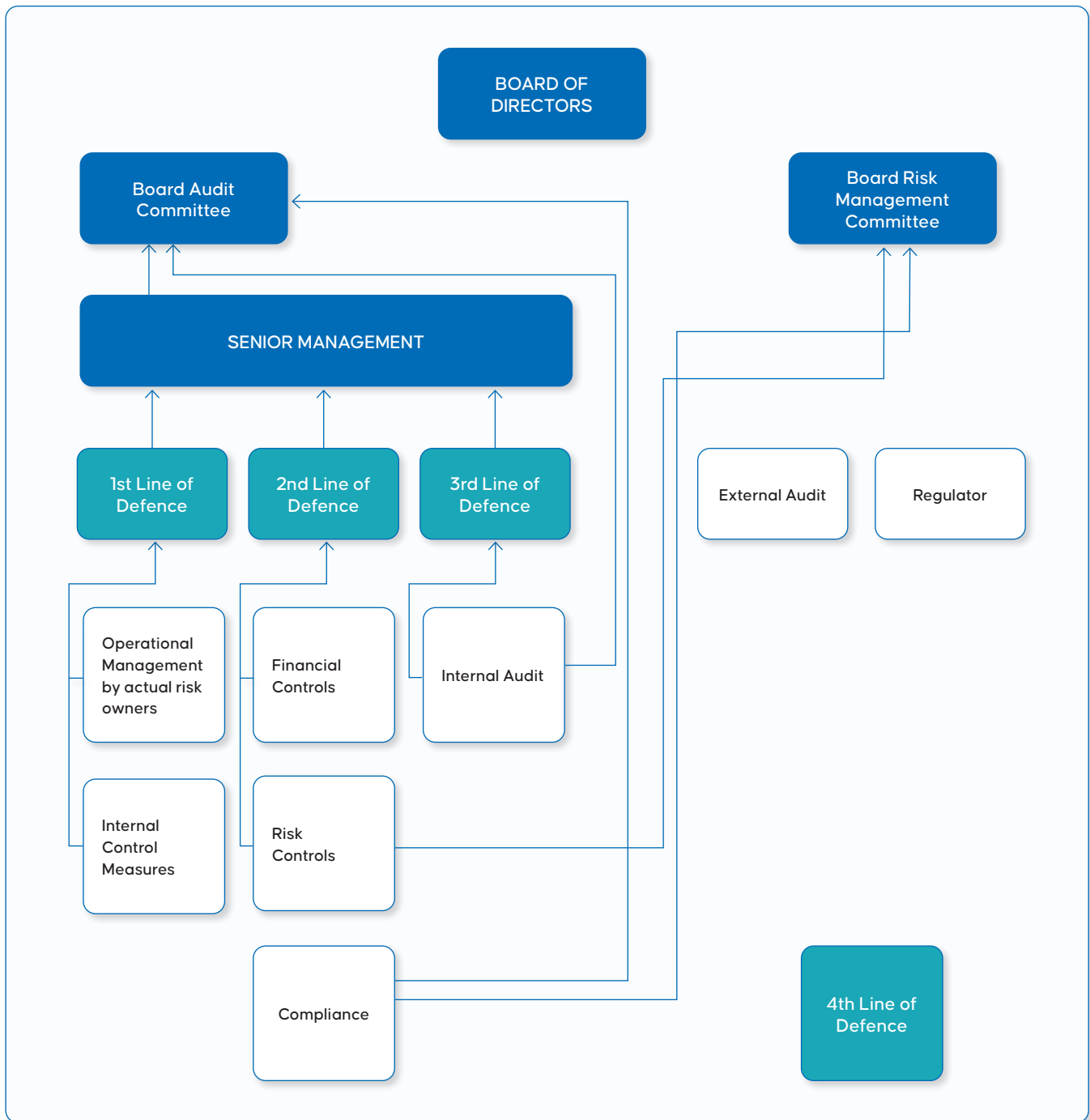
Risk management is carried out through a structured process encompassing risk identification, assessment, mitigation, monitoring, and reporting. Risks are evaluated based on probability and impact using a defined risk matrix, enabling prioritisation and timely escalation.



Risk Governance

Board-Level Oversight

The Board of Directors retains ultimate responsibility for risk governance and sets the Company’s risk appetite and tolerance levels. Oversight of risk management is delegated to the Board Risk Management Committee (BRMC), which ensures that the risk management framework is effectively implemented and aligned with strategic objectives.



Other Board subcommittees provide specialised oversight:

- Audit Committee – internal controls and compliance
- Investment Committee – investment and market risks
- Digital Transformation Committee – ICT and cybersecurity risks

Risk Committee Report

Four Lines of Defence Model

The Company operates a Four Lines of Defence Model to ensure clear accountability and independent assurance:



This layered approach enhances governance discipline, transparency, and effectiveness of risk controls.

Compliance Risk Management

Compliance risk is defined as the risk of legal or regulatory sanctions, financial loss, or reputational damage arising from failure to comply with applicable laws, regulations, and internal policies.

The Company has established a structured Compliance Management Framework to identify, assess, monitor, and report compliance risks across all business functions. This framework operates in alignment with the ERM framework and is supported by collaboration among key assurance functions, including Compliance, Enterprise Risk Management, Internal Audit, Legal, and Human Resources.

The Board determines the Company’s compliance risk appetite, while oversight is exercised through the Audit Committee and the Risk Management Committee. Compliance issues, regulatory developments, and significant incidents are regularly reported to the Board and its subcommittees for appropriate action.

Financial Crime Risk (AML/CFT)

The Company maintains a zero-tolerance approach to financial crime, including money laundering and terrorist financing. A comprehensive Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework has been implemented in line with applicable laws and regulatory requirements.

Key components of the framework include:

- Customer due diligence and enhanced due diligence processes
- Screening against sanctions and Politically Exposed Persons (PEP) lists
- Ongoing transaction monitoring
- Regular employee training and awareness programmes
- Periodic AML risk assessments and independent audits

These measures ensure early detection and mitigation of financial crime risks while safeguarding the Company’s reputation and integrity.

Internal Control Framework

The Company maintains a robust system of internal controls aligned with internationally recognised principles, ensuring effective governance, accountability, and operational integrity.

The internal control framework supports:

- Segregation of duties
- Clear reporting lines
- Effective monitoring mechanisms
- Independent review through internal audit

The Internal Audit function conducts risk-based audits across business units, and provides independent assurance on the adequacy and effectiveness of internal controls. Findings are reported to the Audit Committee, which monitors corrective actions and continuous improvement.

Solvency and Capital Management

SLICGL maintains a strong capital position under the IRCSL Risk-Based Capital framework, ensuring resilience against adverse events and claims volatility.

The Risk-Based Capital Adequacy Ratio remains well above the regulatory minimum requirement, reflecting prudent capital management and a disciplined risk approach.

The Company continuously monitors its solvency position to ensure financial strength and the ability to meet policyholder obligations under varying economic conditions.

| Year | RBC Ratio |
|------|-----------|
| 2025 | 269.4 |
| 2024 | 277.3 |
| 2023 | 226.6 |

Insurance Risk Management

Risk-Based Capital Framework

Under the RBC framework, insurance liabilities are determined using actuarially sound methodologies that incorporate both central estimates and risk margins, ensuring prudence and capital adequacy.

Reserving Approach

The Company adopts a conservative reserving approach, including:

- Outstanding claims reserves
- Incurred but not reported (IBNR) provisions
- Claims handling expense provisions
- Margins for adverse deviation

This approach enhances resilience against volatility and supports financial stability.

Claims Monitoring

Claims development is continuously monitored using analytical tools such as:

- Loss development triangles
- Paid and reported loss analysis
- Reinsurance recoverability assessments

These ensure adequacy of reserves and early identification of emerging trends.

General Insurance Risk

In line with the mandatory requirements of the Insurance Regulatory Commission of Sri Lanka (IRCSL), SLICGL has fully implemented the Risk-Based Capital (RBC) solvency framework with effect from 01 January 2016.

Under this framework, claim liabilities are defined as the sum of the central estimate of claim liabilities and the associated risk margin. Premium liabilities comprise the central estimate of the unexpired risk reserve together with applicable risk margins.

Prudence in Reserving

General actuarial reserves consist of two primary components: Premium Liability and Claim Liability.

Claim liabilities, including outstanding claims reserves and incurred but not (enough) reported claims (IBN(E)R), are established at a 75% confidence level. These incorporate the central estimate of claim liabilities (CECL), claims handling expenses (CHE) for future settlements, and provisions for adverse deviation relating to both CECL and CHE.

Premium liabilities are also determined at a 75% confidence level. These are based on the central estimate of the unexpired risk reserve, calculated using the average central estimate of the ultimate loss ratio over the past two to three accident years, with an added provision for adverse deviation to reflect potential volatility in unearned exposures.

Claims Development Information

The table below presents the development of historical non-life reserves, net of reinsurance. The initial row reflects the estimated gross reserves for unpaid losses and loss adjustment expenses at each balance sheet date, representing expected future payments for both current and prior-year claims.

The cumulative paid section illustrates the progression of claim payments over subsequent years relative to the reserves established at each reporting date. The cumulative reported losses section combines cumulative paid amounts with the net outstanding reserves at the end of each financial year, providing a comprehensive view of claims development over time.

| | 2025 Rs. Mn. | 2024 Rs. Mn. | 2023 Rs. Mn. | 2022 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Gross reserves for losses and loss adjustment expenses | 14,011 | 9,602 | 9,675 | 11,856 | 9,549 | 7,862 |
| Reinsurance recoverable | (5,705) | (1,740) | (1,656) | (3,104) | (1,888) | (1,395) |
| Net reserves for losses and loss adjustment expenses | 8,306 | 7,862 | 8,018 | 8,751 | 7,661 | 6,466 |
| Cumulative paid as of December 31 | | | | | | |
| One year later | 9,237 | 7,984 | 7,948 | 6,790 | 6,995 | 5,371 |
| Two years later | | 10,042 | 9,949 | 9,271 | 9,312 | 7,043 |
| Three years later | | | 10,050 | 9,695 | 9,537 | 7,093 |
| Four years later | | | | 9,753 | 9,624 | 7,170 |
| Five years later | | | | | 9,706 | 7,211 |
| Six years later | | | | | | 7,229 |
| Cumulative Reported as of December 31 | | | | | | |
| One year later | 12,602 | 9,782 | 9,651 | 8,893 | 8,980 | 6,493 |
| Two years later | | 10,403 | 10,246 | 9,682 | 10,015 | 7,255 |
| Three years later | | | 10,367 | 10,025 | 10,030 | 7,322 |
| Four years later | | | | 9,966 | 9,874 | 7,367 |
| Five years later | | | | | 9,869 | 7,367 |
| Six years later | | | | | | 7,334 |

Risk Committee Report

Sensitivity Analysis for General Insurance Risk

The sensitivity of net income before tax and net assets to a one percentage point adverse development in reported claims outstanding is assessed to evaluate the potential financial impact of changes in insurance risk. Such adverse movements may result from increased claim frequency, higher claim severity, or a combination of both.

This sensitivity analysis does not represent the probability of such events occurring and excludes any non-linear impacts arising from reinsurance arrangements.

In addition to sensitivity analysis, the Company monitors insurance risk through stress testing of extreme scenarios, incorporating potential non-linear effects of reinsurance structures. The resulting sensitivities are presented in the table below.

| 31 December 2025 | Change in Assumptions | Reported Gross Claim Outstanding Rs. | Reported Net Claim Outstanding Rs. | Impact on Gross Liabilities Rs. | Impact on Net Liabilities Rs. | Impact on Profit Before Tax Rs. | Impact on Equity (After Tax) Rs. |
|------------------|-----------------------|---|---------------------------------------|------------------------------------|----------------------------------|------------------------------------|-------------------------------------|
| | +1% | 10,639 Mn. | 5,318 Mn. | 210 Mn. | 132 Mn. | (132) Mn. | (93) Mn. |

Investment Risk Management

Investment risks are managed through a disciplined and diversified approach overseen by the Investment Committee.

Market Risk

Exposure to interest rate, equity, and foreign exchange risks is actively monitored and managed through portfolio diversification and strategic asset allocation.

Liquidity Risk

Liquidity is maintained through a balanced allocation of highly liquid instruments, ensuring the Company's ability to meet claim obligations.

Credit and Concentration Risk

Exposure to counterparties is governed by internal limits and regulatory guidelines, with diversification strategies employed to minimise concentration risk.

ICT and Cybersecurity Risk

ICT risk management focuses on the identification, assessment, and mitigation of risks associated with IT systems, applications, and processes. In the context of rapid digital transformation and increased reliance on the processing of financial and personal data, the Company places strong emphasis on maintaining data integrity, confidentiality, availability, and regulatory compliance.

Risk management strategies, policies, and controls are regularly reviewed and enhanced, aligned with an established ICT risk management framework encompassing the following key areas:

Risk Assessment

A robust framework is applied to conduct regular risk assessments, identifying potential vulnerabilities, threats, and risks across IT systems, applications, and operational processes.

For the purpose of this analysis, it is assumed that the central estimate of IBN(E)R is also impacted by the one percentage point change in reported claims outstanding, while claims handling expenses (CHE) remain unchanged. Under these assumptions, each additional percentage point increase in reported claims outstanding results in a proportional (linear) impact on net income before tax and net assets.

Cybersecurity Measures

Comprehensive cybersecurity controls are implemented to safeguard against unauthorised access, data breaches, malware, phishing, and other cyber threats. These are further strengthened through the deployment of cloud-based and in-house web application firewalls (WAF), extended detection and response (XDR) solutions, enhanced spam gateway systems, unified endpoint management, database firewalls, and continuous vulnerability assessments and penetration testing.

Compliance Management

The Company remains aligned with applicable regulatory requirements and industry standards in information security and cybersecurity. Compliance with ISO/IEC 27001:2022 certification reflects its commitment to maintaining robust information security practices.

Incident Response

A structured incident response framework is in place to effectively manage and mitigate IT security incidents and data breaches. A 24/7 managed Security Operations Centre (SOC) operates with clearly defined roles, communication protocols, and procedures for incident detection, reporting, and remediation.

Employee Training and Awareness

Regular training and awareness programmes are conducted to promote adherence to IT security policies and best practices. Periodic phishing simulations are carried out, encouraging employees to identify and report suspicious activities, thereby reducing human error and insider risk.

Business Continuity and Disaster Recovery

Comprehensive business continuity and disaster recovery plans are established to ensure the resilience and availability of critical IT systems and services during disruptions. These plans are subject to regular testing, review, and continuous improvement.

Human Resources Risk

Human resources risks are managed through structured policies and processes, including:

- Rigorous recruitment and screening procedures
- Performance management systems
- Continuous training and development
- Clear disciplinary frameworks

These ensure the availability of skilled personnel and promote a strong organisational culture.

Fraud and Misconduct Risk

The Company maintains a robust anti-fraud framework aligned with applicable legislation and regulatory requirements.

A Board-approved Fraud Management Policy supports:

- Detection and prevention of fraud
- Investigation of irregularities
- Compliance with anti-corruption and financial crime laws

This framework reinforces ethical conduct and organisational integrity.

Data Protection Risk

The Company has implemented a structured data protection framework in compliance with the Data Protection Act No. 09 of 2022.

Key measures include:

- Appointment of a Data Protection Officer
- Implementation of data protection policies and procedures
- Strengthening of consent management processes
- Staff awareness and training programmes

The framework ensures the confidentiality, integrity, and appropriate use of personal data.

Social Media Risk

A structured Social Media Risk Management framework governs:

- Access and control over official platforms
- Content approval processes
- Brand monitoring and reputation management
- Crisis communication protocols

This ensures responsible engagement and protection of the Company's brand.

Impact of Economic Conditions

Macroeconomic developments continue to influence the Company's risk profile. Key factors monitored include inflation, interest rates, exchange rate movements, and external sector performance.

While economic conditions improved during 2025, the Company remains vigilant in managing potential risks arising from global uncertainty and climate-related events.

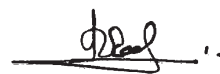
Conclusion

The Company's risk management framework remained resilient during 2025, supported by strong governance, prudent capital management, and effective risk controls.

The Board is satisfied that:

- Solvency levels remain strong
- Risk management practices are robust and effective
- Compliance and internal control systems are well established
- Key risks are actively monitored and managed

Risk management continues to play a central role in safeguarding policyholder interests, preserving financial stability, and supporting the sustainable growth of the Company.



Mr Thushara Rodrigo

Chairman - Risk Committee

31 March 2026

Compliance Report

In an evolving regulatory and economic landscape, proactive compliance risk management remains central to SLICGL's governance framework.

The insurance sector continues to face increasing regulatory scrutiny, heightened customer protection expectations, enhanced data privacy obligations, and major financial reporting transitions, including the implementation of SLFRS 17 and SLFRS 9. As a State-Owned Enterprise, SLICGL is subject to a broad range of statutory, regulatory, and governance requirements applicable to insurance companies, limited liability entities, and public sector institutions.

Compliance at SLICGL is embedded within day-to-day operations and is viewed not merely as a control function, but as a strategic enabler of sustainable growth and public confidence.

The Company maintains a formal compliance framework that encompasses:

- Identification of applicable laws and regulatory obligations
- Ongoing monitoring and reporting
- Advisory support on emerging regulatory developments
- Escalation and corrective action mechanisms
- Independent assurance oversight

The Head of Compliance reports functionally to the Audit Committee and the Risk Management Committee, and periodically to the Board of Directors. The Executive Management Committee reinforces the "tone at the top," promoting a culture of integrity and accountability throughout the organization.

Compliance risk is defined as the risk of legal, regulatory, financial, or reputational harm arising from failure to adhere to applicable laws, regulations, policies, and ethical standards.

Compliance Governance Framework

Board Oversight and Risk Appetite

The Board of Directors is responsible for defining the Company's compliance risk appetite, balancing mandatory regulatory obligations with strategic business objectives.

Effective compliance risk management requires integration across:

- Risk Management
- Internal Control
- Legal
- Human Resources
- Finance and Investment
- ICT Governance

Four Lines of Defence Model

SLICGL manages compliance risk through a structured Four Lines of Defence framework:

First Line – Business Units

Departments own and manage compliance risks within their operations.

Second Line – Risk and Compliance Functions

The Compliance Department, together with Risk Management, provides oversight, monitoring, and advisory support.

Third Line – Internal Audit

Internal Audit independently reviews compliance effectiveness, including AML controls.

Fourth Line – Regulators and External Auditors

The Insurance Regulatory Commission of Sri Lanka (IRCSL) and External Auditors provide independent supervisory oversight.

The Compliance Department reports directly to both the Risk Management Committee and the Audit Committee, reinforcing independence and authority.

Anti-Money Laundering (AML) Governance

SLICGL maintains a robust AML/CFT framework aligned with:

- Prevention of Money Laundering Act No. 5 of 2006
- Financial Transactions Reporting Act No. 6 of 2006
- Insurers (Customer Due Diligence) Rules No. 01 of 2019
- UN Sanctions Lists
- Financial Intelligence Unit (FIU) Guidelines
- IRCSL directives

The Board-approved AML policy prohibits and actively seeks to prevent money laundering and terrorist financing through rigorous controls.

AML monitoring and reporting mechanisms are integrated into underwriting and policy issuance processes to mitigate misuse of insurance products.

AML Training and Awareness

AML awareness is reinforced through structured training initiatives.

During 2025:

- 10 AML training sessions were conducted.
- 26% of relevant staff completed AML/CFT training.
- An internal e-learning module continues to educate employees on money laundering typologies and prevention mechanisms.

Successful completion of AML assessments is linked to employee performance appraisals.

Targeted awareness programmes were conducted for branch managers and frontline staff in collaboration with the Enterprise Risk Department.

Enhanced Due Diligence and Risk Intelligence

To strengthen KYC and due diligence processes, SLICGL utilises the World-Check Refinitiv risk intelligence database.

Key capabilities include:

- Politically Exposed Person (PEP) monitoring
- Sanctions and watchlist screening
- Adverse media screening
- Third-party due diligence

These tools support risk-based customer onboarding and ongoing transaction monitoring.

Anti-Corruption and Ethical Governance

The Company operates in compliance with the Anti-Corruption Act No. 09 of 2023, replacing previous bribery legislation.

Relevant officers are required to submit annual asset and liability declarations in accordance with statutory obligations.

The Company maintains full cooperation with lawful inquiries and regulatory oversight mechanisms.

A Board-approved Fraud Management Policy supports proactive fraud prevention and investigation.

Whistleblower Policy

SLICGL maintains a formal Whistleblower Policy to encourage reporting of:

- Fraud and misconduct
- Regulatory breaches
- Ethical violations
- Corruption

The Compliance Officer serves as the Whistleblowing Officer. Reports are treated confidentially and escalated to the appropriate governance bodies where necessary.

Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics applies to:

- Directors
- Key Management Personnel
- All employees

The Code reinforces principles of:

- Integrity and transparency
- Conflict of interest management
- Confidentiality
- Legal compliance
- Accountability

Compliance issues are escalated to the Board and relevant Subcommittees to ensure corrective and preventive action.

Customer Data Protection

SLICGL continues to strengthen its data protection framework in compliance with the Data Protection Act No. 09 of 2022.

Key measures include:

- Appointment of a Data Protection Officer
- Publication of a Privacy Policy
- Policyholder consent management initiatives
- Staff training on data privacy obligations
- Development and implementation of data protection policies

The Company applies the "Triple-A" framework:

- Authentication
- Authorisation
- Audit

These controls ensure data confidentiality, integrity, and availability.

Compliance Report

Regulatory and Statutory Compliance

During the year under review, the Company complied with applicable statutory and regulatory requirements, except as disclosed in the External Auditor's Report, Notes to the Financial Statements, and Corporate Governance Report.

The Company received regulatory extensions from the IRCSL for submission of certain specified reports, where applicable.

Submission of Returns and Payments

For the period 01 January 2025 to 31 December 2025:

- All statutory returns were submitted within prescribed timelines, except where formally extended by regulators.
- Regulatory levies and statutory payments were settled in accordance with legal requirements.
- Tax obligations and employee fund contributions (EPF/ETF) were remitted as required.

A regulatory compliance calendar is maintained to track reporting obligations and ensure timely submissions.

Regulatory and Statutory Compliance – Submission of returns and payments to regulatory/monitoring authorities

Compliance Report for the Period from 01 February 2024 to 31 December 2024.

Compliance discipline remains fundamental to preserving institutional integrity and safeguarding the reputation of Sri Lanka's leading general insurer.

Continuous Improvement and Regulatory Readiness

The Compliance Department actively monitors anticipated regulatory developments, including evolving reporting standards and governance directives, ensuring the Company is prepared for timely and cost-effective implementation.

The transition toward SLFRS 17 and SLFRS 9 has been monitored closely from a compliance and governance perspective, ensuring alignment between financial reporting and regulatory disclosure expectations.

Conclusion

The Board is satisfied that the compliance framework operated effectively throughout 2025.

SLICGL remains committed to:

- Strengthening governance maturity
- Enhancing transparency and accountability
- Maintaining zero tolerance for fraud and misconduct
- Protecting customer data and stakeholder trust
- Ensuring full regulatory compliance

| Regulatory/Statutory Requirement | Frequency of Submission of Return/Payment | Due Date of Submission/Payment | Executed date | Compliance and Remarks |
|--|--|--------------------------------|-----------------|---|
| Regulatory/Statutory returns/payments fall due in the period | | | | |
| INSURANCE REGULATORY COMMISSION OF SRI LANKA (IRCSL) | | | | |
| Quarterly Returns to IRCSL as stipulated under Sec 49 (b) of RII Act | | | | |
| Revised Quarterly Returns to IRCSL as stipulated under Sec 49 (b) of RII Act with effect from 1 April 2012 (49 Formats) | | | | |
| Determination Formats - General | Quarterly within 30 days of end of quarter | 4th QR (24) - 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter |
| | | 1st QR (25) - 30 April | 16 May 2025 | |
| | | 2nd QR (25) - 30 July | 30 July 2025 | |
| | | 3rd QR (25) - 30 October | 30 October 2025 | |
| Risk Based Capital (Formats) - General | Quarterly within 30 days of end of quarter | 4th QR (24) - 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter |
| | | 1st QR (25) - 30 April | 16 May 2025 | |
| | | 2nd QR (25) - 30 July | 30 July 2025 | |
| | | 3rd QR (25) - 30 October | 30 October 2025 | |

Compliance Report

| Regulatory/Statutory Requirement | Frequency of Submission of Return/Payment | Due Date of Submission/Payment | Executed date | Compliance and Remarks |
|---|--|------------------------------------|-----------------|--|
| Balance Sheet and Profit Loss Account (Formats) | Quarterly within 30 days of end of quarter | 4th QR (24) – 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter |
| | | 1st QR (25) – 30 April | 16 May 2025 | |
| | | 2nd QR (25) – 30 July | 30 July 2025 | |
| | | 3rd QR (25) – 30 October | 30 October 2025 | |
| Quarterly Certification by CEO/Principal Officer and CFO under the IRCSL circular 12 (Certification A) | Quarterly within 30 days of end of quarter | 4th QR (24) – 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter. |
| | | 1st QR (25) – 30 April | 16 May 2025 | |
| | | 2nd QR (25) – 30 July | 30 July 2025 | |
| | | 3rd QR (25) – 30 October | 30 October 2025 | |
| Quarterly Certification by CEO/ Principal Officer, CFO and Compliance Officer under the IRCSL circular 12 (Certification B) | Quarterly within 30 days of end of quarter | 4th QR (24) – 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter |
| | | 1st QR (25) – 30 April | 16 May 2025 | |
| | | 2nd QR (25) – 30 July | 30 July 2025 | |
| | | 3rd QR (25) – 30 October | 30 October 2025 | |
| Further Returns | | | | |
| (1) Reinsurance Treaty Cover Notes | Annually | before 15 March in subsequent year | 14 March 2025 | |
| (2) Reinsurance Risk Transfer Programme (year 2025) | Annually | on or before 31 January 2025 | 31 January 2025 | |
| (3) Facultative Arrangement | Quarterly | 4th QR (24) – 30 January | 30 January 2025 | Extension for the deadline was obtained from IRCSL through a request letter |
| | | 1st QR (25) – 30 April | 16 May 2025 | |
| | | 2nd QR (25) – 30 July | 30 July 2025 | |
| | | 3rd QR (25) – 30 October | 30 October 2025 | |
| Annual Filing under the Regulation of Insurance Industry Act No. 43 of 2000 | | | | |
| Risk Based Capital (Formats) | Annually | 2024 year end – 30 April 2025 | 30 April 2025 | |
| Determination Formats | Annually | 2024 year end – 30 April 2025 | 30 April 2025 | |
| Balance Sheet and Profit Loss Account (Formats) | Annually | 2024 year end – 30 April 2025 | 30 April 2025 | |
| Actuarial Report and Abstract | Annually | 2024 year end – 30 April 2025 | 30 April 2025 | |

Compliance Report

| Regulatory/Statutory Requirement | Frequency of Submission of Return/Payment | Due Date of Submission/Payment | Executed date | Compliance and Remarks |
|---|---|--------------------------------|-------------------|------------------------|
| Other Formats | | | | |
| 1. Risk Assessment Report | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 2. Statement of Responsibility of Directors | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 3. General Insurance Business - Certification with regard to compliance with the provisions of the Act by the insurer | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 4. Annual Report of the Company | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 5. Auditors Report on factual findings on Circular 29 of IRCSL | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 6. Management Letter | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 7. Compliance Certification A | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| 8. Compliance Certification B | Annually | 2024 year end - 30 April 2025 | 30 April 2025 | |
| Payments | | | | |
| Cess 0.4% of Net Premium | Quarterly | 4th QR (24) - 31 January | 30 January 2025 | |
| | | 1st QR (25) - 30 April | 30 April 2025 | |
| | | 2nd QR (25) - 31 July | 30 July 2025 | |
| | | 3rd QR (25) - 31 October 2025 | 30 October 2025 | |
| Annual Fees | Annually | 30 April 2025 | 30 April 2025 | |
| INLAND REVENUE DEPARTMENT | | | | |
| Returns | | | | |
| VAT returns | Quarterly | 4th QR (24) - 31 January | 31 January 2025 | |
| | | 1st QR (25) - 30 April | 30 April 2025 | |
| | | 2nd QR (25) - 31 July | 31 July 2025 | |
| | | 3rd QR (25) - 31 October | 31 October 2025 | |
| Stamp Duty | Quarterly | 4th QR (24) - 15 January | 15 January 2025 | |
| | | 1st QR (25) - 15 April | 15 April 2025 | |
| | | 2nd QR (25) - 15 July | 15 July 2025 | |
| | | 3rd QR (25) - 15 October | 15 October 2025 | |
| SSCL | Quarterly | 4th QR (24) - 20 January | 20 January 2025 | |
| | | 1st QR (25) - 20 April | 20 April 2025 | |
| | | 2nd QR (25) - 20 July | 20 July 2025 | |
| | | 3rd QR (25) - 20 Oct | 20 October 2025 | |
| AIT/WHT | Annually | 2024 - 30 April 2025 | 30 April 2025 | |
| APPIT Return | Annually | 2024 - 30 April 2025 | 30 April 2025 | |
| Crop Insurance Levy | Quarterly | 3rd QR (24) - 30 Jan | 30 January 2025 | |
| | | 4th QR (24) - 30 April | 30 April 2025 | |
| | | 1st QR (25) - 30 July | 30 July 2025 | |
| | | Final (24) - 30 September | 30 September 2025 | |
| | | 2nd QR (25) - 30 October | 30 October 2025 | |

Compliance Report

| Regulatory/Statutory Requirement | Frequency of Submission of Return/Payment | Due Date of Submission/Payment | Executed date | Compliance and Remarks |
|--|---|--|----------------------|---|
| Payments | | | | |
| VAT | Monthly | 20th of the following month | Executed on due date | |
| APPIT | Monthly | 15 of the following month | Executed on due date | |
| Income Tax | Quarterly | on or before 15 February | 14 February 2025 | |
| | | on or before 15 May | 15 May 2025 | |
| | | on or before 15 August | 15 August 2025 | |
| | | on or before 30 September | 30 September 2025 | |
| | | on or before 15 November | 14 November 2025 | |
| Stamp Duty | Quarterly | 4th QR (24) - 15 January | 15 January 2025 | |
| | | 1st QR (25) - 15 April | 11 April 2025 | |
| | | 2nd QR (25) - 15 July | 15 July 2025 | |
| | | 3rd QR (25) - 15 October | 15 October 2025 | |
| SSCL | Monthly | 20th of following month | Executed on due date | |
| Crop Insurance Levy | Quarterly | 3rd QR(24) - 30 January | - | Payment not done since there was an over payment in previous quarters |
| | | 4th QR (24) -30 April | 30 April 2025 | |
| | | 1st QR (25) -30 July | 30 July 2025 | |
| | | Final (24) - 30 September | - | Payment not done since the full amount paid from previous quarters. |
| | | 2nd QR (25) - 30 October | 30 October 2025 | |
| AIT/WHT | Monthly | 15 of following month | Executed on due date | |
| CENTRAL BANK OF SRI LANKA | | | | |
| AML (Anty Money Laundering) Returns | | | | |
| Cash Transaction Report | Monthly | Within 31 days from the transaction date | Executed on due date | |
| EPF Contribution | Monthly | One day before the last working day of the following month | Executed on due date | |
| Employees Trust Fund Board | | | | |
| ETF Contribution | Monthly | One day before the last working day of the following month | Executed on due date | |
| Registrar of Motor Vehicles | | | | |
| Payment - Luxury and Semi Luxury Tax | Monthly | 10th of the following month | Executed on due date | |
| Ministry of Transport | | | | |
| Payment - Road safety fund | Monthly | 15 of the following month | Executed on due date | |
| Municipal/Urban Council | | | | |
| Payment - Rates and Tax | Annually | Before 31 January of the current year (for the rebate) | Executed on due date | |
| National Insurance Trust Fund | | | | |
| Payment - SRCC and Terrorism Fund | Monthly | Motor -Within 75 days from end of the month | Executed on due date | |
| | | Non Motor - Within 45 days from end of the month | Executed on due date | |

Statement of Internal Control Assessment

Sri Lanka Insurance Corporation General Limited (SLICGL) has established and maintained a sound system of internal controls commensurate with the nature, scale and complexity of its operations. The internal control framework operates in compliance with applicable regulatory requirements issued by the Central Bank of Sri Lanka (CBSL), the Insurance Regulatory Commission of Sri Lanka (IRCSL), and other relevant authorities. The framework is designed to provide reasonable assurance regarding the achievement of strategic and operational objectives, the reliability and integrity of financial and management information, the safeguarding of assets, and compliance with applicable laws, regulations, internal policies and procedures.

The Board of Directors bears overall responsibility for ensuring the adequacy and effectiveness of the Company's system of internal controls. The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to internal controls, risk management, financial reporting and compliance. SLICGL has established a clear organizational structure with defined roles and responsibilities, delegated authority limits and documented policies and procedures that promote ethical conduct, accountability and effective segregation of duties across the organization.

During the year ended 31 December 2025, the Internal Audit Department carried out independent and objective assessments of key business processes, operational areas and support functions in accordance with the approved Annual Internal Audit Plan. These reviews evaluated the adequacy, effectiveness and efficiency of the internal control framework, taking into account risk exposure, control design and the operating effectiveness of controls.

The internal control system is supported by clearly defined organizational structures, segregation of duties, documented policies and procedures, delegated authority limits and established approval mechanisms. Regular management reviews, reconciliations and system-based controls further strengthen the control environment and help mitigate operational and financial risks.

Internal audit findings, including identified control gaps and opportunities for improvement, were communicated to management through structured audit reports. Management responses and corrective action plans were obtained, and the implementation status of agreed actions was monitored through follow-up reviews and deliberations of the Audit Follow-Up Committee. Significant observations and matters requiring Board attention were reported to the Audit Committee in a timely manner.

Based on the internal audit work performed during 2025, no material weaknesses were identified in the overall internal control framework. While certain areas for improvement were noted, these did not materially affect the effectiveness of the internal control environment and were addressed through appropriate management actions.

Accordingly, the Internal Audit Department is of the view that SLICGL maintained an adequate and effective system of internal controls throughout the year ended 31 December 2025, providing reasonable assurance over the achievement of organisational objectives, the reliability of reporting, the safeguarding of assets and compliance with regulatory and internal requirements.



Mr Nusith Kumaratunga

Chairman



Mr Dushmantha Thotawatte

Chairman – Internal Control and Assurance

31 March 2026



FINANCIAL REPORTS

Annual Report of The Board of Directors of The Company

The Board of Directors is pleased to present the Annual Report of the Company to the shareholders, together with the audited Financial Statements of the Company and for the year ended 31 December 2025, and the Auditor's Report thereon.

In preparing this Report, due consideration has been given to the requirements of the Companies Act No. 07 of 2007, the Regulation of Insurance Industry Act No. 43 of 2000 (as amended), and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, together with the applicable amendments and recognised best practices in corporate governance.

CORPORATE BACKGROUND OF THE COMPANY

In 2011, Sri Lanka Insurance Corporation Limited (SLIC) was required to separate the Long-Term Life and General Insurance businesses of SLIC under the mandatory requirement set forth by the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011. Accordingly, Sri Lanka Insurance Corporation General Limited was incorporated on 25 July 2014, with its sole shareholder being Sri Lanka Investment Holdings Limited.

Sri Lanka Insurance Corporation General Limited was incorporated fully owned subsidiary of Sri Lanka Investment Holdings Limited on 25 July 2014 from its inception. The Sri Lanka Insurance Corporation General Limited ownership was transferred to SLIC with effect from 16 October 2023 for the purpose of segregation plan in the year 2023.

Accordingly, the General business operation of SLIC was transferred to the Sri Lanka Insurance Corporation General Limited with effect from 01 February 2024 with the segregation of SLIC.

In accordance with the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011 and the Cabinet decision 23/0431/604/046 dated 17 March 2023, SLIC has been legally segregated into two separate legal entities. Consequently, the SLIC segregated its operations into two wholly owned subsidiary companies, Sri Lanka Insurance Corporation General Limited and Sri Lanka Insurance Corporation Life Limited under the management of holding Company. Effective from 01 February 2024, SLIC now functions as a holding company.

INFORMATION ON SHAREHOLDING

The sole shareholder of the Company is SLIC, of which 99.98% of the shares are vested with the Secretary to the Treasury on behalf of the Government of Sri Lanka.

REGISTERED OFFICE

The registered office and the head office of the Company is at No. 21, Vauxhall Street, Colombo 02.

PRINCIPAL ACTIVITIES OF THE COMPANY

The primary activity of Sri Lanka Insurance Corporation General Limited is to conduct General insurance business including Motor, Fire, Marine, Health and miscellaneous classes of insurance with effect from 01 February 2024. There were no major changes to the principal activities of the Company during the year under review.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for preparation and presentation of Financial Statements of the Company to reflect a true and fair view of its affairs. The Directors' responsibilities include designing, implementing, maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements whether due to fraud or error, selecting and adopting accounting policies and making accounting estimates that are reasonable in the circumstances.

The Directors are of the view that the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, Significant Accounting Policies and notes thereto in the Annual Report have been prepared in conformity with the Sri Lanka Financial Reporting Standards & Sri Lanka Accounting Standards, Regulation of Insurance Industry Act No. 43 of 2000 and Companies Act No. 07 of 2007.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Financial Statements for the year ended 31 December 2025 are prepared based on the Sri Lanka Financial Reporting Standards and Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements of the Company are duly signed by the Chief Financial Officer and the two members of the Board of Directors. These Financial Statements and notes give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the year ended on that date.

AUDITOR'S REPORT

The Auditor General was appointed as the External Auditor in terms of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. Messrs. BDO Partners, a firm of Chartered Accountants, has been appointed by the Auditor General as the qualified auditor to assist the Auditor General in the annual audit of the Financial Statements of the Company for the year ended 31 December 2025, in terms of Article 154 (4) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

Annual Report of The Board of Directors of The Company

The Auditor's report on Financial Statements which form an integral part of the report of the Board of Directors is given in the Annual Report.

FEES ON AUDIT AND OTHER RELATED SERVICES

The amount paid for audit fees during the year under review and the amount paid as other related services are given below. The Directors are aware that the auditors do not have any relationship interest in the Company other than those disclosed in this paragraph.

| | 2025 Rs. '000 | 2024 Rs. '000 |
|----------------------------|------------------|------------------|
| Statutory Audit Fees | 2,502 | 3,211 |
| Non-audit Related Services | 704 | 394 |

ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these Financial Statements are given in the annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board of Directors of the Company has implemented and oversees the risk management function of the Company.

The Company has implemented sound internal control policies and procedures and such policies and procedures are monitored by the Internal Audit Department of the Company. Audit Committee oversees the internal control function of the Company.

The Board is satisfied with the effectiveness of the internal control and risk management function of the Company for the year under review.

GOING CONCERN

During the year, there were no events or conditions identified that could cast significant doubt on the Company's ability to continue as a going concern, and no material uncertainties were noted in this regard. The Board of Directors, having considered the Company's financial position, operational performance, cash flows, and compliance with regulatory and statutory requirements, is satisfied that the Company has adequate resources to continue its operations for the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis.

REVENUE AND GROSS WRITTEN PREMIUM (GWP)

The revenue of Sri Lanka Insurance Corporation General Limited for the year 2025 was recorded at Rs. 24,270 Mn., while the total Gross Written Premium (GWP) amounted to Rs. 30,303 Mn. A detailed analysis of the total GWP achieved by the Company is given in the Financial Statements.

FINANCIAL RESULTS AND APPROPRIATIONS

| | 2025 Rs. '000 | 2024 Rs. '000 |
|---------------------------------------|------------------|------------------|
| Profit Before Taxation (PBT) | 3,251,506 | 3,573,323 |
| Income tax expenses | (723,454) | (911,984) |
| Profit after taxation | 2,528,052 | 2,661,339 |
| Other Comprehensive Income/(loss) | (112,066) | (126,638) |
| Unappropriated profit brought forward | 2,611,046 | 76,345 |
| Profits available for appropriation | 5,027,032 | 2,611,046 |
| Dividends paid | (250,000) | - |
| Unappropriated profit carried forward | 4,777,032 | 2,611,046 |

DIVIDENDS

Pursuant to Direction No. 06 of 2025 issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL) on 08 December 2025, insurance companies were permitted to refrain from declaring or distributing dividends in respect of the financial years 2024 and 2025 where such dividends had not already been declared or distributed. This regulatory measure was introduced in response to the exceptional financial strain arising from the Ditwah Cyclone and subsequent flooding. This direction will be applicable until 30 June 2026.

DONATIONS

During the year 2025, there were Rs. 7.725 Mn. donation made by the Company.

PROVISION FOR TAXATION

The tax position of the Company is disclosed in the Financial Statements.

RESERVES

The movement in reserves during the year is set out in the Statement of the Changes in Equity Statement.

INSURANCE LIABILITIES AND PROVISIONS

The Directors have taken all reasonable steps to ensure that adequate provisions were made for all known liabilities and commitments. Gratuity liability was also valued by an independent Actuary as required by the LKAS 19 - "Employee Benefits".

Annual Report of The Board of Directors of The Company

As at the date of this report, the Directors are not aware of any circumstances, which would render inadequate provisions made in the Financial Statements.

INVESTMENTS

The value of investments held by the Company as at 31 December 2025 amounted to Rs. 48,080 Mn. A detailed breakup of the investments held is disclosed in the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The details of Property, Plant and Equipment are given in the Annual Report.

MARKET VALUE OF FREEHOLD PROPERTIES

The Company uses the cost method as the accounting policy for recording Property, Plant and Equipment. The Company's policy for revaluing the assets is once in every three years. Accordingly, Motor vehicles were revalued in the financial Year 2024 by Mr A A M Fathihu (MRICS) Independent Chartered Valuer with appropriate experience in the valuation of properties. The results of such revaluation were incorporated in the Financial Statements from its effective date which is 31 December 2024.

EVENTS OCCURRING AFTER THE REPORTING DATE

Events occurring after the reporting date has disclosed in the note No. 42 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Related Party transactions as per the Sri Lanka Accounting standards (LKAS) 24, Related Party Disclosures, which is adopted in the preparation of the Financial Statements are given in this annual report.

BOARD OF DIRECTORS

All Directors have been appointed as non-executive Directors based on the nomination made by the Secretary to the Treasury, who is the principal shareholder of the Company, in accordance with the Companies Act No. 07 of 2007, subject to approval from the Insurance Regulatory Commission of Sri Lanka (IRC SL).

The Directors of the Company holding office as of 31 December 2025, are as follows:

Mr P N S Kumaratunga (appointed w.e.f. 23 October 2024)

Mr D Thotawatte (appointed w.e.f. 29 April 2024)

Mr R P Bultjens (appointed w.e.f. 01 January 2025)

Mr N D B Unamboowe PC (appointed w.e.f. 01 January 2025)

Mr S Palihawadana (appointed w.e.f. 30 June 2025)

Mr B A T Rodrigo (appointed w.e.f. 13 November 2025)

Mr A Koswatte (resigned w.e.f. 02 January 2025)

Mr K R Dharmendra (appointed w.e.f. 01 January 2025 and resigned w.e.f. 23 June 2025)

Mr K R Pathmapriya (appointed w.e.f. 29 April 2024 and resigned w.e.f. 01 August 2025)

Mrs S A Batagoda (appointed w.e.f. 13 August 2025 and resigned w.e.f. 13. November 2025)

The composition of the Company's Board of Directors as of the date of this Report

Mr P N S Kumaratunga

Mr D Thotawatte

Mr R P Bultjens (appointed w.e.f. 01 January 2025)

Mr N D B Unamboowe PC (appointed w.e.f. 01 January 2025)

Mr S Palihawadana (appointed w.e.f. 30.06.2025)

Mr B A T Rodrigo (appointed w.e.f. 13 November 2025)

Retirement of Directors by rotation or otherwise and their re-election or re-appointment

1. Ordinary Resolutions

(i) Mr Palawinnage Nusith Samarasee Kumaratunga, retires by rotation in terms of Article 105 read with Article 108 of the Articles of Association of the Company and is eligible for re-election.

(ii) Mr Dushmantha Thotawatte, retires by rotation in terms of Article 105 read with Article 108 of the Articles of Association of the Company and is eligible for re-election.

2. Special Resolution

Mr Somadasa Palihawadana who is Seventy-three (73) years of age is eligible for re-appointment under Section 211 of the Companies Act No. 07 of 2007, as recommended by the Board of Directors of the Company.

The Company received a formal notice under Section 212 of the Companies Act No. 7 of 2007 from Mr Somadasa Palihawadana informing that he is 72 years old and will turn 73 on 07 June 2026. Accordingly, the Board of Sri Lanka Insurance Corporation General Limited resolved to re-appoint him to the Board of Sri Lanka Insurance Corporation Life Limited, subject to the approval of its shareholders as specified in the Notice.

Annual Report of The Board of Directors of The Company

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

The Directors' interests in contracts are disclosed in the Financial Statements. These interests have been duly disclosed at the meeting of Directors. Directors do not hold any shareholding of the Company.

DIRECTORS' REMUNERATIONS

The Directors' fees and emoluments paid during the year was Rs. 3,292 Mn.

STATED CAPITAL

The Stated Capital of the Company as at 31 December 2025 was Rs. 14,000 Mn., in Compliance with the Companies Act No. 07 of 2007. As at 31 December 2025, 100% shares were vested with the Sri Lanka Insurance Corporation Ltd.

STATUTORY PAYMENTS

The Directors to the best of knowledge and belief are satisfied that all statutory payments in relation to the Government, the Insurance Regulatory Commission of Sri Lanka (IRC SL) and in relation to the employees have been made on time.

INTANGIBLE ASSETS

Intangible Assets as at 31 December 2025 have been recorded in the Financial Statements of the Company.

ENVIRONMENT

The Company operates with the relevant environmental laws and regulations and has not engaged in any harmful activities.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has complied with all applicable laws and regulations during the financial year as otherwise disclosed in the Independent Auditors' Report. The compliance department monitors the compliance functions of the Company and reports to the Audit Committee and the Risk Management Committee. Further, periodic compliance reports are submitted to the Board.

THE APPROVAL OF THE FINANCIAL STATEMENTS

The audited Financial Statements were approved by the Board of Directors on 26 April 2025.

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on 25 May 2026, at 2.30 pm, in the Board Room of the Company at its registered office at "Rakshana Mandiraya," No. 21, Vauxhall Street, Colombo 02.

ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by section 168 (1) (k) of the Companies Act No. 07 of 2007, the Board of Directors does hereby acknowledge the contents of this report.

By Order of the Board,



Company Secretary

For Board of Directors

31 March 2026

Statement of Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements is set out in the following statement.

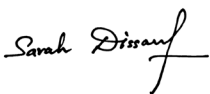
As per the provisions of the Companies Act No. 07 of 2007, the Directors are required to prepare, for each financial year, and place before a General Meeting, Financial Statements. The Auditors' responsibility for the Financial Statements is explained in the Auditors' Report, which is included in the Annual Report.

As per the Companies Act No. 07 of 2007, the Directors are responsible for ensuring that the Financial Statements of the Company provide a true and fair view of the Company's financial position as at the Balance Sheet Date, including its profit or loss or income and expenditure for the accounting period ending on that date. The Financial Statements must also present a fair representation of the Company's overall state of affairs.

The Directors are required to ensure that the Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995, and the Regulation of Insurance Industry Act No. 43 of 2000.

The Directors affirm that they have consistently applied appropriate accounting policies and exercised sound judgment and estimates in preparing the Financial Statements. Additionally, they have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future and have, therefore, adopted the going concern basis in preparing the Financial Statements.

By order of the Board



Ms Sarah Dissanayake

Head of Corporate Affairs and Company Secretary

25 March 2026

Chief Financial Officer's Statement of Responsibility

The Financial Statements of Sri Lanka Insurance Corporation General Limited (the Company) as at 31 December 2025 have been prepared and presented in compliance with the following requirements:

1. The Companies Act No. 07 of 2007 (as amended).
2. The Regulation of Insurance Industry Act No. 43 of 2000 (as amended).
3. Sri Lanka Financial Reporting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
4. The Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka.
5. The Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL).

FINANCIAL REPORTING AND FAIR PRESENTATION

The formats utilized in the preparation of these Financial Statements and the disclosures made therein comply with the mandates prescribed by relevant regulators and are in full alignment with the disclosure requirements of the Sri Lanka Accounting Standards.

I confirm that, to the best of my knowledge, the Financial Statements, significant accounting policies, and other financial information included in this Annual Report fairly represent, in all material respects, the financial position, results of operations, and cash flows of the Company for the year ended 31 December 2025. Furthermore, I confirm that the Company possesses adequate resources to continue its operations for the foreseeable future and has applied the going concern basis in the preparation of these Financial Statements.

RESPONSIBILITY FOR INTERNAL CONTROLS

While the Board of Directors is responsible for overseeing the management's fulfillment of financial reporting obligations, as the Chief Financial Officer, I am responsible for the establishment and maintenance of appropriate accounting policies, procedures, and robust internal controls over the financial reporting process.

Management has implemented a system of internal controls designed to provide reasonable assurance that the Financial Statements are accurate and complete. I believe that these internal controls provide a reliable basis for the preparation of the Financial Statements and ensure that assets are properly accounted for and safeguarded. Furthermore, the internal audit function conducts periodic reviews to ensure consistent adherence to these procedures, facilitating the prevention and detection of fraud or other irregularities.

GOVERNANCE AND AUDIT OVERSIGHT

The Audit Committee, chaired by a Non-Executive Director, has reviewed the internal audit function and the Financial Statements on a periodic basis. In accordance with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka, the Financial Statements have been audited by the Auditor General.

The Auditor General maintains unrestricted access to the Audit Committee and may meet with the Committee with or without the presence of Management. The Auditor General's Report is available on pages 127 to 129 of this Annual Report.

COMPLIANCE DECLARATIONS

I confirm that, to the best of my knowledge:

- **Legal Compliance:** The Company has complied with all applicable laws, rules, and regulations, except as otherwise disclosed in the Notes to the Financial Statements.
- **Materiality:** There are no material non-compliances other than those expressed in the Notes to the Financial Statements or the Report of the Auditor General.
- **Statutory Payments:** All taxes, duties, and statutory payments, as well as contributions and taxes payable on behalf of employees, have been duly paid or provided for as of the reporting date.
- **Solvency and Reserving:** Reserving and solvency guidelines have been strictly followed, and total reserves are backed by matching admissible assets.
- **Capital Requirements:** The equity capital meets the minimum capital requirements in accordance with applicable regulations.



Ms Sriyani Kulasinghe

Chief Financial Officer (Cover-up)

23 March 2026

Certificate of Incurred but not (Enough) Reported Claims



6 March 2026

To the shareholders of Sri Lanka Insurance Corporation General Limited

Sri Lanka Insurance Corporation General Limited – Net IBNR and LAT Certification as at 31 December 2025

I hereby certify that the undiscounted estimate of IBNR (inclusive of CHE and PRAD) provision of LKR 2,988,530,554 is adequate in relation to the Claim Liability of Sri Lanka Insurance Corporation General Limited as at 31 December 2025, net of reinsurance. This IBNR provision, together with the Case Reserves held by the Company, is expected to be adequate to meet the future liabilities in respect of the Company's incurred claims obligations as at 31 December 2025.

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test (LAT) as laid out in SLFRS 4. The LAT is performed to assess the adequacy of the carrying amount of the Unearned Premium Reserve (UPR). I hereby certify that the UPR provision of LKR 11,689,132,796 set by the Company, net of reinsurance and deferred acquisition cost, is adequate in relation to the undiscounted estimate of unexpired risks of Sri Lanka Insurance Corporation General Limited as at 31 December 2025.

The results have been determined in accordance with internationally accepted actuarial principles.

I have relied upon information and data provided by the management of the above Company and I have not independently verified the data supplied, beyond applying checks to satisfy myself as to the reasonableness of the data.

A handwritten signature in blue ink, appearing to read 'Ruchika Sangwan', is written over a horizontal line.

Ruchika Sangwan

Dated: 6 March 2026

Willis Towers Watson India Private Limited
Registered Office:
Emaar Capital Tower 2, 7th Floor
Sikanderpur, Sector 28
Gurgaon-122002
India

T: +91 124 4322800
F: +91 124 4322801
E: TW.Fin.India@wtwco.com
W: wtwco.com
CIN - U67190HR1996PTC051336

Independent Auditors' Report



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. }
My No. }

INF/A/SLIC-General/AR/2025/01

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

27 March 2026

The Chairman
Sri Lanka Insurance Corporation General Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Insurance Corporation General Limited for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018 as amended.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Sri Lanka Insurance Corporation General Limited (the "Company") for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company 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.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter

I draw attention to Note 40 and Note 45 to the financial statements, which describe the status of the administrative process relating to the segregation in terms of Section 30 of the Regulation of Insurance Industry Act No. 43 of 2000, and the non-compliance with the requirements relating to directors' independence, as per Direction No. 02 of 2022 (revised) on the Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka, pursuant to the segregation process undertaken in accordance with Section 53 of the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011.

My opinion is not modified in respect of this matter.

1.4 Other information included in the Company's 2025 Annual Report

The other information comprises the information included in the Company's 2025 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.



Independent Auditors' Report



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

When I read the Company's 2025 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements exist, those will be included in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

1.5 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.6 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards 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 Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on other legal and regulatory requirements

2.1 National Audit Act, No. 19 of 2018 and the Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 I have obtained all relevant information and explanation that were required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163(2) of the Companies Act, No. 7 of 2007 and section 12(a) of the National Audit Act, No. 19 of 2018.

Independent Auditors' Report



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

2.1.2 The Financial Statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1)(d)(iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention:

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal course of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018 except for following:

- a) In compliance with Section 53 of the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011, SLIC has segregated its business operations effective from 01 February 2024 to General Insurance Business and Life Insurance Business ("the Company"). The assets of Sri Lanka Insurance Corporation have been transferred to the Company as per segregation guidelines and the scheme of arrangement endorsed by high court and the transfer was effected as per Sec 256 of the Companies Act No. 07 of 2007. However, the formalities including the administrative name changes with the third parties are still in progress.

Further, the Company has requested for an extension from the Insurance Regulatory Commission of Sri Lanka (IRCSL), as certain administrative matters including administrative name change related to the segregation are still ongoing and being addressed as part of the broader post-segregation implementation and in the process of receiving a written response from IRCSL.

Accordingly, due to these ongoing operational and administrative challenges, a potential non-compliance related to administrative procedures under Section 30 of Regulation of Insurance Industry Act No. 43 of 2000 has been noted.

- b) In terms of Item 4 of the IRCSL Direction No. 02 of 2022 (revised), the Board of an insurer must adhere to Section 7.10 of the Listing Rules of the Colombo Stock Exchange (CSE Listing Rules) (or any amendments made thereto), pertaining to Corporate Governance. The revised Corporate Governance Rules are set out in Section 9 of the CSE Listing Rules.

In terms of Section 9.8.2(a) of the CSE Listing Rules, the Board of Directors of an insurer shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.

However, based on a careful assessment of the independence of each Director, carried out in accordance with the requirements communicated by the IRCSL via email dated 19 November 2025, the Company has concluded that, as at the reporting date, the Board of Directors does not comprise Independent Directors. Accordingly, this reflects non-compliance with Direction No. 02 of 2022 (revised) and Section 9.8.2(a) of the CSE Listing Rules.

Accordingly, as stipulated in Item 7 of the IRCSL Direction No. 02 of 2022 (revised), the Company is required to take immediate measures to ensure compliance with the revised Direction. A grace period has been granted by the IRCSL (Ref: IRCSL/LEG/2026/01/2025), pursuant to its letter dated 12 January 2026, within which the Company is required to submit a Board resolution confirming compliance with the revised Direction on or before 06 April 2026.

2.2.3 to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

L. S. I. Jayaratna

Auditor General

Statement of Financial Position

| As at 31 December | Note | Page | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------------------------|------|------|-------------------|-------------------|
| Assets | | | | |
| Intangible assets | 5 | 141 | 115,714 | 61,879 |
| Property, plant and equipments | 6 | 142 | 499,975 | 611,198 |
| Right of use assets | 7 | 145 | 213,723 | – |
| Deferred tax assets | 8 | 147 | 308,066 | 254,677 |
| Financial investments | 9 | 148 | 43,555,264 | 36,982,166 |
| Reinsurance receivables | 10 | 153 | 5,967,242 | 1,972,225 |
| Premium receivables | 11 | 154 | 6,338,759 | 5,144,352 |
| Other assets | 12 | 155 | 1,119,975 | 1,583,253 |
| Deferred expenses | 13 | 155 | 758,201 | 732,566 |
| Cash and cash equivalents | 14 | 155 | 5,138,025 | 3,791,489 |
| Total assets | | | 64,014,944 | 51,133,805 |
| Liabilities and equity | | | | |
| Equity | | | | |
| Stated capital | 15 | 156 | 14,000,000 | 14,000,000 |
| Restricted capital reserve | 16 | 156 | 1,000,000 | 1,000,000 |
| Revaluation reserve | 17 | 156 | 185,236 | 185,236 |
| Available For Sale reserve | 18 | 157 | 7,588,377 | 4,182,152 |
| Retained earnings | 19 | 157 | 4,777,032 | 2,611,046 |
| Total equity | | | 27,550,645 | 21,978,434 |
| Liabilities | | | | |
| Insurance contract liabilities | 20 | 157 | 26,458,482 | 20,441,265 |
| Lease liabilities | 7 | 145 | 228,585 | – |
| Employee benefit liabilities | 21 | 159 | 1,600,955 | 1,391,859 |
| Reinsurance payables | 22 | 161 | 2,249,866 | 1,751,702 |
| Current tax liabilities | 23 | 161 | 122,436 | 404,367 |
| Other liabilities | 24 | 161 | 5,220,110 | 4,898,032 |
| Bank overdrafts | 25 | 162 | 583,865 | 268,146 |
| Total liabilities | | | 36,464,299 | 29,155,371 |
| Total liabilities and equity | | | 64,014,944 | 51,133,805 |

Figures in brackets indicate deductions.

The accounting policies and notes on pages 136 to 192 form an integral part of these Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



Sriyani Kulasinghe

Chief Financial Officer (Cover-up)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Those Financial Statements were approved by the Board of Directors and signed on their behalf;



Nusith Kumarathunga

Chairman
Colombo

23 March 2026



Thushara Rodrigo

Director

Statement of Profit or Loss and Other Comprehensive Income

| For the year ended 31 December | Note | Page | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------|---------------------|------------------|
| Revenue | 26 | 162 | 24,270,492 | 20,199,038 |
| Gross written premium | 27 | 162 | 30,303,076 | 23,570,648 |
| Change in reserve for gross unearned premium | 28.1 | 163 | (1,854,667) | 420,875 |
| Gross earned premium | | | 28,448,409 | 23,991,523 |
| Premium ceded to reinsurers | 28.2 | 163 | (8,735,752) | (6,998,145) |
| Change in reserve for unearned reinsurance premium | 28.3 | 163 | 238,271 | (432,281) |
| Net earned premium | 28 | 162 | 19,950,928 | 16,561,097 |
| Other income | | | | |
| Investment income | 29 | 163 | 3,913,726 | 3,987,625 |
| Net realised/unrealised gains/(losses) | 30 | 165 | 342,146 | (419,807) |
| Other income | 31 | 165 | 63,693 | 70,123 |
| | | | 4,319,565 | 3,637,941 |
| Revenue | | | 24,270,493 | 20,199,038 |
| Benefits, losses and expenses | | | | |
| Net benefits and claims | 32 | 165 | (12,268,736) | (9,482,391) |
| Underwriting and net acquisition costs | 33 | 167 | 12,093 | (221,274) |
| Other operating and administrative expenses | | | (8,762,344) | (6,922,050) |
| Net benefits, losses and expenses | | | (21,018,987) | (16,625,715) |
| Profit before tax | 34 | 167 | 3,251,506 | 3,573,323 |
| Income tax expense | 35 | 167 | (723,454) | (911,984) |
| Net profit for the year | | | 2,528,052 | 2,661,339 |
| Other Comprehensive Income | | | | |
| Items that are or may be re-classified subsequently to profit or loss | | | | |
| Net change in fair value of Available For Sale financial assets | 18 | 157 | 3,548,795 | 4,301,154 |
| Deferred tax effect on fair value of Available For Sale reserve | 18 | 157 | (2,927) | (167,377) |
| Net change in fair value of Available For Sale financial assets transferred to the Statement of Profit or Loss | 29.3 | 164 | (139,643) | 48,375 |
| Items that will not be re-classified to profit or loss | | | | |
| Net gain on revaluation of property, plant and equipments | 17 | 156 | - | 264,623 |
| Deferred tax effects on realisation of revaluation of reserve on property, plant and equipments | 17 | 156 | - | (79,387) |
| Actuarial losses on retirement benefit obligation | 19 | 157 | (160,095) | (180,910) |
| Deferred tax effect on actuarial losses | 19 | 157 | 48,029 | 54,272 |
| Other Comprehensive Income for the year, net of tax | | | 3,294,159 | 4,240,750 |
| Total Comprehensive Income for the year | | | 5,822,211 | 6,902,089 |
| Profit for the year attributable to: | | | | |
| Equity holders of the Company | | | 2,528,052 | 2,661,339 |
| Net profit for the year | | | 2,528,052 | 2,661,339 |
| Total Comprehensive Income attributable to: | | | | |
| Equity holders of the Company | | | 5,822,211 | 6,902,089 |
| Total Comprehensive Income for the year | | | 5,822,211 | 6,902,089 |
| Basic/diluted earnings per share (Rs.) | 36 | 169 | 1.81 | 2.07 |
| Dividend per share (Rs.) | 37 | 169 | - | 0.18 |

Figures in brackets indicate deductions.

The accounting policies and notes on pages 136 to 192 form an integral part of these Financial Statements.

Colombo

23 March 2026

Statement of Changes in Equity

| For the year ended 31 December | Note | Page | Stated capital Rs. '000 | Revaluation reserve Rs. '000 |
|---|------|------|----------------------------|------------------------------------|
| Balance as at 01 January 2024 | | | 500,000 | – |
| Shares issued from segregation | | | 13,500,000 | – |
| Restricted capital reserve | | | – | – |
| Balance as at 01 February 2024 | | | 14,000,000 | – |
| Total Comprehensive Income for the year | | | | |
| Profit for the year | | | – | – |
| Other Comprehensive Income | | | | |
| Net change in fair value of Available For Sale financial assets, net of tax | | | – | – |
| Gain on revaluation of property plant and equipments, net of tax | | | – | 185,236 |
| Remeasurement loss on defined, net of tax benefit plans | | | – | – |
| Total Other Comprehensive Income, net of tax | | | – | 185,236 |
| Total Comprehensive Income for the year | | | – | 185,236 |
| Balance as at 31 December 2024 | | | 14,000,000 | 185,236 |
| Balance as at 01 January 2025 | | | 14,000,000 | 185,236 |
| Total Comprehensive Income for the year | | | | |
| Profit for the year | | | – | – |
| Other Comprehensive Income | | | | |
| Net change in fair value of Available For Sale financial assets, net of tax | 18 | 157 | – | – |
| Remeasurement loss on defined, net of tax benefit plans | 19 | 157 | – | – |
| Total Other Comprehensive Income, net of tax | | | – | – |
| Total Comprehensive Income for the year | | | – | – |
| First and final dividend (2024) | | | – | – |
| Balance as at 31 December 2025 | | | 14,000,000 | 185,236 |

Figures in brackets indicate deductions.

The accounting policies and notes on pages 136 to 192 form an integral part of these Financial Statements.

Colombo

23 March 2026

Statement of Changes in Equity

| | Restricted capital reserve Rs. '000 | Available For Sale reserve Rs. '000 | Retained earnings Rs. '000 | Total equity Rs. '000 |
|--|---|---|----------------------------------|-----------------------------|
| | - | - | 76,345 | 576,345 |
| | - | - | - | 13,500,000 |
| | 1,000,000 | - | - | 1,000,000 |
| | 1,000,000 | - | 76,345 | 15,076,345 |
| | - | - | 2,661,339 | 2,661,339 |
| | - | 4,182,152 | - | 4,182,152 |
| | - | - | - | 185,236 |
| | - | - | (126,638) | (126,638) |
| | - | 4,182,152 | (126,638) | 4,240,750 |
| | - | 4,182,152 | 2,534,701 | 6,902,089 |
| | 1,000,000 | 4,182,152 | 2,611,046 | 21,978,434 |
| | 1,000,000 | 4,182,152 | 2,611,046 | 21,978,434 |
| | - | - | 2,528,052 | 2,528,052 |
| | - | 3,406,225 | - | 3,406,225 |
| | - | - | (112,066) | (112,066) |
| | - | 3,406,225 | (112,066) | 3,294,159 |
| | - | 3,406,225 | 2,415,986 | 5,822,211 |
| | - | - | (250,000) | (250,000) |
| | 1,000,000 | 7,588,377 | 4,777,032 | 27,550,645 |

Statement of Cash Flows

| For the year ended 31 December | Note | Page | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------|------|------------------|------------------|
| Cash flows from operating activities | | | | |
| Premium received from customers | | | 29,108,671 | 22,887,058 |
| Reinsurance premium paid | | | (8,237,589) | (6,480,361) |
| Insurance claims and benefits paid | | | (12,305,974) | (10,199,723) |
| Reinsurance receipts in respect of claims and benefits | | | 1,790,084 | 1,537,161 |
| Cash paid to and on behalf of employees | | | (5,498,644) | (4,324,150) |
| Other operating cash payments | | | (3,168,038) | (502,037) |
| Cash flows from operating activities | A | | 1,688,510 | 2,917,948 |
| Gratuity paid | 21 | 159 | (184,336) | (77,555) |
| Income tax paid | 23 | 161 | (1,013,672) | (379,465) |
| Net cash from operating activities | | | 490,502 | 2,460,928 |
| Cash flows from investing activities | | | | |
| Acquisition of financial investments | | | (21,328,025) | (11,773,912) |
| Proceeds from financial investments | | | 18,394,982 | 9,169,116 |
| Proceeds from disposal of property, plant and equipments | | | – | 5,310 |
| Acquisition of property, plant and equipments | 6 | 142 | (102,089) | (147,143) |
| Acquisition of intangible assets | 5 | 141 | (75,800) | (42,730) |
| Interest received | | | 3,150,627 | 2,551,522 |
| Dividend received | | | 402,258 | 211,213 |
| Staff and field officers loan granted | | | (405,822) | (214,296) |
| Staff and field officers loan recovered | | | 521,027 | 460,281 |
| Net cash used in investing activities | | | 557,159 | 219,361 |
| Cash flows from financing activities | | | | |
| Cash received from SLICGL on segregation | | | – | 683,461 |
| Dividends paid | 19 | 157 | (250,000) | – |
| Lease rental paid | 7 | 145 | (108,990) | – |
| Net cash used in financing activities | | | (358,990) | 683,461 |
| Effect of exchange rate changes on cash and cash equivalents | | | 342,146 | (419,807) |
| Net increase/(decrease) in cash and cash equivalents | | | 1,030,817 | 2,943,943 |
| Cash and cash equivalents at the beginning of the year | | | 3,523,343 | 579,400 |
| Cash and cash equivalents at the end of the year | B | | 4,554,160 | 3,523,343 |

Figures in brackets indicate deductions.

The accounting policies and notes on pages 136 to 192 form an integral part of these Financial Statements.

Colombo

23 March 2026

Statement of Cash Flows

Note A – Reconciliation of operating profit with cash flow from operating activities.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Cash generated from operating activities | | |
| Profit before tax | 3,251,506 | 3,573,323 |
| Adjustments for: | | |
| Depreciation | 328,961 | 129,860 |
| ROU Interest in suspense | 30,168 | – |
| Gain on disposal of property, plant and equipments | – | (4,173) |
| Net fair value gains | (405,488) | (881,008) |
| Provision for employee benefits | 233,337 | 179,579 |
| Gains/(losses) on foreign exchange transaction | (342,146) | 419,807 |
| Interest received | (3,150,627) | (2,551,522) |
| Dividend received | (402,258) | (211,213) |
| Amortised staff and field officers cost | 140,731 | 145,674 |
| (Loss)/profit before working capital changes | (315,815) | 800,327 |
| Net change in operational assets | | |
| (Increase)/decrease in receivables | (4,833,132) | 123,239 |
| Net change in operational liabilities | | |
| Increase/(decrease) in unearned premium | 1,616,398 | 11,406 |
| Increase/(decrease) in claims provisions | 4,400,821 | (200,147) |
| Increase/(decrease) in payables | 820,240 | 2,183,123 |
| Net cash from operating activities | 1,688,510 | 2,917,948 |
| Note B – Analysis of cash and cash equivalents | | |
| Cash and cash equivalents at the end of the year | | |
| Cash at bank and in hand | 4,524,868 | 1,189,148 |
| Short-term investments | 613,162 | 2,602,341 |
| Bank overdrafts | (583,870) | (268,146) |
| Cash and cash equivalents | 4,554,160 | 3,523,343 |

Figures in brackets indicate deductions.

The accounting policies and notes on pages 136 to 192 form an integral part of these Financial Statements.

Colombo

23 March 2026

Notes to the Financial Statements

1 CORPORATE INFORMATION

1.1 Reporting entity

Sri Lanka Insurance Corporation General Limited ("the Company/SLICGL"), is an unlisted public limited Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located in the District of Colombo and the principal place of business is located at "Rakshana Mandiraya", No. 21, Vauxhall Street, Colombo 02. The Company was duly incorporated under the companies Act no. 07 of 2007 and regulated under the insurance industry Act no. 43 of 2000 and amendments there to.

With segregation of Sri Lanka Insurance Corporation (SLIC), the Insurance Regulatory Commission of Sri Lanka (IRCSL) granted insurance licenses effective from 01 February 2024 to the Sri Lanka Insurance Corporation General Limited to carry out the General insurance business. (Refer Note 40 – Segregation).

1.2 Parent Company and ultimate parent Company

The Company's immediate and ultimate parent Company is Sri Lanka Insurance Corporation Limited, incorporated in Sri Lanka. 100% of the ordinary shares are owned by the parent Company.

1.3 Principal activities and nature of operations

The principal activity of the Company is to undertake and carry on all classes of General insurance businesses for individuals and corporates customers.

1.4 Number of employees

The staff strength of the Company as at 31 December 2025 was 1,829 (2024 – 1,843).

1.5 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of Financial Statements as per the Sri Lanka Accounting Standards and provisions of the Companies Act no 07 of 2007.

1.6 Approval of Financial Statements

The Financial Statements for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 23 March 2026.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (LKASs/SLFRSs) and Statement of Recommended Practice (SoRP) issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Companies Act No. 07 of 2007 and the Regulation of Insurance Industry Act No. 43 of 2000.

2.2 Basis of measurement

The Financial Statements of the Company have been prepared on the historical cost basis except for the following material items, which are measured on an alternative basis.

| Item | Measurement basis | Note | Page |
|--|--|------|------|
| Financial assets | | | |
| Non derivative financial assets at Fair Value Through Profit or Loss | Fair Value | 9 | 148 |
| Available For Sale financial assets | Fair Value | 9 | 148 |
| Non-financial assets/liabilities | | | |
| Insurance contract liabilities | Actuarially determined values | 20 | 157 |
| Defined benefit obligation | Actuarially valued and recognised as the present value of defined benefit obligation | 21 | 159 |
| Inventory – salvage stock | Fair value | 12 | 155 |
| Motor vehicle | Fair value | 6 | 142 |

The Company presents its Statement of Financial Position using a liquidity-based format, as permitted under LKAS 1 – "Presentation of Financial Statements".

2.3 Financial period

The Financial Statements are prepared in respect of the financial year ending on 31 December 2025.

2.4 Functional and presentation currency

The Financial Statements including other information have been presented in Sri Lankan Rupees (Rs.), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated as permitted by the Sri Lanka Accounting Standards – LKAS 1 – "Presentation of Financial Statements".

2.5 Offsetting

The Company reports separately its assets and liabilities and its income and expenses in the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income.

Offsetting in the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, or in the separate income statement is applied only when it reflects the substance of the transaction or other event. Otherwise, offsetting would detract from the ability of users of the Financial Statements to understand the transactions, other events and conditions that have occurred and to assess the Company's future cash flows.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.6 Use of estimates and judgments

The preparation of the Company's Financial Statements in accordance with SLFRS and LKAS requires management to exercise judgment and make 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.

The Company experienced the Cyclone *Ditwah* during the reporting period that it resulted in damages to the assets and disruptions to operations in affected areas. The assessment of the financial impact arising from this event required management to apply significant judgement and estimates, particularly in relation to the extent of asset damage, expected insurance recoveries, and the timing and cost of restoration activities.

Due to the inherent uncertainties associated with post disaster assessments and the availability of reliable information at the reporting date, the final financial impact may differ from the estimates currently recognised in the Financial Statements. Management will continue to review these estimates as additional information becomes available, and any revisions will be recognised in the period in which they are identified.

Estimation uncertainty arising from judgement and estimates are reviewed on an ongoing basis and significant changes, if any, are recognised prospectively.

Current economic condition of the country and estimation uncertainty.

The Sri Lankan economy continued its gradual recovery during 2025 following the significant rebound experienced in 2024. This recovery was supported by the ongoing implementation of macroeconomic reforms, including prudent monetary and fiscal policies, progress in sovereign debt restructuring, and the continuation of the IMF-supported economic stabilisation programme. Key macroeconomic indicators demonstrated relative stability during the year, with moderate inflation, improving external sector performance, and gradually stabilising interest rates. Economic growth remained positive, although at a moderated pace compared to the previous year, reflecting the continued economic adjustment following the recent crisis.

While both global and domestic economic uncertainties persist, Management has assessed that, as at the reporting date, there were no material uncertainties that would significantly impact the key accounting judgements, estimates, and assumptions applied in the preparation of these Financial Statements.

However, the ongoing geopolitical tensions, including the current war in the Gulf region may create additional economic uncertainty through potential increases in global oil prices, disruptions to international shipping routes, and higher logistics and insurance costs. Such developments may particularly affect marine trade routes and shipping activities, which could influence marine insurance exposure and claims experience within the insurance industry.

Information about assumption and estimation uncertainty that have significant effect on the amounts recognised in the Financial Statements is included under the following notes:

| Assumption | Note | Pages |
|--|-----------|-----------|
| Measurement of defined benefit obligations: key actuarial assumptions | 21 | 159 |
| Provision for impairment of non-financial assets and financial assets: key assumptions underlying | 9 | 148 |
| Measurement of insurance provision for non-life including IBNR/IBNER and UPR | 20 | 157 |
| Measurement of Deferred Acquisition Cost (DAC) | 13 | 155 |
| Fair value measurement of unquoted instruments and fair value through profit or loss financial investments | 9 | 148 |
| Determination of the fair value of motor vehicles with significant unobservable inputs | 6 | 142 |
| Impairment of intangible assets | 5 | 141 |
| Measuring insurance and reinsurance contracts: key assumptions | 20 & 22 | 157 & 161 |
| Liability Adequacy Test | 20 | 157 |
| Judgements | | |
| Measurement of insurance and reinsurance contracts: determining the techniques for estimating risk | 27 & 28.2 | 162 & 163 |
| Classification of financial assets | 9 | 148 |

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted LKAS 1 - "Presentation of Financial Statements" Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and the comparability of Financial Statements of the Company.

2.8 Comparative information

Comparative figures have been re-classified, where relevant for better presentation and to be comparable with those of the current year.

Following the segregation of Sri Lanka Insurance Corporation (SLIC), the Insurance Regulatory Commission of Sri Lanka (IRCSL) granted an insurance license to the Company, effective from 1 February 2024, to carry out General Insurance business. Accordingly, the comparative figures include only 11 months of insurance activities, whereas the current year figures reflect a full 12 months of insurance operations..

2.9 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern, being satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.9 Going concern (Cont'd)

In preparing these financial statements, management has assessed the current economic conditions and confirmed the appropriateness of using the going concern basis of preparation. The Company has been evaluating the resilience of its businesses, considering a wide range of factors such as profitability, revenue streams, working capital management, capital expenditure, cash reserves, and cost management initiatives implemented by the Company in order to be able to continue business under current global and local economic conditions. Based on the analysis and future outlook based on available information, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue to operate as a going concern.

Therefore, the Financial Statements continue to be prepared on the going concern basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Company has consistently applied the following accounting policies to all periods presented in these Financial Statements. The accounting policies are presented along with the respective notes.

| Material accounting policies | Note | Page |
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3.1 Other significant accounting policies not covered with individual notes

The following accounting policies which have been applied consistently by the Company, are considered to be significant but are not covered in any other section.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non monetary assets and liabilities that are measured at fair value in foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in Statement profit and loss.

3.3 Insurance contracts

Product classification

SLFRS 4 requires contracts written by insurers to be classified as either "insurance contracts" or "investment contracts" depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its remaining contract period, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Notes to the Financial Statements

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Insurance contracts (Cont'd)

Statement of Cash Flows

The Cash Flow Statement has been prepared using the indirect method of preparing cash flows in accordance with the Sri Lanka Accounting Standard LKAS 7 - "Statement of Cash flows".

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE

4.1 New Standards, interpretations and amendments adopted from 01 January 2025

The Company adopted the following new standards, amendments to standards and interpretations for the first time for the financial year beginning on 01 January 2025. The adoption of these standards and amendments did not have a material impact on the Company's Financial Statements.

| Accounting standard | Description | Effective date |
|--|--|-----------------|
| Amendments to LKAS 21 - "The Effects of Changes in Foreign Exchange Rates" | Lack of exchangeability | 01 January 2025 |
| SLFRS S1 - "General Requirements for Disclosure of Sustainability related Financial Information" | To disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions | 01 January 2025 |
| SLFRS S2 - "Climate-related Disclosures" | To disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions | 01 January 2025 |

4.2. Standards issued but not yet effective which may have an impact

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 01 January 2026 or at a later date.

The new and amended standards that are issued but are not yet effective at the date of issuance of these Financial Statements are disclosed below.

| Accounting standard | Description | Effective date |
|--|---|-----------------|
| SLFRS 17 - "Insurance Contracts" | Measure insurance contract liability at a current fulfilment value and provide a more uniform measurement and presentation approach for all insurance contracts | 01 January 2026 |
| Amendments to SLFRS 9 and SLFRS 7 | Classification and measurement of financial instruments | 01 January 2026 |
| Annual Improvements to SLFRS Accounting Standards - Volume 11 | Minor amendments were made to improve clarity and consistency in several standards | 01 January 2026 |
| SLFRS 18 - "Presentation and Disclosure in Financial Statements" | Changes presentation of Financial Statements | 01 January 2027 |
| SLFRS 19 - "Subsidiaries without public Accountability Disclosure" | Reduced disclosure requirements for eligible subsidiaries | 01 January 2027 |

Notes to the Financial Statements

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE (CONT'D)

4.2 Standards issued but not yet effective which may have an impact (Cont'd)

Temporary Exception from SLFRS 09

SLFRS 09 - "Financial Instruments"

This standard replaces the existing guidance in LKAS 39 - "Financial Instruments: Recognition and Measurement". SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. SLFRS 09 is effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted.

The Company (SLICGL) is predominantly based on the proposed amendments to SLFRS 04 Insurance contracts, and the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 09 until adopting the revised SLFRS 04, which commenced in 2022. In Sri Lanka SLFRS 17 - Insurance contract effective date from 01 January 2026, the Company expects the temporary exemption to be deferred until January 2026.

An insurer may apply the temporary exemption from SLFRS 09 if, and only if:

- (a) It has not previously applied any version of SLFRS 09, other than only the requirements for the presentation of gains and losses on financial liabilities designated as at Fair Value Through Profit or Loss.
- (b) Its activities are predominantly connected with insurance, at its annual reporting date that immediately precedes 01 April 2016, or at a subsequent annual reporting date.
In accordance with the amendments to SLFRS 04 - "Insurance Contracts", An insurer's activities are predominantly connected with insurance if, and only if:
- (c) the carrying amount of its liabilities arise from contracts within the scope of this SLFRS, which includes any deposit components or embedded derivatives unbundled from insurance contracts, is significant compared to the total carrying amount of all its liabilities; and
- (d) the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is:
 - I. greater than 90 per cent; or
 - II. less than or equal to 90 per cent but greater than 80 per cent, and the insurer does not engage in any significant activity unconnected with insurance.

The temporary exemption from SLFRS 09 will be re assessed for whether its activities are predominantly connected with insurance at a subsequent annual reporting date if, and only if, there was a change in the entity's activities, during the annual period that ended on that date.

The Company will decide on appropriate classification of its investments under SLFRS 09 closer to the time of adopting the revised SLFRS 04 and so is not able to fully quantify the impact of adopting SLFRS 09 on its Financial Statements as at reporting date. It is anticipated however, that it may not significantly change the Company's total equity.

SLFRS 17 - "Insurance Contracts"

SLFRS 17 is effective for annual periods beginning on or after 01 January 2026. Early adoption is permitted along with the adoption of SLFRS 09 and SLFRS 15. SLFRS 17 supersedes SLFRS 04 - "Insurance contracts". The Company intends to adopt the new standard on its mandatory effective date.

SLFRS 4 permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdiction prior to January 2005. SLFRS 17 replaces this with a new measurement model for all insurance contracts.

SLFRS 17 requires liabilities for insurance contracts to be recognised as the present value of future cash flows, incorporating an explicit risk adjustment, which is updated at each reporting date to reflect current conditions, and a Contractual Service Margin (CSM) that is equal and opposite to any day one gain arising on initial recognition. Losses are recognised directly in the Statement of Profit or Loss. For the measurement purposes contracts are grouped together into contracts of similar risk profitability profile and issue year, with further divisions for contracts that are managed separately.

Profit for insurance contracts under SLFRS 17 is represented by the recognition of the service provided to policy holders in the period (release of CSM), release from non-economic risk (release of risk adjustment) and investment profit.

The CSM is released as profit over the coverage period of the insurance contract, reflecting the delivery of services to the policyholder. For certain contracts with participating features (where a substantial share of the fair value of the related investments and other underlying items is paid to policyholders) the CSM reflects the variable fee to shareholders. For these contracts, the CSM is adjusted to reflect the changes in economic experience and assumptions. For all other contracts the CSM is only adjusted for non-economic assumptions.

SLFRS 17 introduces a new measure of insurance revenue, based on the delivery of service to policyholders and excluding any premiums related to the investment elements of policies, which will be significantly different from existing premium revenue measures, currently reported in the income statement. In order to transition to SLFRS 17, the amount of deferred profit, being the CSM at transition date, needs to be determined.

SLFRS 17 requires, the CSM to be calculated as if the standards had applied retrospectively. If this is not practical, an entity is required to choose either a simplified retrospective approach or determine the CSM by reference to the fair value of the liabilities at transition date. The approach for determining the CSM will have a significant impact on both shareholders' equity and on the amount of profit on in-force business in future reporting periods.

Notes to the Financial Statements

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE (CONT'D)

4.2 Standards issued but not yet effective which may have an impact (Cont'd)

SLFRS 17 is expected to have a substantial change in the presentation of the Financial Statements and disclosures, as the requirements of the new standard are complex and require a fundamental change to accounting for insurance contracts as well as the application of significant judgement and new estimation techniques. The effect of changes required to the Company's accounting policies as a result of implementing these standards are currently uncertain, but these changes can be expected to, among other things, alter the timing of profit recognition.

With the implementation of SLFRS 17, the shadow accounting to insurance related assets and liabilities will not be applicable.

The Company has an implementation programme underway to implement SLFRS 17. The programme is responsible for setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate data and implementing actuarial and finance system changes.

5 INTANGIBLE ASSETS

ACCOUNTING POLICY

Recognition and measurement

Intangible assets are recognised if it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the cost can be measured reliably. Recognition and measurement of intangible assets are carried out in accordance with the requirements of LKAS 38 - "Intangible Assets".

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Company assesses at each reporting date whether there is an indication that an asset may be impaired.

Internally developed software

The Company recognises expenditure on internally developed software as an asset when it can demonstrate its intention and ability to complete the development and utilise the software in a manner that generates future economic benefits. Additionally, the costs to complete the development must be reliably measurable.

Capitalised costs of internally developed software include all directly attributable expenditures incurred during the development phase, along with capitalised borrowing costs where applicable. These costs are amortised over the software's estimated useful life. Internally developed software is stated at capitalised cost, net of accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it enhances the future economic benefits of the specific asset to which it relates. Any other expenditure that does not meet this criterion is recognised as an expense in the period in which it is incurred.

Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of such assets is recognised in Other Operating Income in the Statement of Profit or Loss in the period in which the asset is derecognised.

Treatment of research and development cost

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset only when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention and ability to complete and either use or sell the asset
- the potential for the asset to generate future economic benefits
- the availability of sufficient resources to complete the development
- the ability to reliably measure the expenditure incurred during development
- the ability to effectively use the intangible asset once generated

The Company has not incurred any research and development costs for the financial year 2025.

Useful economic life, amortisation and impairment Intangible assets with finite lives

Intangible assets with a finite useful life are amortised over their estimated economic life, commencing from the date they are available for its intended use. This approach ensures that amortisation reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Additionally, intangible assets are assessed for impairment whenever there is an indication that the asset may be impaired.

The useful life, amortisation method, and residual value of intangible assets with finite useful lives are reviewed at each reporting date. Any changes in the expected useful life or the expected future economic benefits embodied in the asset are assessed, and modifications to the useful life, amortisation method, or residual value are made as appropriate.

Amortisation expenditure

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss under other operating and administration expenses.

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONT'D)

Useful life, residual value and amortisation method

| Intangible asset | Estimated useful life/ amortisation period | Residual value | Amortisation method |
|-------------------|--|----------------|---|
| Computer software | 5 years | Nil | Straight-line basis over the estimated useful life of the software, from the date that it is available for use. |

The Company does not have intangible assets with indefinite useful life as at the reporting date.

Impairment review of intangible assets

The Company assesses intangible assets for impairment at each reporting date and whenever there are indications that an asset may be impaired. Finite life intangible assets, are amortised over their useful life and reviewed for impairment when indicators exist.

The impairment review compares the carrying amount of the asset with its recoverable amount, which is the higher of:

- (1) Fair value less costs to sell – the amount recoverable from selling the asset in an orderly transaction
- (2) Value in use – the present value of future expected cash flows from the asset, using a suitable discount rate

If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the Statement of Profit or Loss.

5.1 Reconciliation of carrying amount of intangible assets

| | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------------------|------------------|------------------|
| Cost | | |
| Balance as at 01 January | 397,338 | – |
| Transfer from SLICGL | – | 354,609 |
| Additions | 75,800 | 42,729 |
| Balance as at 31 December | 473,138 | 397,338 |
| Amortisation | | |
| Balance as at 01 January | 335,459 | – |
| Transfer from SLICGL | – | 324,407 |
| Amortisation charge | 21,965 | 11,052 |
| Balance as at 31 December | 357,424 | 335,459 |
| Carrying value | | |
| Net balance as at 31 December | 115,714 | 61,879 |

5.2 Fully amortised intangible assets

The initial cost of fully amortised intangible assets which are still in use are as follows:

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------|------------------|------------------|
| Computer software | 264,276 | 261,163 |
| Total | 264,276 | 261,163 |

6 PROPERTY, PLANT AND EQUIPMENTS

ACCOUNTING POLICY

Recognition and measurement

The Company adheres to the principles of LKAS 16 – “Property, Plant, and Equipment” in accounting for its owned assets. These assets, which are utilised for service provision, rental activities, or administrative functions, are recognised based on their expected usage period exceeding one year.

Basis of recognition

Property, plant and equipments are recognised when it is likely that the asset will generate future economic benefits for the Company and when its cost can be reliably measured.

Basis of measurement

An item of property, plant, and equipments that qualifies for recognition as an asset is initially measured at its acquisition cost. This cost comprises all expenditures directly attributable to the purchase or construction of the asset, as well as any subsequent costs incurred to enhance its functionality, excluding routine maintenance expenses and recoverable taxes. In the case of self-constructed assets, the cost includes materials, direct labour, and other directly attributable costs necessary to prepare the asset for its intended use.

Derecognition

Property, plant and equipments are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of such assets is recognised in Other Operating Income in the Statement of profit or loss in the period in which the asset is derecognised.

Subsequent measurement

Cost model

The Company applies the cost model for all property, plant, and equipments other than motor vehicles. These assets are recorded at their purchase cost, inclusive of any directly attributable expenses, and subsequently measured net of accumulated depreciation and any impairment losses.

Notes to the Financial Statements

6. PROPERTY, PLANT AND EQUIPMENTS (CONT'D)

Revaluation model

The Company applies the revaluation model for motor vehicles after initial recognition, measuring them at their revalued amounts, which represent fair value at the date of revaluation, less subsequent accumulated depreciation and any impairment losses recognised after valuation. To ensure that the carrying amounts reflect fair value, motor vehicles are revalued by independent professional valuers once in three years.

Any increase in the carrying amount of a revalued asset is recognised in the revaluation reserve within equity through Other Comprehensive Income (OCI) or used to reverse a previous revaluation decrease recorded in the Statement of Profit or Loss. Such an increase is recognised as income only to the extent that it reverse a revaluation decrease of the same asset previously recognised in Statement of Profit or Loss.

Conversely, any decrease in the carrying amount is recorded as an expense in the Statement of Profit or Loss or deducted from the revaluation reserve in equity through OCI, but only to the extent of any existing credit balance in the revaluation reserve for that asset. Upon disposal or retirement of a revalued asset, any remaining balance in the revaluation reserve related to that asset is transferred directly to retained earnings.

Subsequent costs

The cost of replacing a component of property or equipment is capitalised as part of the asset's carrying amount when it is probable that future economic benefits associated with the component will flow to the Company and its cost can be reliably measured. The carrying amount of the replaced component is derecognised.

Repairs and maintenance

Repairs and maintenance costs are expensed to the Statement of Profit or Loss in the period in which they are incurred. However, the cost of major renovations is capitalised as part of the asset's carrying amount when it is probable that the renovation will generate future economic benefits exceeding the asset's previously assessed standard of performance and replaces an identifiable component of the asset.

Useful economic life, residual values and depreciation

The Company provides for depreciation from the date an asset is available for use until its disposal. Depreciation is calculated on a straight-line basis over the estimated useful lives of various asset categories. For revalued asset classes, depreciation is determined based on the remaining useful life at the time of revaluation.

The Company applies the component approach to depreciation, where significant parts of an item of property, plant, and equipments with differing useful lives are depreciated separately. Each component is depreciated over its estimated useful life using the straight-line method, ensuring that the depreciation expense reflects the pattern in which the asset's future economic benefits are expected to be realised.

Depreciation is recognised as an expense under other operating and administrative expenses in the Statement of Profit or Loss.

Useful economic lives, depreciation rate and residual values

The Company conducts a comprehensive review of the residual values, useful lives, and depreciation methods of its property, plant, and equipments at each reporting date. While certain asset categories, such as motor vehicles, may possess significant residual values, the Company has adopted a conservative approach by not considering residual values in its depreciation calculations. Instead, depreciation is systematically charged over the full useful life of the asset to ensure prudent asset valuation.

Any necessary adjustments to useful lives, or depreciation methods are made based on the outcome of these periodic reviews.

| Class of Asset | Depreciation rate % | Estimated useful life Years | Residual value |
|-----------------------------|---------------------|-----------------------------|----------------|
| Furniture and fittings | 15 | 6 2/3 | Nil |
| Office and other equipments | 15 | 6 2/3 | Nil |
| Computer equipments | 20 | 5 | Nil |
| Motor vehicles | 20 | 5 | Nil |
| CCTV camera | 33.33 | 3 | Nil |
| Name board | 25 | 4 | Nil |

Impairment review of property, plant and equipments

At each reporting date, the Company evaluates whether there are any indicators of impairment for its Property, Plant, and Equipments (PPE). If such indicators are identified, the Company estimates the recoverable amount of the asset to determine whether an impairment loss should be recognised. Any impairment losses are recorded in accordance with applicable accounting standards to ensure the accurate reflection of asset values in the Financial Statements.

Recoverable amount assessment

The recoverable amount of an asset is the higher of:

1. Fair value less costs to sell – The price that would be received from selling the asset in an orderly transaction, minus disposal costs.
2. Value in use – The present value of estimated future cash flows expected to be derived from the asset, discounted using an appropriate rate.

If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit or Loss.

Notes to the Financial Statements

6. PROPERTY, PLANT AND EQUIPMENTS (CONT'D)

Reversal of impairment

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. The reversal is limited to the asset's carrying amount, net of depreciation, as if no impairment had been recognised.

Fair value of property, plant and equipments

Latest revaluation was carried out by the Company for its entire motor vehicle class as at 31 December 2024. As per the Company policy motor vehicle should be valued every three years and the next valuation will be on 31 December 2027.

Revaluation of property, plant and equipments

As per the Company policy revaluation should be carried out once in three years for the motor vehicle asset class.

Fair value hierarchy

In compliance with Sri Lanka Accounting Standards (LKAS 16 - "Property, Plant and Equipments" and SLFRS 13 - "Fair Value Measurement"), the Company applies the fair value hierarchy in assessing the valuation of its property, plant, and equipments.

| | |
|----------------|---|
| Level 1 | Based on quoted prices in active markets, |
| Level 2 | When derived from observable market inputs such as recent transactions of similar assets |
| Level 3 | When relying on unobservable inputs, including professional appraisals and management assumptions |

The Company's policy is to revalue motor vehicles once every three years. In accordance with this policy, the motor vehicles were last revalued as at 31 December 2024.

The Company primarily determines the fair value of PPE using Level 2 and Level 3 inputs, based on independent valuations, market comparisons, and cost based approaches where applicable. Valuations are conducted periodically to ensure the carrying amounts of assets reflect their fair value.

Capital work in progress

Capital work in progress represents expenditure of a capital nature directly attributable to the construction or development of buildings, major plant and machinery, and system development projects, which are not yet ready for their intended use.

Such costs are transferred to the relevant property, plant and equipments or intangible assets category upon completion, when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Capital work in progress is measured at cost less any accumulated impairment losses.

Fully depreciated assets

The initial cost of fully depreciated property, plant and equipments which are still in use as at the reporting date is as follows:

| Class of asset | 2025 Rs. '000 | 2024 Rs. '000 |
|-----------------------------|------------------|------------------|
| Computer equipments | 104,683 | 112,519 |
| Furniture and fittings | 81,610 | 81,563 |
| Motor vehicle | 31,010 | - |
| Office and other equipments | 20,299 | 19,395 |
| Total | 237,602 | 213,477 |

Notes to the Financial Statements

6. PROPERTY, PLANT AND EQUIPMENTS (CONT'D)

6.1 Reconciliation of carrying amount of property, plant and equipments

| | Equipments Rs. '000 | Furniture and fittings Rs. '000 | Motor vehicles Rs. '000 | Others Rs. '000 | Total 2025 Rs. '000 | Total 2024 Rs. '000 |
|--|------------------------|------------------------------------|----------------------------|--------------------|---------------------------|---------------------------|
| Cost/revaluation | | | | | | |
| Balance as at 01 January | 580,714 | 225,885 | 276,068 | 4,045 | 1,086,712 | – |
| Transfer from SLICGL | – | – | – | – | – | 891,645 |
| Additions during the year | 87,143 | 14,946 | – | – | 102,089 | 147,144 |
| Revaluation surplus | – | – | – | – | – | 264,623 |
| Transferred of accumulated depreciation on revalued assets | – | – | – | – | – | (210,825) |
| Disposals during the year | – | – | – | – | – | (5,875) |
| Balance as at 31 December | 667,857 | 240,831 | 276,068 | 4,045 | 1,188,801 | 1,086,712 |
| Accumulated depreciation | | | | | | |
| Balance as at 01 January | 349,061 | 125,343 | – | 1,110 | 475,514 | – |
| Transfer from SLICGL | – | – | – | – | – | 572,269 |
| Depreciation charge during the year | 85,270 | 19,935 | 106,766 | 1,341 | 213,312 | 118,808 |
| Transferred of accumulated depreciation on revalued assets | – | – | – | – | – | (210,825) |
| Disposals during the year | – | – | – | – | – | (4,738) |
| Balance as at 31 December | 434,331 | 145,278 | 106,766 | 2,451 | 688,826 | 475,514 |
| Carrying value | | | | | | |
| As at 31 December | 233,526 | 95,553 | 169,302 | 1,594 | 499,975 | 611,198 |

7 RIGHT OF USE ASSETS AND LIABILITIES

7.1 Right of use assets

ACCOUNTING POLICY

Recognition

At the inception of a contract, the entity assesses whether the contract is, or contains, a lease. A contract is considered to contain a lease if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration. In assessing whether a contract conveys the right to control the use of an identified asset, the Company applies the requirements of SLFRS 16 – "Leases".

Recognition and measurement

The initial measurement of right of used assets is at cost and it comprised the initial amount of lease liability recognised, lease payments date at or before the commencement date, initial direct cost incurred and any estimated cost to dismantle, remove or restore the underlying assets. The lease liability is measured at the present value of unpaid lease payments. The Company used the incremental borrowing rate in arriving the present value of unpaid lease payments.

After the initial recognition, a lessee shall measure the right of use asset at cost model that is cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The

asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Depreciation and impairment losses are recognised in the Statement of Profit or Loss.

The Company applies the recognition exemptions for leases with a term of 12 months or less and leases of low value assets. Payments for these leases are recognised as at when they incurred.

7.1.1 Reconciliation of carrying right of use assets

| | 2025 Rs. '000 | 2024 Rs. '000 |
|--------------------------------------|------------------|------------------|
| Cost | | |
| Balance as at 01 January | – | – |
| Additions during the year | 307,407 | – |
| Balance as at 31 December | 307,407 | – |
| Amortisation | | |
| Balance as at 01 January | – | – |
| Amortisation charge | 93,684 | – |
| Balance as at 31 December | 93,684 | – |
| Carrying value | | |
| Net balance as at 31 December | 213,723 | – |

Notes to the Financial Statements

7. RIGHT OF USE ASSETS AND LIABILITIES (CONT'D)

7.2 Lease liabilities

Recognition and measurement

At the commencement date of lease agreement, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise with fixed payments (including in substance fixed payments), variable payments, amounts expected to be payable under residual value guarantees and Lease extension or termination options if the exercise of the option is reasonably certain.

Subsequently the lease liability is measured at amortised cost, using the effective interest method. The carrying amount of the lease liability increases with interest on the lease liability and decreases with lease payments made. Reassessments of the lease liability, due to changes in lease term, lease payments, or discount rates, are recognised as an adjustment to the right of use asset.

Lease payments for short term and low value leases are recognised as an expense in the Statement of Profit or Loss, and no lease liability is recognised.

7.2.1 Reconciliation of carrying value of lease liabilities

| | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Balance as at 01 January | – | – |
| Lease liability relating to new/ renewed contracts during the year | 387,031 | – |
| Lease payments made during the year | (108,990) | – |
| Balance as at 31 December | 278,041 | – |
| Adjustment on interest in suspense at initial application | | |
| Interest in suspense relating to the new contracts recognised | 79,624 | – |
| Interest recognised in Statement of Profit or Loss | (30,168) | – |
| Interest in suspense at the end of the period | 49,456 | – |
| Balance as at 31 December | 228,585 | – |

7.2.2 The amounts recognised in the Statement of Profit or Loss for the year 2025

| | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Amortisation expenses on right of use assets | 93,684 | – |
| Interest expenses on lease liabilities | 30,168 | – |
| Lease payments made during the year | 108,990 | – |
| Net charge to Statement of Profit or Loss | 232,842 | – |

7.2.3 Maturity analysis - contractual undiscounted cash flows

| | 2025 Rs. '000 | 2024 Rs. '000 |
|----------------------|------------------|------------------|
| less than 3 months | – | – |
| 3 months to 6 months | – | – |
| 6 months to 1 year | 7,415 | – |
| 1 to 5 year | 266,409 | – |
| more than 5 year | – | – |
| Total | 273,824 | – |

Prior to the effective date of segregation, all lease agreements were legally executed under the name of the Holding Company, Sri Lanka Insurance Corporation Limited. Following the segregation, and in accordance with the directions set forth in section 30 of the Insurance Industry (Amendment) Act No. 03 of 2011, the management of SLICGL initiated a formal process to update the legal status of these leasehold interests.

As of the reporting date, the Company has successfully executed addendums for over substantial portion of the existing lease agreements. These addendums formally recognise Sri Lanka Insurance Corporation General Limited as the new lessee, ensuring that the legal rights and obligations associated with the occupied premises.

Notes to the Financial Statements

8 DEFERRED TAX ASSETS

ACCOUNTING POLICY

Recognition of deferred tax assets and liabilities

Deferred tax is recognised by accounting for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as of the reporting date.

Recognition of deferred tax assets

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Recognition of deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or 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 the taxable profit or loss. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and does not affect either accounting profit or taxable profit or loss.

Set-off deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are offset if the legally enforceable right exists to set-off the current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Impact from the change in corporate income tax rate

There was no change in the corporate tax rate during the year.

8.1 Analysis of recognised deferred tax assets/liabilities in the Statement of Financial Position

| As at 31 December | 2025 | | | 2024 | | |
|---|----------------------------------|---------------|------------------------|----------------------------------|---------------|------------------------|
| | Temporary difference Rs. '000 | Tax rate % | Tax effect Rs. '000 | Temporary difference Rs. '000 | Tax rate % | Tax effect Rs. '000 |
| Deferred tax assets on: | | | | | | |
| Deductible temporary differences | | | | | | |
| Employee benefits | 1,600,955 | 30 | 480,287 | 1,391,857 | 30 | 417,557 |
| Provisions on trade receivables | 251,681 | 30 | 75,503 | 370,083 | 30 | 111,025 |
| Net right of use asset | 14,863 | 30 | 4,459 | – | – | – |
| Deferred tax liabilities on: | | | | | | |
| Taxable temporary differences | | | | | | |
| Property, plant and equipments | (272,930) | 30 | (81,879) | (355,093) | 30 | (106,528) |
| Available For Sale financial assets | (567,680) | 30 | (170,304) | (557,923) | 30 | (167,377) |
| Net recognised deferred tax assets/(liability) | 1,026,888 | – | 308,066 | 848,924 | – | 254,677 |

8.2 Movement of deferred tax assets and liabilities

| As at 31 December | Balance as at 1 January 2025 | Recognised in statement of Profit or Loss | Recognised in OCI | Balance at 31 December 2025 | Deferred tax asset | Deferred tax liability |
|-------------------------------------|------------------------------|---|-------------------|-----------------------------|--------------------|------------------------|
| Property, plant and equipments | (106,528) | 24,649 | – | (81,879) | – | (81,879) |
| Retirement benefit obligation | 417,557 | 14,700 | 48,029 | 480,286 | 480,286 | – |
| Available For Sale financial assets | (167,377) | – | (2,927) | (170,304) | – | (170,304) |
| Provisions on trade receivables | 111,025 | (35,521) | – | 75,504 | 75,504 | – |
| Net right of use asset | – | 4,459 | – | 4,459 | 4,459 | – |
| | 254,677 | 8,287 | 45,102 | 308,066 | 560,249 | (252,183) |

Notes to the Financial Statements

9 FINANCIAL INVESTMENTS

ACCOUNTING POLICY

Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities under conditions that are potentially favourable to the entity. A financial asset also includes certain contracts that will or may be settled in the entity's own equity instruments, including non derivatives requiring the receipt of a variable number of the entity's own equity instruments and derivatives that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. The Company recognises and measures financial assets in accordance with the requirements of LKAS 39 - "Financial Instruments: Recognition and Measurement".

Classification of financial assets based on the following key considerations.

1. Business model and purpose

The intention behind holding the asset, whether the entity plans to sell the asset before maturity.

2. Contractual cash flow characteristics

Whether the asset has fixed or determinable payments. If the asset includes interest payments and principal repayment.

3. Market quotation and liquidity

Whether the asset is actively traded in financial markets. If the asset is listed or has a quoted price.

4. Ability and intention to Held To Maturity

For Held To Maturity (HTM) investments, the entity must demonstrate the ability and intention to hold the asset until maturity.

Early sales of HTM assets may result in tainting, requiring re classification to Available For Sale (AFS).

5. Embedded derivatives

If a financial asset includes an embedded derivative, the entity must assess whether it should be separated and accounted for separately.

6. Risk and volatility considerations

Financial assets subject to frequent price fluctuations are typically classified as FVTPL or AFS.

The Company's existing financial assets can be classified based on the above consideration as follows;

- (1) Fair Value Through Profit or Loss (FVTPL)
- (2) Held To Maturity (HTM)
- (3) Loans and Receivables (L&R)
- (4) Available For Sale (AFS)

(1) Fair Value Through Profit or Loss (FVTPL)

Initial measurement

Financial assets classified as Fair Value Through Profit or Loss (FVTPL) are initially recognised at fair value on the trade date, which is the date the entity becomes a party to the contractual provisions of the instrument. Transaction costs directly attributable to the acquisition of financial instruments are expensed immediately in Statement of Profit or Loss.

Basis for classification

Financial assets are classified as FVTPL based on the following criteria:

1. Held for Trading - Financial instruments acquired or incurred principally for the purpose of selling or repurchasing in the near term, or part of a portfolio managed for short term profit making.
2. Designated at fair value - An entity may irrevocably designate a financial asset at FVTPL upon initial recognition if:
 - it eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch)
 - the financial instrument is managed on a fair value basis, in accordance with the entity's risk management or investment strategy

Subsequent measurement

Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are recorded under "fair value gains and losses" in the Statement of Profit or Loss.

Interest is accrued and presented in finance income using the Effective Interest Rate (EIR). Dividend income is recorded in the "finance income" when the right to the payment has been established.

Derecognition

A financial asset classified as Fair Value Through Profit or Loss (FVTPL) is derecognised when:

1. The contractual rights to receive cash flows from the asset expire; or
2. The asset is transferred, and substantially all risks and rewards of ownership are transferred to another party.

Upon derecognition, the difference between the carrying amount of the asset and the consideration received is recognised in the Statement of Profit or Loss. Any previously recognised fair value changes remain in the Statement of Profit or Loss, and are not re classified to equity.

(2) Held To Maturity (HTM)

Initial measurement

Held To Maturity (HTM) investments are nonderivative financial assets with fixed or determinable payments and fixed maturity, which the entity has the positive intention and ability to hold until maturity.

Upon initial recognition, HTM investments are measured at fair value plus directly attributable transaction costs.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (CONT'D)

Basis for classification

Financial assets are classified as HTM investments only if:

1. They have fixed or determinable payments and fixed maturity
2. The entity has the positive intention and ability to hold the assets until maturity
3. They are not designated at Fair Value Through Profit or Loss (FVTPL) or Available For Sale (AFS)

If an entity sells or re classifies a significant portion of HTM investments before maturity (except for allowed reasons such as credit deterioration), it must re classify all remaining HTM investments as Available For Sale (AFS) and cannot classify assets as HTM for the next two financial years.

Subsequent measurement

HTM investments are subsequently measured at amortised cost using the Effective Interest Rate (EIR).

1. Interest income is recognised in Statement of Profit or Loss using the EIR method.
2. The amortised cost of an investment is determined by taking its initial cost, adjusting for principal repayments, and systematically amortising any premiums or discounts over the asset's life, while also accounting for impairment losses if applicable.

Impairment

At the end of each reporting period, HTM investments are assessed for impairment if there is objective evidence of a credit loss event,

1. If impairment is identified, the carrying amount is reduced, and the loss is recognised in Statement of Profit or Loss.
2. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.
3. If a subsequent event reverses the impairment, the reversal is recognised in Statement of Profit or Loss, but it cannot exceed the previously recorded impairment loss.

Derecognition

A financial asset classified as HTM is derecognised when:

1. The contractual rights to the cash flows expire.
2. The asset is sold or transferred, and substantially all risks and rewards of ownership are transferred.

Upon derecognition, any gain or loss is recognised in Statement of Profit or Loss, except for impairment losses, which are not reversed through Statement of Profit or Loss if the asset is sold.

(3) Loans and Receivables (L&R)**Initial measurement**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised when the entity becomes a party to the contractual provisions of the instrument.

Upon initial recognition, loans and receivables are measured at fair value plus transaction costs directly attributable to the acquisition of the asset.

For staff loans issued at below market interest rates, fair value is determined by discounting the future cash flows using a market related interest rate (such as the prevailing rate for similar risk profile loans). The difference between the loan amount granted and the fair value is recognised as an employee benefit expense in accordance with LKAS 19 – "Employee Benefits".

Basis for classification

To classify a financial asset as a loan and receivable under LKAS 39, the following factors must be met:

1. The asset should have fixed or determinable payments.
2. The asset should not be quoted in an active market.
3. The asset should not be designated at FVTPL or AFS.
4. The asset should typically be with customers, employees, or other debtors (including staff loans and trade receivables)
5. Credit risk must be assessed to evaluate the recoverability of the asset

Subsequent measurement

After initial recognition, loans and receivables are measured at amortised cost using the Effective Interest Rate (EIR) method.

1. Interest income is recognised in Statement of Profit or Loss using the EIR method.
2. Any gain or loss arising from derecognition or impairment is recognised in Statement of Profit or Loss.
3. Staff loans, even if granted at below market rates, accrue interest at the EIR, which is based on the market discount rate applied at initial recognition.

The carrying amount is adjusted for repayments, and any difference between the nominal interest charged and the effective interest rate is unwound over the loan term.

Impairment

At each reporting date, the Company assesses loans and receivables for impairment due to the objective evidence of credit risk.

If impairment is identified:

1. The carrying amount is reduced through an allowance for doubtful accounts.
2. The impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original EIR.

The loss is recognised in Statement of Profit or Loss.

For staff loans, if an employee leaves before repaying the loan, any outstanding balance is assessed for impairment. If recoverability is uncertain, the remaining balance is written off or offset against final settlements.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (CONT'D)

If a previously impaired loan recovers:

the reversal is recognised in Statement of Profit or Loss, but the carrying amount cannot exceed its original amortised cost.

Derecognition

Loans and receivables, including staff loans, are derecognised when:

1. The contractual rights to receive cash flows expire.
2. The asset is transferred, and substantially all risks and rewards of ownership are transferred.
3. For staff loans, when repayment is completed through payroll deductions or final compensation adjustments, or when deemed uncollectible and written off.

Upon derecognition, any difference between the carrying amount and the consideration received is recognised in Statement of Profit or Loss.

(4) Available For Sale (AFS)

Initial measurement

Available For Sale (AFS) financial assets are nonderivative financial assets that are designated as available for sale or are not classified into any other categories such as Loans and Receivables (L&R), Held To Maturity (HTM), or financial assets at Fair Value Through Profit or Loss (FVTPL). AFS financial assets are typically investments in equity and debt instruments that the Company intends to hold for an indefinite period but may sell in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices.

AFS financial assets are recognised initially at fair value, which includes transaction costs directly attributable to the acquisition of the asset. The initial recognition is done on the trade date.

Subsequent Measurement

After initial recognition, AFS financial assets are measured at fair value, with the following treatment.

1. Equity instruments: These are measured at fair value with changes in fair value recognised directly in Other Comprehensive Income (OCI) and accumulated in a separate component of equity (AFS reserve) until the asset is derecognised or impaired.
2. Debt instruments: These are also measured at fair value with changes in fair value recognised directly in OCI, unless the asset is impaired, in which case, the impairment loss is recognised in Statement of Profit or Loss.

Gains and losses on Available For Sale assets

1. **Unrealised gains and losses:** Changes in fair value are recorded directly in OCI for both debt and equity instruments. For debt instruments, unrealised gains or losses are included in OCI until the asset is sold or impaired.
2. **Realised gains and losses:** When an AFS financial asset is sold or derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit or Loss, as part of the gain or loss on derecognition.
3. **Impairment losses:** If there is objective evidence that an AFS financial asset is impaired (e.g., a significant or prolonged decline in the fair value below its cost), the impairment loss is recognised in Statement of Profit or Loss, and the cumulative loss is removed from OCI and recognised in the Statement of Profit or Loss.

Impairment

AFS financial assets are tested for impairment at each reporting date to assess whether there is any objective evidence of impairment, such as:

1. Significant or prolonged decline in fair value below cost.
2. Financial difficulty of the issuer (for debt instruments).
3. Issuer default or other evidence of significant credit deterioration.

If impairment is identified:

1. Debt instruments: The cumulative loss that has been recognised in OCI is reclassified to Statement of Profit or Loss.
2. Equity instruments: The impairment loss is not reversed through Statement of Profit or Loss. However, if there is a recovery in the fair value of an equity instrument in subsequent periods, the recovery is recognised directly in OCI, not Statement of Profit or Loss.

Reclassification

Reclassification of financial assets under LKAS 39 is highly restrictive and only permitted under rare circumstances.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (CONT'D)

Key considerations for reclassification

| Factor | Impact |
|---------------------------------------|---|
| Measurement basis | The asset must be measured based on the new classification |
| Effect to Statement of Profit or Loss | Unrealised gains/losses may need to be transferred from OCI to P&L |
| Reversibility | Once reclassified, assets typically cannot be moved back under LKAS 39 |
| Regulatory compliance | Reclassification must align with LKAS 39 rules and be justified in Financial Statements |

Reclassification rules under LKAS 39

| From | To | Allowed | Conditions/restrictions |
|------------|---------------|---------|---|
| FVTPL | AFS, HTM, L&R | Rarely | Only permitted under rare circumstances, such as a significant change in business model. |
| AFS | HTM | Yes | If the Company decides to hold the asset until maturity; unrealised gains/losses in OCI remain and are amortised over time. |
| HTM | AFS | Yes | Allowed, but if a significant amount is re classified, the entire HTM portfolio must be re classified to AFS for two years. |
| L&R | AFS | Yes | Allowed if the company no longer intends to hold the asset until maturity. |
| HTM or L&R | FVTPL | No | Re classification to FVTPL is not allowed under LKAS 39. |

The Company's non-derivative financial assets and their classifications are summarised as follows;

| Financial asset | HTM | L&R | AFS | FVTPL |
|-----------------------------|-----|-----|-----|-------|
| Treasury bonds | ✓ | | ✓ | |
| Listed debentures | ✓ | | ✓ | |
| Unlisted debentures | | ✓ | | |
| Commercial papers | | | ✓ | |
| Term deposits | | ✓ | | |
| Unit trusts | | | ✓ | ✓ |
| Listed shares | | | ✓ | ✓ |
| Staff loans and receivables | | ✓ | | |
| Reinsurance receivables | | ✓ | | |
| Premium receivables | | ✓ | | |
| Other financial assets | | ✓ | | |
| Cash and cash equivalents | | ✓ | | |

The Company's financial investments are summarised as follows;

| As at 31 December | Note | 2025 | | 2024 | |
|---|------|----------------------------|------------------------|----------------------------|------------------------|
| | | Carrying value Rs. '000 | Fair value Rs. '000 | Carrying value Rs. '000 | Fair value Rs. '000 |
| Financial investments | | | | | |
| Held To Maturity (HTM) | 9.1 | 7,330,288 | 7,825,488 | 3,048,129 | 3,051,119 |
| Loans and Receivables (L&R) | 9.2 | 5,789,500 | 6,245,650 | 7,337,968 | 7,337,968 |
| Available For Sale (AFS) | 9.3 | 24,965,229 | 24,965,229 | 23,611,511 | 23,611,511 |
| Fair Value Through Profit or Loss (FVTPL) | 9.4 | 5,470,247 | 5,470,247 | 2,984,558 | 2,984,558 |
| Total financial investments | | 43,555,264 | 44,506,614 | 36,982,166 | 36,985,156 |

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (CONT'D)

| As at 31 December | Note | 2025 | | 2024 | |
|--|------|----------------------------|------------------------|----------------------------|------------------------|
| | | Carrying value Rs. '000 | Fair value Rs. '000 | Carrying value Rs. '000 | Fair value Rs. '000 |
| 9.1 Held To Maturity (HTM) | | | | | |
| Treasury bonds | | - | - | 1,029,294 | 1,032,284 |
| Listed debentures | | 7,330,288 | 7,825,488 | 2,018,835 | 2,438,835 |
| | | 7,330,288 | 7,825,488 | 3,048,129 | 3,471,119 |
| 9.2 Loans and Receivables (L&R) | | | | | |
| Unlisted debentures | | 1,508,603 | 1,964,753 | 2,569,781 | 3,197,881 |
| Term deposits | | 2,983,782 | 2,983,782 | 3,310,237 | 3,310,237 |
| Staff loans and receivables | | 1,297,115 | 1,297,115 | 1,457,950 | 1,457,950 |
| | | 5,789,500 | 6,245,650 | 7,337,968 | 7,966,068 |
| 9.3 Available For Sale (AFS) | | | | | |
| Listed shares | | 12,272,793 | 12,272,793 | 8,873,396 | 8,873,396 |
| Unit trusts | | 1,924,158 | 1,924,158 | 1,557,712 | 1,557,712 |
| Listed debentures | | 1,008,603 | 1,008,603 | 1,263,668 | 1,263,668 |
| Commercial papers | | 1,505,373 | 1,505,373 | 1,717,952 | 1,717,952 |
| Treasury bonds | | 8,254,302 | 8,254,302 | 10,198,783 | 10,198,783 |
| | | 24,965,229 | 24,965,229 | 23,611,511 | 23,611,511 |
| 9.4 Fair Value Through Profit or Loss (FVTPL) | | | | | |
| Listed shares | | 3,090,481 | 3,090,481 | 1,446,350 | 1,446,350 |
| Unit trusts | | 2,379,766 | 2,379,766 | 1,538,208 | 1,538,208 |
| | | 5,470,247 | 5,470,247 | 2,984,558 | 2,984,558 |

9.5 During the financial year, no impairment losses were recognised, and no reclassifications of financial assets were made.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (CONT'D)

9.6 Movement of carrying values in financial investments

| | Available For Sale financial assets Rs. '000 | Fair Value Through Profit or Loss financial assets Rs. '000 | Held To Maturity financial assets Rs. '000 | Loans and receivable Rs. '000 | Total 2025 Rs. '000 | Total 2024 Rs. '000 |
|---|--|--|--|-------------------------------------|---------------------------|---------------------------|
| As at 01 January | 23,611,511 | 2,984,558 | 3,048,129 | 7,337,968 | 36,982,166 | – |
| Transfer from SLICGL | – | – | – | – | – | 31,125,167 |
| Impact on actual assets allocation at the time of segregation | – | – | – | – | – | 182,942 |
| Purchases | 5,023,560 | 2,340,889 | 5,075,600 | 9,258,262 | 21,698,311 | 11,988,208 |
| Maturities | (4,336,596) | – | (1,000,000) | (10,883,058) | (16,219,654) | (11,790,003) |
| Disposals | (2,978,767) | (162,783) | – | – | (3,141,550) | (444,685) |
| Exercise of subscription right (Right issue) | – | – | – | – | – | 747,782 |
| Net fair value gains recorded in Other Comprehensive Income | 3,548,793 | – | – | – | 3,548,793 | 4,331,506 |
| Realised gains/(losses) recorded in Statement of Profit or Loss | 139,641 | 5,441 | – | – | 145,082 | 20,168 |
| Fair value gains and foreign currency translation recorded in Statement of Profit or Loss | 102,946 | 302,142 | – | 174,434 | 579,522 | 606,744 |
| Fair value adjustment | – | – | – | (30,898) | (30,898) | 87,988 |
| Net change in accrued interest | (182,973) | – | 205,272 | (67,208) | (44,909) | 128,314 |
| Amortisation adjustment | 37,115 | – | 1,286 | – | 38,401 | (1,965) |
| As at 31 December | 24,965,230 | 5,470,247 | 7,330,287 | 5,789,500 | 43,555,264 | 36,982,166 |

The Company has elected to apply the temporary exemption from SLFRS 9 - "Financial Instruments", as permitted by the amendments to SLFRS 4 - "Insurance Contracts". This exemption allowed the Company to continue applying LKAS 39 - "Financial Instruments: Recognition and Measurement" and SLFRS 7 - "Financial Instruments: Disclosures" for the financial year ended 31 December 2025, pending the concurrent implementation of SLFRS 17 - "Insurance Contracts". This deferral was utilised to avoid temporary accounting mismatches and significant volatility in the Financial Statements that would have occurred had the standards been adopted at different dates.

10 REINSURANCE RECEIVABLES

ACCOUNTING POLICY

Refer accounting policy in Note 9.

The Company transfers insurance risk in the ordinary course of business across all its operations through reinsurance arrangements. Reinsurance receivables represent amounts due from reinsurers, with recoverable amounts being estimated in alignment with the outstanding claims provision or settled claims related to the respective reinsurance policies. These estimates are determined in accordance with the terms of the relevant reinsurance contracts.

10.1 Impairment of reinsurance receivables

The Company has assessed the potential impairment loss on reinsurance receivables as at the reporting date, considering objective evidence of impairment such as financial standing, default or delinquency in payments, observable data indicating a measurable decrease in the estimated future cash flows and regular reviews on creditworthiness of the reinsurance. Based on this assessment, adequate provisions have been recognised in the Financial Statements to ensure compliance with regulatory requirements and to uphold the integrity and reliability of the Company's financial reporting.

The carrying value of reinsurance receivables approximates the fair value at the reporting date.

Reinsurance receivables on outstanding claims

Reinsurance receivables on outstanding claims represent amounts recoverable from reinsurers in accordance with the terms of reinsurance contracts. The Company evaluates the recoverability of these amounts based on the financial standing of reinsurers, claims settlement patterns, and contractual obligations. This includes reinsurance reserves on claims that have not been paid and the reinsurance receivables that have not been received.

Notes to the Financial Statements

10. REINSURANCE RECEIVABLES (CONT'D)

10.2 Reinsurance receivables

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Reinsurance receivables on settled claims | 325,806 | 289,315 |
| Reinsurance receivables on outstanding claims | 5,704,774 | 1,740,034 |
| Impairment on reinsurance receivables | (63,338) | (57,124) |
| Balance as at 31 December | 5,967,242 | 1,972,225 |

10.3 Reinsurance receivables on settled claims

The age analysis of the reinsurance receivable on settled claims is as follows:

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---------------------------|------------------|------------------|
| Up to 30 days | 49,233 | 5,563 |
| 31 to 60 days | 5,285 | 13,846 |
| 61 to 90 days | (101) | 270 |
| 91 to 180 days | 77,629 | 42,355 |
| Over 181 days | 193,760 | 227,281 |
| Balance as at 31 December | 325,806 | 289,315 |

11 PREMIUM RECEIVABLES

ACCOUNTING POLICY

Refer accounting policy in Note 9.

Premium receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Collectability of premiums is reviewed on an ongoing basis.

Impairment

Impairment losses on premiums receivable are measured as the difference between the carrying amount and the recoverable amount, with the impairment losses recognised in the Statement of Profit or Loss. The assessment of impairment is based on objective evidence, including indicators such as significant financial difficulty of the counterparty, default or delinquency in payments, probability of bankruptcy or financial reorganisation, and adverse changes in economic conditions that affect the debtor's ability to settle the outstanding amounts.

In cases where receivables exhibit signs of impairment, appropriate provisions for bad debts are recognised, and overdue accounts are reviewed potential to be written off, when recovery is deemed unlikely. The Company continuously monitors premium receivables, analysing credit risk exposure based on observable data and historical trends.

| As at 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------|------------------|------------------|
| Premium receivable from policyholders | 11.1 | 3,181,303 | 2,541,727 |
| Premium receivable from agents and brokers and intermediaries | 11.2 | 3,157,456 | 2,602,625 |
| Balance as at 31 December | | 6,338,759 | 5,144,352 |

11.1 Premium receivable from policyholders

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| As at the beginning of the year | 2,674,230 | – |
| Transfer from SLICGL | – | 3,163,904 |
| Net change during the year | 606,965 | (489,674) |
| | 3,281,195 | 2,674,230 |
| Impairment on premium receivable | | |
| As at the beginning of the year | (132,503) | – |
| Transfer from SLICGL | – | (509,721) |
| Reversal made during the year | 32,611 | 377,218 |
| As at the end of the year | (99,892) | (132,503) |
| Premium receivable from policyholders | 3,181,303 | 2,541,727 |

11.2 Premium receivable from agents, brokers and intermediaries

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| As at the beginning of the year | 2,782,663 | – |
| Transfer from SLICGL | – | 2,165,181 |
| Net change during the year | 462,825 | 617,482 |
| | 3,245,488 | 2,782,663 |
| Impairment on premium receivables | | |
| As at the beginning of the year | (180,038) | – |
| Transfer from SLICGL | – | (358,602) |
| Reversal made during the year | 92,006 | 178,564 |
| As at the end of the year | (88,032) | (180,038) |
| Premium receivable from agents, brokers and intermediaries | 3,157,456 | 2,602,625 |

The Company have assessed the potential impairment loss on premium receivables as at the reporting date and adequate provisions have been made in the Financial Statements.

Notes to the Financial Statements

12 OTHER ASSETS**ACCOUNTING POLICY**

Refer accounting policy in Note 9.

Inventories

Inventories, which include printed forms, stationery, marketing materials, and salvage stock, are measured at the lower of cost or net realisable value, except for salvage stock. Cost is generally determined using the weighted average cost method, while net realisable value represents the estimated market price in the ordinary course of business, less any estimated selling expenses.

Salvage stock arising from claims settlements is recognised as an asset when the insurance company obtains control of the salvaged item and it is probable that future economic benefits will flow to the Company. The valuation of salvage stock is based on current market conditions, recent auction results, and historical recovery experience. Salvage recoveries are offset against gross claims incurred in the statement of profit or loss. The Company regularly reviews the carrying amount of salvaged assets until sold and updates the valuation to reflect changes in market prices or other relevant factors. This approach is consistent with the company's accounting policy on claims recoveries and complies with the applicable financial reporting framework.

Other receivable and dues from related parties

Other receivable and dues from related parties are recognised at cost less allowances for bad and doubtful receivables.

Please refer Note 41 for amounts due from related party companies.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Financial assets | | |
| Staff and agent related receivables | 330,537 | 477,551 |
| Amounts due from Sri Lanka Insurance Corporation Limited | 20,779 | 805,847 |
| Other receivables | 504,942 | 34,709 |
| Total financial assets | 856,258 | 1,318,107 |
| Non-financial assets | | |
| Inventories | 163,758 | 174,818 |
| Advances and prepayments | 99,959 | 90,328 |
| Total non-financial assets | 263,717 | 265,146 |
| Total other assets | 1,119,975 | 1,583,253 |

13 DEFERRED EXPENSES**ACCOUNTING POLICY**

Direct costs incurred during the financial period arising from the new or renewal of insurance contracts are deferred and amortised over the period in which the related revenues are earned. All other acquisition costs are recognised as an expense when incurred. Reinsurance commissions that relate to acquisition costs are also deferred and recognised over the same period in which the related gross written premiums are earned.

In accordance with the regulatory guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), both deferred acquisition costs and deferred reinsurance commission income are calculated on a 365-day basis. These balances are presented on a net basis in the Financial Statements as net deferred acquisition cost, representing deferred acquisition costs net of related deferred reinsurance commission income. The net deferred balance is derecognised when the related insurance or reinsurance contracts are either settled or disposed of.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Net deferred acquisition expenses | | |
| Balance as at 01 January | 848,550 | – |
| Transfer form SLICGL | – | 743,475 |
| Increase in deferred acquisition expenses | 42,237 | 105,075 |
| Balance as at 31 December | 890,787 | 848,550 |
| Deferred reinsurance commission | | |
| Balance as at 01 January | (115,984) | – |
| Transfer form SLICGL | – | (111,026) |
| Increase in deferred acquisition expenses | (16,602) | (4,958) |
| Balance as at 31 December | (132,586) | (115,984) |
| Net deferred acquisition expenses | 758,201 | 732,566 |

14 CASH AND CASH EQUIVALENTS**ACCOUNTING POLICY**

Cash and cash equivalents comprise reverse repurchase agreements, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short term commitments.

Bank overdrafts, if any, that form an integral part of the Company's cash management are classified as a component of cash and cash equivalents in the Statement of Cash Flows. However, in the Statement of Financial Position, bank overdrafts are presented under liabilities.

Notes to the Financial Statements

14. CASH AND CASH EQUIVALENTS (CONT'D)

| As at 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------------------|------------------|
| Cash in hand and at bank | | 613,157 | 1,189,148 |
| Short-term investments | | 4,524,868 | 2,602,341 |
| Total cash and cash equivalents | | 5,138,025 | 3,791,489 |
| Bank overdrafts | 25 | (583,865) | (268,146) |
| Cash and cash equivalents in the Statement of Cash Flow | | 4,554,160 | 3,523,343 |

15 STATED CAPITAL

ACCOUNTING POLICY

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Under the Companies Act No. 07 of 2007, the company has the ability to purchase or acquire its own shares, either in accordance with the provisions of the Act or based on a court order. This provision allows companies flexibility in managing their share capital and ownership structure, subject to legal and regulatory requirements.

As at the reporting date, the total stated capital of the Company amounted to Rs. 14,000Mn.

No shares were issued during the financial year.

15.1 Movements in ordinary shares

| As at 31 December | No of shares Qty '000 | 2025 Rs. '000 | 2024 Rs. '000 |
|----------------------------------|--------------------------|-------------------|-------------------|
| Issued and fully paid | | | |
| Balance as at 01 January | 1,400,000 | 14,000,000 | 500,000 |
| Shares issued | – | – | 13,500,000 |
| Balance as at 31 December | 1,400,000 | 14,000,000 | 14,000,000 |

15.2 Rights of ordinary shareholders

The Company has only one class of ordinary shares in issue. All issued shares carry equal voting rights, with shareholders entitled to one vote per share at general meetings.

16 RESTRICTED CAPITAL RESERVE

ACCOUNTING POLICY

As at the date of segregation, the Board of Directors allocated an additional Rs. 1,000Mn. to a special reserve, demonstrating the Company's ongoing commitment to financial prudence and long-term stability. This restricted capital reserve was established in accordance with the approved cabinet memorandum, as outlined in the letter (MF/LA/022/CM/2023/305) dated 05 December 2023.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------|------------------|------------------|
| Special reserve | 1,000,000 | 1,000,000 |
| | 1,000,000 | 1,000,000 |

17 REVALUATION RESERVE

Nature and purpose of the reserve

On revaluation of an asset, any increase in the carrying amount is recognised in the revaluation reserve in equity through OCI or used to reverse a previous loss on revaluation of the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognised as income only to the extent of the previous written down value. Any decrease in the carrying amount is recognised as an expense in the Statement of Profit or Loss or charged to the revaluation reserve in equity through OCI, only to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

The Company's policy is to revalue its motor vehicles once every three years. In accordance with this policy, the motor vehicles were last revalued as at 31 December 2024.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------------------------|------------------|------------------|
| Balance as at 01 January | 185,236 | – |
| Revaluation surplus during the year | – | 264,623 |
| Related tax (Deferred tax) | – | (79,387) |
| Balance as at 31 December | 185,236 | 185,236 |

Notes to the Financial Statements

18 AVAILABLE FOR SALE RESERVE**Nature and purpose of the reserve**

The Available For Sale (AFS) reserve represents the cumulative net unrealised gains or losses arising from changes in the fair value of Available For Sale financial assets. These changes are recognised in Other Comprehensive Income and accumulated in equity until the respective financial assets are either derecognised or determined to be impaired, at which point the cumulative gain or loss previously recognised in equity is reclassified to Statement of Profit or Loss. The reserve is presented net of the related deferred tax impact.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Balance as at 01 January | 4,182,152 | – |
| Net change in fair value of AFS financial assets | 3,409,152 | 4,349,529 |
| Related tax (Deferred tax) | (2,927) | (167,377) |
| Balance as at 31 December | 7,588,377 | 4,182,152 |

19 RETAINED EARNINGS

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---------------------------------------|------------------|------------------|
| Balance as at 01 January | 2,611,046 | 76,345 |
| Profit for the year | 2,528,052 | 2,661,339 |
| Defined benefit plan actuarial losses | (160,095) | (180,910) |
| Related tax (Deferred tax) | 48,029 | 54,272 |
| Dividend paid | (250,000) | – |
| Balance as at 31 December | 4,777,032 | 2,611,046 |

20 INSURANCE CONTRACT LIABILITIES**ACCOUNTING POLICY****Recognition and measurement**

Insurance contract liabilities comprise the outstanding claims provision, including IBNR and IBNER, the unearned premium reserve recognised net of reinsurance premiums ceded, and the provision for premium deficiency.

Net unearned premium

Provision for unearned premium represents premiums received for risks that have not yet expired. The reserve is generally released over the term of the contract and recognised as premium income in accordance with the guidelines of the Regulation of Insurance Industry Act No. 43 of 2000 (i.e., on a 365-day basis). Corresponding reinsurance arrangements relating to the respective policies are also taken into account in determining the net unearned premium reserve.

As required by the SLFRS 04 – “Insurance Contracts”, the Company performed a Liability Adequacy Test (LAT) in respect of insurance contract liabilities with the assistance of the external actuary.

Provision for gross outstanding claims

Gross claims outstanding represent the estimated ultimate cost of settling all obligations arising from claim events occurring on or before the reporting date. This liability is comprised of case reserves for reported claims, as well as provisions for Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims.

IBNR provisions are not limited to the estimated indemnity value; they also explicitly reflect the future claim handling costs and internal expenses anticipated to be incurred in the final settlement and administration of these liabilities.

1. Actuarial methodology and key assumptions

The valuation of these liabilities is conducted using recognised actuarial techniques. The primary underlying assumption is that historical claims development patterns provide a reliable basis for projecting future settlement behaviors. These projections incorporate:

- Historical development triangles:
To identify time lag patterns between incident, notification, and final settlement.
- Loss trend analysis:
Adjustments for inflation, legal environment shifts, and changes in internal claims handling procedures.

2. Consideration of catastrophic events

For the current reporting period, the estimation process has been specifically sensitised to account for the Ditwah Cyclone and subsequent flooding. Given the systemic nature of these events, the following portfolio specific adjustments have been applied:

- Fire and engineering:
Recognition of large loss volatility and potential delays in damage assessment due to site accessibility.
- Motor:
Provision for a high frequency of total loss claims and water damage related repair costs.

By integrating these event specific loss trends into the ultimate liability projections, the Company ensures that the technical provisions remain adequate and reflect the true anticipated impact of recent catastrophic activity.

Title insurance reserve

Due to the long-term nature and inherent uncertainty associated with this class of business, there is significant variability in both the timing and quantum of future claims and related expenses. In light of this, SLICGL has adopted a prudent recognition approach whereby premium income is effectively matched against claims and expenses as they emerge over time, rather than being recognised as profit at inception or over a short duration.

Under this approach, premiums received are initially accumulated and utilised to meet actual claims and expenses as they are incurred. To the extent that premiums exceed current period outgo, the surplus is retained within the portfolio and carried forward to meet future obligations arising from the same block of business. This results in an implicit build up of reserves to support adverse experience and future claim development.

Notes to the Financial Statements

20. INSURANCE CONTRACT LIABILITIES (CONT'D)

If the corresponding loan of the title insurance policy issued is settled before the maturity, full premium of such policies remaining as at the date of settlement of such loan is recognised in Statement of Profit or Loss upon confirmation of the same by the respective Bank.

The insurance reserves as shown in the Statement of Financial Position represent the following:

| As at 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------|------------------|------------------|
| Reserves for net unearned premium | 20.1 | 11,711,091 | 10,106,019 |
| Reserves for title insurance and unexpired risk reserve | 20.2 | 736,243 | 724,919 |
| Reserves for gross outstanding claims | 20.3 | 14,011,148 | 9,610,327 |
| | | 26,458,482 | 20,441,265 |

20.1 Reserve for net unearned premium

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Reserve for unearned premium | | |
| Balance as at 01 January | 11,433,188 | – |
| Transfer from SLICGL | – | 11,930,292 |
| Transfer during the year | 1,843,343 | (497,104) |
| Balance as at 31 December | 13,276,531 | 11,433,188 |
| Reserve for unearned reinsurance premium | | |
| Balance as at 01 January | (1,327,169) | – |
| Transfer from SLICGL | – | (1,759,450) |
| Transfer during the year | (238,271) | 432,281 |
| Balance as at 31 December | (1,565,440) | (1,327,169) |
| Total reserve for net unearned premium | 11,711,091 | 10,106,019 |

20.2 Reserve for title insurance and unexpired risk reserve

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Reserve for title insurance | | |
| Balance as at 01 January | 724,919 | – |
| Transfer from SLICGL | – | 648,690 |
| Transfer during the year | 11,324 | 76,229 |
| Balance as at 31 December | 736,243 | 724,919 |
| Total reserve for title insurance and unexpired risk reserve | 736,243 | 724,919 |

20.3 Reserves for gross outstanding claims

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Balance as at 01 January | 6,783,084 | – |
| Transfer from SLICGL | – | 7,082,893 |
| Claims incurred during the year | 16,161,527 | 9,899,914 |
| Claims paid during the year | (12,305,974) | (10,199,723) |
| Balance as at 31 December | 10,638,637 | 6,783,084 |
| IBNR/IBNER balance as at 01 January | 2,827,243 | – |
| Transfer from SLICGL | – | 2,727,581 |
| Increase/decrease in IBNR/IBNER | 545,268 | 99,662 |
| IBNR/IBNER balance as at 31 December | 3,372,511 | 2,827,243 |
| Total reserves for gross outstanding claims | 14,011,148 | 9,610,327 |

Significant delays occur in the notification of claims and a substantial measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as of the reporting date. The reserves are determined based on the information currently available. However, it is inherent to the nature of the business written that the ultimate liability may vary as a result of subsequent developments.

20.4 Reconciliation between insurance contract liabilities and technical reserves

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Insurance contract liabilities | 26,458,482 | 20,441,265 |
| Reserve for net deferred acquisition expenses | (758,201) | (732,566) |
| Reinsurance on claims reserves | (5,704,773) | (1,740,034) |
| Technical reserves | 19,995,508 | 17,968,665 |

20.5 Claims development information

The table below presents changes in the historical non life reserves, net of reinsurance. The top line of the table shows the estimated gross reserves for unpaid losses and loss adjustment expenses as of each balance sheet date, which represents the estimated amount of future payments for losses incurred in that year and in prior years. The cumulative paid portion of the table presents the cumulative amounts paid through each subsequent year in respect of the reserves established at each year end. Similarly, the cumulative reported losses section details the sum of the cumulative paid amounts shown in the triangle below and the net outstanding position at the end of the financial year.

Notes to the Financial Statements

20. INSURANCE CONTRACT LIABILITIES (CONT'D)

20.5 Claims development information (Cont'd)

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 | 2023 Rs. '000 | 2022 Rs. '000 | 2021 Rs. '000 | 2020 Rs. '000 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Gross reserves for losses and loss adjustment expenses | 14,011,151 | 9,601,884 | 9,674,573 | 11,855,930 | 9,549,407 | 7,861,686 |
| Reinsurance recoverable | (5,704,773) | (1,740,034) | (1,656,462) | (3,104,431) | (1,888,143) | (1,395,321) |
| Net reserves for losses and loss adjustment expenses | 8,306,378 | 7,861,850 | 8,018,111 | 8,751,499 | 7,661,264 | 6,466,365 |
| Cumulative paid | | | | | | |
| One year later | 9,236,886 | 7,983,827 | 7,948,365 | 6,790,213 | 6,994,929 | 5,370,767 |
| Two years later | - | 10,041,993 | 9,949,287 | 9,271,432 | 9,312,011 | 7,043,437 |
| Three years later | - | - | 10,049,747 | 9,694,934 | 9,537,176 | 7,092,891 |
| Four years later | - | - | - | 9,752,812 | 9,624,465 | 7,169,932 |
| Five years later | - | - | - | - | 9,706,428 | 7,211,162 |
| Six years later | - | - | - | - | - | 7,228,500 |
| Cumulative reported | | | | | | |
| One year later | 12,601,589 | 9,782,133 | 9,650,801 | 8,892,648 | 8,980,052 | 6,492,661 |
| Two years later | - | 10,402,554 | 10,246,257 | 9,681,923 | 10,014,973 | 7,255,303 |
| Three years later | - | - | 10,366,784 | 10,025,269 | 10,029,949 | 7,321,827 |
| Four years later | - | - | - | 9,966,395 | 9,874,325 | 7,366,908 |
| Five years later | - | - | - | - | 9,868,696 | 7,367,255 |
| Six years later | - | - | - | - | - | 7,333,889 |

21 EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employment benefit expense in the statement of profit or loss in the periods during which services are rendered by employees.

As per section 10 of the Employees' Provident Fund Act No. 15 of 1958 every employer is required to contribute 12% of an employee's total earnings to the Employees' Provident Fund (EPF), while 8% is deducted from the employee's earnings, making a total contribution of 20%.

However, the Company exceeds the minimum statutory requirement by contributing 15% on behalf of the employer and deducting 10% from the employee, resulting in a total EPF contribution of 25%. This practice complies with the Act while providing enhanced retirement benefits to employees

As per section 16 of the Employees' Provident Trust Fund Act No. 46 of 1980, the Company contribute 3% of an employee's total earnings to the Employees' Trust Fund (ETF).

Contributions to EPF and ETF

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Employees' Provident Fund (EPF) | | |
| Employer's contribution (15%) | 354,597 | 331,043 |
| Employees' contribution (10%) | 236,398 | 220,695 |
| Employees' Trust Fund (ETF) | | |
| Employer's contribution (3%) | 70,399 | 66,756 |

Defined benefit plan – retirement benefit obligation

Sri Lanka Insurance Corporation General Limited provides for the defined benefit obligation as required under the prevailing laws and regulations. The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date, using the Projected Unit Credit (PUC) method. The PUC method is the benchmark method recommended by the Sri Lanka Accounting Standard - LKAS 19 - "Employee Benefits".

The valuation of the retirement benefit obligation has been carried out by M/S Actuarial and Management Consultants (Pvt) Limited, a firm of qualified and independent actuaries.

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The cost of providing benefits under the defined benefit plan is determined

Notes to the Financial Statements

21. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

using the projected unit credit method, which attributes benefit costs to periods of service. Actuarial gains and losses, arising from experience adjustments or changes in actuarial assumptions, are recognised immediately in Other Comprehensive Income (OCI) and presented directly in equity under retained earnings. These re measurements are not subsequently re classified to Statement of Profit or Loss in future periods.

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

Plan assets are assets held by a long-term employee benefit fund and are designated solely for the purpose of meeting employee benefit obligations. These assets are legally separated from the Company and cannot be accessed by the Company's creditors, nor can they be returned directly to the Company. Plan assets are measured at fair value at the reporting date, reflecting the market value of the fund's investments.

Current service cost

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Recognition of actuarial gain/loss, current service cost and interest cost

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in Other Comprehensive Income within the Statement of Profit or Loss and Other Comprehensive Income. The current service cost and interest cost related to defined benefit plans are recognised as part of employee benefit expenses in the Statement of Profit or Loss.

When the benefits of a defined benefit plan are amended or the plan is curtailed, any resulting change relating to past service costs or gains and losses on curtailment is recognised immediately in Statement of Profit or Loss. The Company also recognises any gains or losses arising from the settlement of a defined benefit plan at the date the settlement occurs.

21.1 Movement in retirement benefit obligation

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Balance as at 01 January | 1,391,859 | – |
| Transfer form SLICGL | – | 1,108,925 |
| Recognised in the Statement of Profit or Loss | | |
| Current service cost | 73,273 | 57,598 |

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Interest cost | 160,064 | 121,982 |
| Recognised in the Statement of Other Comprehensive Income | | |
| Remeasurement losses on obligation | 160,095 | 180,910 |
| Other | | |
| Payments during the year | (184,336) | (77,556) |
| Balance as at 31 December | 1,600,955 | 1,391,859 |

21.2 Principal actuarial assumptions used

The defined benefit obligation liability of the Company is based on an actuarial valuation carried out by M/S Actuarial and Management Consultants (Pvt) Limited, an independent actuary. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with the support of the independent actuarial expert.

Due to the discount rate and salary increment rate assumptions used, nature of non financial assumptions and experience of the assumptions of the Company, there is no significant impact to employment benefit liability as a result of prevailing macro economic conditions.

| Assumptions | 2025 | 2024 |
|--------------------------------|-----------------|----------|
| Financial assumptions | | |
| Discount rate | 9.80% | 11.50% |
| Salary increment rate | | |
| – Year 2025 | 8.00% | 10.00% |
| – From year 2026 onward | | 7.00% |
| Demographic assumptions | | |
| Staff turnover factor | 7% | 9% |
| Retirement age | 60 years | 60 years |

21.3 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--------------------------------|------------------|------------------|
| Within the next 12 months | 176,689 | 216,867 |
| Between 1 and 2 years | 337,347 | 332,942 |
| Between 2 and 5 years | 469,102 | 392,004 |
| Over 5 years | 607,759 | 440,782 |
| Total expected payments | 1,590,897 | 1,382,595 |

Notes to the Financial Statements

21. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

21.3 Maturity analysis of the payments (Cont'd)

The above maturity analysis does not include staff welfare gratuity payments (Rs. 10,058,904).

21.4 Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined obligation by the amounts shown below.

| Increase/(decrease) in discount rate % | Increase/(decrease) in salary increment % | Change in employee defined benefit liability Rs. '000 |
|--|---|---|
| 1 | - | (1,507,617) |
| -1 | - | 1,683,252 |
| - | 1 | 1,691,154 |
| - | -1 | (1,499,078) |

22 REINSURANCE PAYABLE

ACCOUNTING POLICY

Reinsurance payables represent balances due to reinsurance companies. Amounts payable are recognised when due and measured on initial recognition at fair value less directly attributable transaction costs in a manner consistent with the related reinsurance contract.

Reinsurance liabilities are derecognised when the contractual rights are extinguished or expire, or when the contract is transferred to another party.

In accordance with LKAS 21 - "The Effects of Changes in Foreign Exchange Rates", reinsurance payables denominated in foreign currencies are initially recorded at the spot exchange rate on the date of the transaction. Subsequent payments made to foreign reinsurers are settled in the respective contractual foreign currency. Any exchange differences arising between the initial recognition, reporting date remeasurement, and final settlement are recognised in Statement of Profit or Loss in the period in which they arise.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Domestic reinsurer - National Insurance Trust Fund (NITF) | 593,392 | 446,533 |
| Domestic reinsurers - others | 506,059 | 510,302 |
| Foreign reinsurers | 1,150,415 | 794,867 |
| Balance as at 31 December | 2,249,866 | 1,751,702 |

23 CURRENT TAX LIABILITIES

Refer accounting policy in Note 35.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Balance as at 01 January | 404,367 | 4,876 |
| Income tax charge for the year | 731,741 | 778,956 |
| Income tax settlements made during the year | (1,013,672) | (379,465) |
| Balance as at 31 December | 122,436 | 404,367 |

24 OTHER LIABILITIES

ACCOUNTING POLICY

Other liabilities include employee benefits payable, other payables and accrued expenses. The Company ensures that these liabilities are measured reliably and settled in accordance with contractual terms and regulatory requirements.

Others including accrued expenses

Accrued expenses include accrued operational expenses, unpaid obligations for services received, and other miscellaneous payables incurred in the normal course of business. Accrued expenses are recognised based on the matching principle, ensuring that costs are recorded in the period in which they are incurred, even if payment is made later. The Company maintains robust controls over these liabilities to ensure timely settlement, regulatory compliance, and accurate financial reporting, contributing to overall financial stability and transparency.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Financial liabilities | | |
| Agency commission payables | 1,196,312 | 1,154,074 |
| Staff/agent related payables | 396,120 | 298,358 |
| Amounts due to SLICLL - Related party | 146,818 | 1,064,392 |
| Premium control account | 974,811 | - |
| Total financial liabilities | 2,714,061 | 2,516,824 |
| Non-financial liabilities | | |
| Policyholder advance payments | 131,807 | 169,967 |
| Other accrued payables | 2,374,242 | 2,211,241 |
| Total non-financial liabilities | 2,506,049 | 2,381,208 |
| Total other liabilities | 5,220,110 | 4,898,032 |

Notes to the Financial Statements

25 BANK OVERDRAFTS**ACCOUNTING POLICY**

Bank overdrafts are recognised as liabilities in the Statement of Financial Position. They are typically used for cash management purposes and are classified under current liabilities due to their short term nature. Bank overdrafts are subject to interest charges and are repaid based on the terms agreed with the financial institution. The Company ensures that these liabilities are monitored and managed effectively to maintain financial stability and meet its short term obligations in compliance with regulatory requirements.

However, the overdraft balance reflected in the Financial Statements includes an accounting book overdraft, which does not represent an actual bank overdraft facility. This arises solely due to timing differences between the recording of issued payments in the accounting system and the actual clearance of those payments by the bank. Accordingly, this book overdraft is not subject to interest or repayment terms with a financial institution and does not indicate the existence of an approved overdraft facility.

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|------------------------------------|------------------|------------------|
| Bank overdrafts | 583,865 | 268,146 |
| Total financial liabilities | 583,865 | 268,146 |

26 REVENUE**ACCOUNTING POLICY**

Revenue comprises net earned premium, investment income and other operating income, and is recognised in accordance with Sri Lanka Accounting Standards (SLFRS) when it is probable that economic benefits will flow to the Company and the amounts can be measured reliably.

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|-------------------|-------------------|
| Gross written premium | 27 | 30,303,076 | 23,570,648 |
| Net change in reserve for unearned premium | 28.1 | (1,854,667) | 420,875 |
| Gross earned premium | | 28,448,409 | 23,991,523 |
| Premium ceded to reinsurers | 28.2 | (8,735,752) | (6,998,145) |
| Net change in reserve for unearned reinsurance premium | 28.3 | 238,271 | (432,281) |
| Net earned premium | | 19,950,928 | 16,561,097 |
| Investment income | 29 | 3,913,726 | 3,987,625 |
| Net realised/unrealised gains/(losses) | 30 | 342,146 | (419,807) |
| Other income | 31 | 63,693 | 70,123 |
| Total revenue | | 24,270,492 | 20,199,038 |

27 GROSS WRITTEN PREMIUM**ACCOUNTING POLICY**

Gross Written Premiums (GWP) are recognised as revenue at the commencement of the insurance policy, representing the total value of the risk underwritten. To ensure financial accuracy, this revenue is earned systematically over the coverage period, with the portion relating to future risk deferred as an Unearned Premium Reserve (UPR). This approach aligns income recognition with the actual duration of risk exposure and the matching principle of insurance accounting.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|------------------------------------|-------------------|-------------------|
| Fire and engineering | 3,419,377 | 2,842,920 |
| Motor | 18,441,538 | 13,189,328 |
| Marine | 1,092,467 | 872,291 |
| Workmen's compensation | 214,990 | 179,285 |
| General accidents | 7,134,704 | 6,486,824 |
| Total gross written premium | 30,303,076 | 23,570,648 |

28 NET EARNED PREMIUM**ACCOUNTING POLICY****Gross written premium and net earned premium**

Gross Written Premium (GWP) is recognised as revenue from the date of policy commencement. Net earned premium represents the portion of GWP, net of reinsurance, that specifically relates to the period of risk covered during the current financial year.

Unearned Premium Reserve (UPR)

Unearned premiums are defined as the proportion of premiums written during the year that relate to periods of risk extending beyond the reporting date. The Unearned Premium Reserve represents the portion of the premium written in the year that relates to the unexpired term of coverage.

Calculation methodology: UPR is generally calculated on a 365-day basis, in accordance with the Regulation of Insurance Industry Act No. 43 of 2000.

Variable risk patterns: For contracts where the period of risk differs significantly from the contract period, premium is earned in proportion to the amount of insurance protection provided over the period of risk.

Liability classification: The portion of premium attributable to subsequent periods is deferred as a provision for unearned premium and included under liabilities on the balance sheet.

Reinsurance premiums

Gross reinsurance premiums are recognised as an expense on the date the underlying insurance policy commences, with rates determined by agreements with reinsurers.

Unearned reinsurance premium: This represents the proportion of reinsurance premiums written in a year that relate to risk periods after the reporting date.

Notes to the Financial Statements

28. NET EARNED PREMIUM (CONT'D)

Deferral process: For risks attaching contracts, unearned reinsurance premium is deferred over the term of the underlying direct insurance policies using a 365-day basis.

Proportional earning: Similar to direct premiums, if the risk period differs from the contract period, the reinsurance premium is earned over the period of risk in proportion to the insurance protection provided.

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|--------------------|--------------------|
| Gross written premium | 27 | 30,303,076 | 23,570,648 |
| Change in reserve for unearned premium | 28.1 | (1,843,343) | 497,104 |
| Gross earned premium | | 28,459,733 | 24,067,752 |
| Premiums ceded to reinsurers | 28.2 | (8,735,752) | (6,998,145) |
| Change in reserve for unearned reinsurance premium | 28.3 | 238,271 | (432,281) |
| Gross reinsurance premium | | (8,497,481) | (7,430,426) |
| Transfer to title insurance reserve | 28.1 | (11,324) | (76,229) |
| | | (8,508,805) | (7,506,655) |
| Net earned premium | | 19,950,928 | 16,561,097 |

28.1 Net change in reserve for unearned premium

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------------------|------------------|
| Change in reserve for unearned premium | 20.1 | (1,843,343) | 497,104 |
| Transfer to title insurance reserve | 20.2 | (11,324) | (76,229) |
| | | (1,854,667) | 420,875 |

28.2 Premiums ceded to reinsurers

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Fire | 2,383,953 | 1,558,067 |
| Motor | 307,444 | 150,618 |
| Marine | 776,087 | 572,311 |
| Miscellaneous | 1,882,443 | 1,827,898 |
| Amounts ceded to NITF | 3,385,825 | 2,889,251 |
| Total premium ceded to reinsurers | 8,735,752 | 6,998,145 |

28.3 Net change in reserve for unearned reinsurance premium

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------------------|------------------|
| Net change in reserve for unearned reinsurance premium | 20.1 | 238,271 | (432,281) |
| | | 238,271 | (432,281) |

29 INVESTMENT INCOME

ACCOUNTING POLICY

Investment income comprises interest income on funds invested, dividend income and realised/unrealised gains or losses.

Interest income

Interest income is recognised in Statement of Profit or Loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, as well as transaction costs and all other premiums or discounts. Transaction costs include incremental costs that are directly attributable to the acquisition, issue, or disposal of a financial asset or financial liability.

Realised/unrealised gains and losses

Capital gains and losses on investments comprise both realized and fair value movements. Realised gains and losses, including those arising from the sale of financial assets, are recognised in the Statement of Profit or Loss and are calculated as the difference between the net sales proceeds and the carrying amount of the asset at the date of disposal.

In the case of investments classified as Available For Sale (AFS), any cumulative gains or losses previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit or Loss upon derecognition.

In addition, fair value gains and losses arising from financial assets classified at Fair Value Through Profit or Loss (FVTPL) are also recorded in the Statement of Profit or Loss as they arise.

Notes to the Financial Statements

29. INVESTMENT INCOME (CONT'D)

| Investment category | Fair value movement (Unrealised) | Realised gain/loss (Disposal) |
|---|---|--|
| Fair Value Through Profit or Loss (FVTPL) | Recognised immediately in Statement of Profit or Loss | Difference between proceeds and carrying amount. |
| Available For Sale (AFS) | Recognised in Other Comprehensive Income (OCI). | "Recycled" from OCI to Statement of Profit or Loss |
| Held To Maturity (HTM) | Not recognised (measured at amortised cost). | Recognised in Statement of Profit or Loss upon disposal. |

Dividend income

Dividend income from equity investments is recognised in the Statement of Profit or Loss when the right to receive payment is established, which is typically on the "ex-dividend" date. Dividends are measured at fair value.

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------|------------------|------------------|
| Investment income from | | | |
| Held To Maturity (HTM) | 29.1 | 1,251,300 | 773,239 |
| Loans and Receivables (L&R) | 29.2 | 632,626 | 670,729 |
| Available For Sale (AFS) | 29.3 | 1,746,728 | 1,584,201 |
| Fair Value Through Profit or Loss (FVTPL) | 29.4 | 283,072 | 959,456 |
| | | 3,913,726 | 3,987,625 |

29.1 Investment income from Held To Maturity (HTM)

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Interest income | | |
| Treasury bonds | 21,956 | 125,380 |
| Listed debentures | 736,136 | 395,001 |
| Reverse repurchase agreements | 348,305 | 57,341 |
| Fixed deposits | 144,903 | 195,517 |
| Total investment income from Held To Maturity (HTM) | 1,251,300 | 773,239 |

29.2 Investment income from Loans and Receivables (L&R)

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Interest income | | |
| Interest on staff and agent loans | 206,526 | 227,420 |
| Call deposits | 7,283 | 4,072 |
| Unlisted debentures | 418,817 | 439,237 |
| Total investment income from Loans and Receivables (L&R) | 632,626 | 670,729 |

29.3 Investment income From Available For Sale (AFS)

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Dividend income | | |
| Listed shares | 385,033 | 181,141 |
| Interest income | | |
| Treasury bonds | 898,489 | 1,098,582 |
| Listed debentures | 111,683 | 220,121 |
| Treasury bills | - | 11,756 |
| Commercial papers | 211,880 | 120,976 |
| | 1,607,085 | 1,632,576 |
| Realised gains/losses | | |
| Losses on sale of subscription rights | - | (48,375) |
| Losses on sale of listed shares | 471 | - |
| Losses on sale of treasury bonds | (21,926) | - |
| Profit on sale of treasury bonds | 161,098 | - |
| | 139,643 | (48,375) |
| Total investment income from Available For Sale (AFS) | 1,746,728 | 1,584,201 |

Notes to the Financial Statements

29. INVESTMENT INCOME (CONT'D)

29.4 Investment income from Fair Value Through Profit or Loss (FVTPL)

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Dividend income | | |
| Listed shares | 17,225 | 30,073 |
| Realised gains | | |
| Listed shares | 5,441 | 59,544 |
| Profit on sale of subscription rights | 4,696 | – |
| | 10,137 | 59,544 |
| Unrealised gains | | |
| Listed shares | 21,734 | 597,744 |
| Unit trust | 233,976 | 272,095 |
| | 255,710 | 869,839 |
| Total investment income from Fair Value Through Profit or Loss (FVTPL) | 283,072 | 959,456 |

30 NET REALISED/UNREALISED GAINS/(LOSSES)**ACCOUNTING POLICY****Recognition of exchange differences**

Foreign currency exchange gains and losses primarily arise from the conversion of foreign currency denominated assets and from foreign currency transactions related to operational activities. These fluctuations result from movements in exchange rates during the reporting period and are recognised in the Statement of Profit or Loss in the period in which they arise.

Foreign currency transactions**Basis of recognition**

Foreign currency transactions (LKAS 21) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are retranslated using the closing rate, while non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency denominated financial assets**Classification and measurement**

The treatment of exchange differences on financial assets denominated in a foreign currency depends on their classification under SLFRS 39.

Monetary financial assets: For assets such as debt securities and receivables, the foreign exchange gains and losses are calculated based on the amortised cost and are recognised immediately in the Statement of Profit or Loss.

Available For Sale (AFS) equity instruments: Exchange differences arising on non monetary financial assets, such as equity investments, are recognised in Other Comprehensive Income (OCI) as part of the fair value movement. These cumulative gains or losses remain in equity until the asset is derecognised.

Fair Value Through Profit or Loss (FVTPL): For foreign currency assets held for trading, the exchange component is recognised in the Statement of Profit or Loss as part of the overall fair value gain or loss.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Foreign currency denominated investment assets | 323,976 | (406,829) |
| Foreign currency transactions | 18,170 | (12,978) |
| Total net realised/unrealised gains/(losses) | 342,146 | (419,807) |

31 OTHER INCOME**ACCOUNTING POLICY**

Other income primarily comprises fee and commission income earned during the year, along with sundry income including profit on disposal of assets.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|-----------------------------------|------------------|------------------|
| Fees and commission income | 36,598 | 35,858 |
| Sundry income | 27,095 | 34,265 |
| Total income | 63,693 | 70,123 |

32 NET BENEFITS AND CLAIMS**ACCOUNTING POLICY****Recognition of gross claims**

Insurance claims are recognised in the Statement of Profit or Loss as incurred, representing the total estimated cost of all claims arising from events occurring during the reporting period, including claims Incurred But Not Reported (IBNR) and direct claims handling costs. These claims are presented net of expected recoveries from salvage, subrogation, and other reimbursements. The liability for outstanding claims is determined through a combination of detailed individual claim file reviews and actuarial assessments to estimate the ultimate cost of settling both reported and unreported claims, incorporating revisions to prior year estimates as new information becomes available.

Notes to the Financial Statements

32. NET BENEFITS AND CLAIMS (CONT'D)

The claims estimation process for the current period has been specifically sensitised to reflect the systemic impact of the Ditwah Cyclone and subsequent flooding. This includes recognising increased volatility and assessment delays within the fire and engineering portfolio, alongside enhanced provisions in the motor portfolio for high frequencies of total loss due to *Ditwah* Cyclone and subsequent flooding. These adjustments ensure insurance liabilities reflect the most recent data regarding ultimate settlement costs.

The provision in respect of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) is actuarially valued to ensure a more realistic estimation of the future liability based on the past experience and trends. Actuarial valuations are performed on a quarterly basis.

Whilst the Company considers that the provisions for claims are fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustments to the amounts provided. Such amounts are reflected in the Financial Statements for that period.

The methods used to estimate claims and the estimates made are reviewed regularly.

Recognition of reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Net benefits and claims incurred

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|-------------------|------------------|
| Gross benefits and claims incurred | 32.1 | 16,161,530 | 9,899,914 |
| Claims recovered from reinsurers | 32.2 | (473,322) | (476,889) |
| Gross change in contract liabilities (IBNR) | 32.3 | 545,268 | 99,663 |
| Change in contract liabilities ceded to reinsurers | 32.4 | (3,964,740) | (40,297) |
| Total net benefits and claims incurred | | 12,268,736 | 9,482,391 |

32.1 Gross benefits and claims incurred

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|-------------------|------------------|
| Fire | 4,177,396 | 521,175 |
| Motor | 7,707,012 | 6,138,929 |
| Marine | 193,401 | 182,805 |
| Miscellaneous | 4,083,721 | 3,057,005 |
| Total gross benefits and claims incurred | 16,161,530 | 9,899,914 |

32.2 Claims recovered from reinsurers

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Fire | (250,459) | (379,280) |
| Motor | (17,182) | (6,555) |
| Marine | (103,634) | (84,742) |
| Miscellaneous | (102,047) | (6,312) |
| Total claims recovered from reinsurers | (473,322) | (476,889) |

32.3 Gross change in contract liabilities

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Fire | 313,707 | (96,636) |
| Motor | 440,125 | 23,120 |
| Marine | 23,090 | (87,634) |
| Miscellaneous | (231,654) | 260,813 |
| Total gross change in contract liabilities | 545,268 | 99,663 |

32.4 Change in contract liabilities ceded to reinsurers

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|--------------------|------------------|
| Fire | (3,272,618) | 17,420 |
| Motor | (468,111) | (19,967) |
| Marine | (59,636) | 5,804 |
| Miscellaneous | (164,375) | (43,554) |
| Total change in contract liabilities ceded to reinsurers | (3,964,740) | (40,297) |
| Total net benefits and claims | 12,268,736 | 9,482,391 |

Notes to the Financial Statements

33 UNDERWRITING AND NET ACQUISITION COSTS (INCLUDING REINSURANCE COMMISSION)

ACCOUNTING POLICY

Recognition of underwriting and net acquisition costs

Acquisition expenses comprise commissions that vary with, and are directly attributable to, the acquisition of new and renewal insurance business. These costs are deferred and amortised over the period in which the related written premiums are earned, in line with the recognition of revenue. Reinsurance commissions are recognised on a similar basis and are incorporated as part of deferred acquisition costs.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Acquisition cost | 1,360,581 | 1,429,521 |
| Net change in reserve for Deferred Acquisition Cost (DAC) | (42,238) | (101,395) |
| | 1,318,343 | 1,328,126 |
| Reinsurance commission received | (1,347,038) | (1,096,553) |
| Net change in Unearned Commission Reserve (UCR) | 16,602 | (10,299) |
| | (1,330,436) | (1,106,852) |
| Net acquisition cost (Including reinsurance commission) | (12,093) | 221,274 |

34 PROFIT BEFORE TAX

Profit before taxation is stated after charging all expenses including the following:

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------------------|------------------|
| Auditors remuneration | | 2,502 | 3,211 |
| Fees for non-audit services | | 704 | 394 |
| Depreciation of property, plant and equipments | 6.1 | 213,312 | 118,808 |
| Amortisation of intangible assets | 5 | 21,965 | 11,052 |
| Consolidated salaries | | 2,697,486 | 2,428,615 |
| EPF | | 354,597 | 331,043 |
| ETF | | 70,399 | 66,756 |
| Other salary related cost | | 2,478,068 | 2,100,086 |

35 INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expense comprises the current and deferred tax. Current and deferred taxes are recognised in Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the applicable provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments.

For the General Insurance business, gains and profits are computed in accordance with the relevant provisions of the Act and are taxed at 30%.

Current income tax represents the expected tax payable or receivable on the taxable income or loss for the year, including any adjustments to tax payable or receivable in respect of previous years. It is measured using the tax rates enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the liability method for temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their respective tax bases. The deferred tax charge or credit is measured based on the expected manner of recovery or settlement of the related assets and liabilities, using tax rates that have been substantively enacted as at the reporting date.

Notes to the Financial Statements

35. INCOME TAX EXPENSE (CONT'D)

Amounts recognised in Statement of Profit or Loss

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------|------------------|------------------|
| Current tax expenses | | | |
| Current tax year | | 731,741 | 778,956 |
| Deferred tax expenses | | | |
| Origination of temporary differences | 8.2 | (8,287) | 133,028 |
| Income tax expenses reported in the Statement of Profit or Loss | | 723,454 | 911,984 |

35.1 Amounts recognised in Other Comprehensive Income

| For the year ended 31 December | Note | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------|------------------|------------------|
| Tax on: | | | |
| Remeasurement of defined benefit liability | 8.2 | (48,029) | (54,272) |
| Revaluation of property, plant and equipments | 8.2 | – | 79,387 |
| Fair value changes in Available For Sale financial assets (AFS) | 8.2 | 2,927 | 167,377 |
| | | (45,102) | 192,492 |

35.2 Income tax reconciliation

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|---|------------------|------------------|
| Current tax expense | | |
| Income tax on current year's profits | 723,454 | 911,984 |
| | 723,454 | 911,984 |
| Deferred income tax | | |
| Origination of deferred tax liability | 252,183 | 273,906 |
| Origination of deferred tax assets | (560,249) | (528,583) |
| | (308,066) | (254,677) |
| Income tax expense reported in the Statement of Profit or Loss | 723,454 | 911,985 |
| Income tax expense reported in the Statement of Other Comprehensive Income | (45,102) | 192,491 |
| | 678,352 | 1,104,476 |
| Reconciliation of effective tax rate | | |
| Profit for the year | 3,251,506 | 3,573,323 |
| Tax adjustment based on the Inland Revenue Act | | |
| Income exempt from income tax | (900,513) | (556,796) |
| Aggregate allowable expenses | (437,545) | (205,690) |
| Aggregate disallowable expenses | 525,690 | (214,316) |
| Statutory income | 2,439,138 | 2,596,521 |
| Income tax at 30% | 731,742 | 778,957 |
| Deferred taxation charge | (8,287) | 133,028 |
| Current tax expense | 723,454 | 911,984 |

Notes to the Financial Statements

36 BASIC/DILUTED EARNINGS PER SHARE**ACCOUNTING POLICY**

In accordance with LKAS 33 – “Earnings Per Share” (EPS), company calculated EPS by dividing the profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

- The profit attributable to ordinary shareholders represents the profit for the year after deducting income tax.
- The weighted average number of ordinary shares outstanding during the year is adjusted for events such as bonus issues, share splits, and rights issues, without a corresponding change in resources.

There were no potential dilutive ordinary shares outstanding at any time during the year. Accordingly, the diluted earnings per share are equal to the basic earnings per share.

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|------------------|------------------|
| Amounts used as the numerators | | |
| Profit after tax attributable to ordinary shareholders | 2,528,052 | 2,661,339 |
| Number of ordinary shares used as denominators | | |
| Weighted average number of ordinary shares in issue | 1,400,000 | 1,285,342 |
| Basic/diluted earnings per share (Rs.) | 1.81 | 2.07 |

The number of ordinary shares in issue remained unchanged during the financial years 2024 and 2025. However, the weighted average number of shares for 2024 reflects only eleven months (from 01 February to 31 December 2024), as the segregation became effective on 01 February 2024. Accordingly, the weighted average number of shares for 2024 is lower compared to the number of shares in issue as at 01 February 2024.

37 DIVIDENDS PER SHARE**ACCOUNTING POLICY**

Final dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends approved by the Board of Directors and dividends are deducted from equity when they are paid.

Dividends proposed by the Board of Directors after the reporting date is not recognised as a liability and is only disclosed as a note to the Financial Statements.

37.1 Dividends proposed during the year

| For the year ended 31 December | 2025 | 2024 |
|---|-----------|-----------|
| Dividend proposed (Rs. '000) | – | 250,000 |
| Weighted average number of ordinary shares in issue (Qty. '000) | 1,400,000 | 1,400,000 |
| Dividend Per Share (Rs.) | 0.00 | 0.18 |

Pursuant to Direction No. 06 of 2025 issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL) on 08 December 2025, insurance companies were permitted to refrain from declaring or distributing dividends in respect of the financial years 2024 and 2025 where such dividends had not already been declared or distributed. This regulatory measure was introduced in response to the exceptional financial strain arising from the *Ditwah* Cyclone and subsequent flooding. This direction will be applicable until 30 June 2026.

37.1 (a) Compliance with Sections 56 and 57 of the Companies Act No. 07 of 2007

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the Company should authorise the proposed dividend subject to the satisfaction of the solvency test in accordance with Section 57.

37.2 Dividend paid during the year

Dividends amounting to Rs. 250 Mn. were paid during the financial year 2025, which were proposed in the financial year 2024. Board of Directors approved the final dividend payment for financial year 2024 at the Board meeting held on 26 May 2025.

Notes to the Financial Statements

38 FINANCIAL ASSETS AND LIABILITIES**38.1 Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| As at 31 December 2025 | Note | Fair Value Through Profit or Loss Rs. '000 | Available For Sale Rs. '000 | Held To Maturity Rs. '000 | Loans and Receivables Rs. '000 | Carrying value Rs. '000 | Fair value Rs. '000 |
|---|------|---|--------------------------------|------------------------------|-----------------------------------|----------------------------|------------------------|
| Financial assets measured at fair value | | | | | | | |
| Listed shares | 9 | 3,090,481 | 12,272,793 | - | - | 15,363,274 | 15,363,274 |
| Unit trusts | 9 | 2,379,766 | 1,924,158 | - | - | 4,303,924 | 4,303,924 |
| Listed debentures | 9 | - | 1,008,603 | - | - | 1,008,603 | 1,008,603 |
| Commercial papers* | 9 | - | 1,505,373 | - | - | 1,505,373 | 1,505,373 |
| Treasury bonds | 9 | - | 8,254,302 | - | - | 8,254,302 | 8,254,302 |
| Financial assets not measured at fair value | | | | | | | |
| Listed debentures | 9 | - | - | 7,330,288 | - | 7,330,288 | 7,825,488 |
| Unlisted debentures | 9 | - | - | - | 1,508,603 | 1,508,603 | 1,964,753 |
| Term deposits | 9 | - | - | - | 2,983,782 | 2,983,782 | 2,983,782 |
| Staff loans and receivables | 9 | - | - | - | 1,297,115 | 1,297,115 | 1,297,115 |
| Reinsurance receivables | 10 | - | - | - | 5,967,242 | 5,967,242 | 5,967,242 |
| Premium receivables | 11 | - | - | - | 6,338,759 | 6,338,759 | 6,338,759 |
| Other financial assets | 12 | - | - | - | 856,258 | 856,258 | 856,258 |
| Cash and cash equivalents | 14 | - | - | - | 5,138,025 | 5,138,025 | 5,138,025 |
| Total financial assets | | 5,470,247 | 24,965,229 | 7,330,288 | 24,089,784 | 61,855,548 | 62,806,898 |
| Financial liabilities not measured at fair value | | | | | | | |
| Reinsurance payables | 22 | - | - | - | 2,249,866 | 2,249,866 | 2,249,866 |
| Other financial Liabilities | 24 | - | - | - | 2,714,061 | 2,714,061 | 2,714,061 |
| Total financial liabilities | | - | - | - | 4,963,927 | 4,963,927 | 4,963,927 |

* In the absence of an active secondary market fair value of short-term commercial papers are assumed to be equal to the their carrying value.

38.2 Fair value hierarchy for assets carried at fair value

The Company uses the fair value hierarchy in determining and disclosing the fair value of financial instruments. The following note shows an analysis of financial investments recorded at fair value by levels based on the guidelines provided under the SLFRS 13.

| Level | Fair value measurement method |
|---------|---|
| Level 1 | Quoted (unadjusted) prices in active markets for identical assets or liabilities |
| Level 2 | Techniques for which, all inputs that have a significant effect on the recorded fair value, are observable, either directly or indirectly |
| Level 3 | Techniques, which use inputs that have a significant effect on the recorded fair value, are not based on observable market data |

Notes to the Financial Statements

38. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

38.2 Fair value hierarchy for assets carried at fair value (Cont'd)

| As at 31 December 2025 | Level 1 Rs. '000 | Level 2 Rs. '000 | Level 3 Rs. '000 | Total fair value Rs. '000 |
|---|---------------------|---------------------|---------------------|------------------------------|
| Available For Sale (AFS) financial assets | | | | |
| Listed shares | 12,272,793 | – | – | 12,272,793 |
| Unit trusts | 1,924,158 | – | – | 1,924,158 |
| Listed debentures | 1,008,603 | – | – | 1,008,603 |
| Treasury bonds | 8,254,302 | – | – | 8,254,302 |
| Commercial papers* | – | – | 1,505,373 | 1,505,373 |
| Total | 23,459,856 | – | 1,505,373 | 24,965,229 |
| Fair Value Through Profit or Loss (FVTPL) financial assets | | | | |
| Listed shares | 3,090,481 | – | – | 3,090,481 |
| Unit trusts | 2,379,766 | – | – | 2,379,766 |
| Total | 5,470,247 | – | – | 5,470,247 |
| Held To Maturity (HTM) financial assets | | | | |
| Listed debentures** | 6,829,261 | 501,027 | – | 7,330,288 |
| Total | 6,829,261 | 501,027 | – | 7,330,288 |
| Loans and Receivables (L&R) financial assets | | | | |
| Unlisted debentures | – | 1,508,603 | – | 1,508,603 |
| Term deposits | – | 2,983,782 | – | 2,983,782 |
| Total | – | 4,492,385 | – | 4,492,385 |
| Total financial assets | 35,759,364 | 4,993,412 | 1,505,373 | 42,258,150 |

* In the absence of an active secondary market fair value of short-term commercial papers are assumed to be equal to their carrying value.

** As of the reporting date, 93% of financial instruments classified as Held To Maturity (HTM) were measured using quoted market prices in active markets (Level 1). The remaining 7% of the portfolio was valued using Level 2 valuation techniques (Discounted cash flow method) in accordance with SLFRS 13. This measurement approach was adopted as these specific instruments had no active trading observed within the preceding 12 month period.

38.3 Valuation techniques used in determining fair values

- The fair values of listed shares, treasury bills and treasury bonds are based on their market prices as they are traded in active markets.
- The fair values of term deposits are estimated to be equal to their amortised cost as maturities do not exceed one year.
- The fair values of unlisted fixed rate debentures are arrived at discounting the future cash flows at market yields of comparable newly issued corporate debt instruments carrying similar maturities and credit ratings.
- The fair values of listed debentures, which are traded in active markets, are based on their market prices.
- The fair values of listed debentures, which are not traded in active markets, are arrived at discounting the future cash flows at market yields of comparable newly issued corporate debt instruments carrying similar maturities and credit ratings.
- The fair values of unit trusts are based on their bid prices as quoted by the unit trust management companies.

Notes to the Financial Statements

38. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

38.3 Valuation techniques used in determining fair values (Cont'd)

Investments with government related entities which are significant for the users of this annual report are listed below.

| Financial instrument/Government entity | Bank of Ceylon Rs. '000 | People's Bank Rs. '000 | Sri Lanka Telecom PLC Rs. '000 | Ceylon Electricity Board Rs. '000 |
|--|----------------------------|---------------------------|-----------------------------------|--------------------------------------|
| Listed debentures | 1,141,712 | - | - | 1,008,603 |
| Unlisted debentures | 1,508,602 | 507,013 | - | - |
| Term deposits | 2,886,702 | - | - | - |
| Listed shares | - | - | 20,346 | - |
| | 5,537,016 | 507,013 | 20,346 | 1,008,603 |

39 INSURANCE AND FINANCIAL RISK MANAGEMENT

Overview

The main types of risks to which the Company is exposed and related policies/processes for measuring and managing such risks are given below.

- Strategic risk
- Insurance business risk
- Financial risk
- Operational risk

The Company's exposure to each of the aforementioned risks, along with the objectives, policies, and processes established for measuring and managing these risks, in accordance with the requirements of SLFRS 4 and SLFRS 7. The note also includes the relevant quantitative disclosures related to these risks.

Risk management framework

SLICGL adopts "ISO 31000 (2018) Risk Management" framework for its Enterprise Risk Management. The primary objective of the Company's risk management framework is to protect the Company's shareholders from events that could hinder the sustainable delivery of financial objectives. The risk management process comprises the identification and evaluation of existing and potential risks associated with the Company's operations and strategy, followed by appropriate management responses such as tolerance, mitigation, transfer, avoidance, termination or a combination of such responses.

The Company's Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. SLICGL's Board of Directors receives assistance from the Board Risk Management subcommittee in overseeing the overall risk management of the company. The sub committee plays a

pivotal role in ensuring that risk management is an integral part of SLICGL's Corporate strategy. The responsibilities of this sub committee include ensuring that risk management policies and procedures are aligned with SLICGL's strategy and risk appetite and tolerance. The Company's risk management policy is established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. As per the guidelines on corporate governance for state-owned enterprises which requires to allocate regular and adequate time at the Board meetings for discussions about risk management, with focus not only on financial issues, but also on operational issues including cyber security, sustainability issues related to the degree of mechanisation, and availability of the necessary skills in the workforce.

The enterprise risk management policy is reviewed annually and after any major incident.

Impact of Cyclone *Ditwah*

The severe weather conditions associated with Cyclone *Ditwah* in November 2025, resulted in widespread flooding and landslides across several parts of Sri Lanka. Significant impacts reported in districts such as Kandy, Nuwara Eliya, Badulla, Kurunegala, Colombo, Gampaha, Puttalam and Mannar.

The insurance sector experienced heightened exposure to catastrophe related risks following the adverse weather conditions associated with Cyclone *Ditwah*. Such extreme weather events have lead to an increase in the frequency and severity of claims, particularly within fire, engineering and motor insurance portfolios, thereby elevating underwriting and claims risks.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

The Company continuously monitors its exposure to natural catastrophe risks through established risk management frameworks, including catastrophe exposure assessments, portfolio diversification and regular monitoring of claims trends. Appropriate risk mitigation measures are in place, such as prudent underwriting practices, robust claims management processes and comprehensive reinsurance arrangements to limit potential financial impacts.

These frameworks enable the Company to effectively manage and mitigate the potential impact of such catastrophe events while maintaining financial resilience and ensuring its continued ability to meet policyholder obligations.

The Board Risk Management Committee (BMRC) is responsible for the implementation of the risk management framework. The BMRC comprise of a minimum of three board members, a majority of whom should be Non Executive Directors and be chaired by an Independent Non Executive Director. The Chief Executive Officer and Chief Financial Officer are required to attend all meetings of the committee. The Chief Information Officer and heads of strategic business units are invited to attend as necessary. The BMRC has an oversight role in developing, updating, enforcing, and monitoring the implementation

Financial risk management can be qualitative and quantitative. As a specialisation of risk management, financial risk management focuses on when and how to use financial instruments to manage costly exposures.

Regulatory framework

The Insurance Regulatory Commission of Sri Lanka (IRCSL) safeguards policyholders through supervisory control of insurance companies in line with the Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments. The Company needs to comply with rules with respect to the solvency position and the determination requirements to ensure the Company maintains appropriate level of admissible and approved investments in excess of liabilities to meet risks arising from unforeseen events. Further the Company is in compliance with the Risk Based Capital (RBC) requirement as per IRCSL guidelines. In addition, the Corporate Governance Code 2023, issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), which insurance companies are bound to comply by virtue of Direction 17 of the Insurance Regulatory Commission of Sri Lanka (IRCSL) provides the governance framework pertaining to the risk management.

The Company has adequate Total Available Capital (TAC) to support the Risk Based Capital required (RBC).

The operations of the Company are also subject to oversight by various other regulators such as the Securities and Exchange Commission of Sri Lanka (SEC), the Colombo Stock Exchange (CSE), the Central Bank of Sri Lanka (CBSL) and the Department of Inland Revenue, etc. The Company is also regulated by the Companies Act No. 07 of 2007.

The TAC and Capital Adequacy Ratio (CAR) of the Company as of 31 December 2025 are as follows;

| As at 31 December | 2025 | |
|--|------------|--------------------------------|
| | Company | Minimum regulatory requirement |
| Total Available Capital (TAC) (Rs. '000) | 26,879,942 | 500,000 |
| Risk based Capital Required (RCR) (Rs. '000) | 9,978,146 | 416,667 |
| Risk based Capital Adequacy Ratio (CAR) (%) | 269.40 | 120.00 |

39.1 Strategic risk

Strategic risk refers to the potential for losses or adverse impacts arising from ineffective business strategies, inappropriate strategic decisions, inadequate execution of strategic initiatives, or the failure to respond effectively to changes in the economic, regulatory, technological, or competitive environment. Such risks may hinder the achievement of the Company's long-term objectives, weaken its competitive position, adversely affect financial performance, and potentially damage its reputation and stakeholder confidence.

Risk response strategies

Company has set up the strategic review committee with the representation of the Board of Directors Review and evaluate the company's strategic plans, goals, and objectives, ensuring alignment with the company's mission, vision, and core values. Further, the committee continuously monitor and evaluate the company's progress towards its strategic objectives, analysing key performance indicators and assessing the progress made towards stated goals.

Details of strategic risk provided under Corporate Governance and Enterprise Risk Management section, given on pages 98 to 118.

39.2 Insurance business risk

A General insurance contract is an agreement between the policyholder and the insurer where the insurer agrees to compensate the policyholder in the event of a specified unforeseen event which adversely affects the policyholder occurs, in exchange for a premium.

The Company primarily issues motor, fire, engineering, marine, medical, title, workmen compensation and miscellaneous insurance contracts. General Insurance contracts are predominantly issued for a one year period. The exceptions are; marine insurance contracts where coverage period is less than one year and title insurance and certain fire and engineering contracts which may be issued for a period exceeding a year.

The table below shows the group concentration of risk within the general insurance business by line of business based on gross written premiums before reinsurance and after reinsurance.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.2 Insurance business risk (Cont'd)

| For the period ended 31 December 2025 | GWP | Reinsurance | Amounts ceded to NITF | NWP | As a % of NWP |
|---------------------------------------|------------|-------------|-----------------------|------------|---------------|
| Class | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | |
| Motor | 18,441,538 | 307,444 | 2,353,351 | 15,780,743 | 73.17 |
| Fire | 3,419,377 | 2,383,953 | 945,177 | 90,247 | 0.42 |
| Marine | 1,092,467 | 776,087 | 6,953 | 309,427 | 1.43 |
| Other | 7,349,694 | 1,882,443 | 80,344 | 5,386,907 | 24.98 |
| | 30,303,076 | 5,349,927 | 3,385,825 | 21,567,324 | 100 |

39.2.1 Product design risk

Risk that General Insurance products are priced inadequately due to outdated or inaccurate assumptions. These assumptions may fail to reflect the impact of climate change, natural disasters, terrorist activities, changing customer behavior and lifestyles, epidemics, and advancements in medical science and technology (particularly in medical insurance).

Additionally, pricing may not adequately account for rising costs driven by currency fluctuations and inflation, especially in the motor industry. Such factors may lead to underwriting losses.

Risk response strategies

- Diversification across a large portfolio of insurance contracts and geographical areas and increasing the number of policies issued to spread risk.
- Considering adequate reinsurance arrangements in pricing.
- Monitoring external factors such as floods, terrorist activities, political climate and economic factors and updating pricing accordingly.

39.2.2 Underwriting risk

This risk arises due to insufficiency of premiums received from policyholder to cover claims if the insured event or contingency occurs.

Risk response strategies

- Careful selection and implementation of underwriting strategies designed to ensure risks diversified in terms of type of risk and level of insured benefits.
- Training and development of underwriting staff and members of distribution channels through continuous and effective training, making use of internal resource persons and industry experts.
- The Company continuously analyses its customer portfolios to identify loss making segments, assess risk exposures, and support improvements and strategic expansion.
- Strict controls are maintained on the issuance of temporary cover notes and limiting such notes to 60 days validity period.

- Periodic reviews are conducted on overall motor claims ratio movements, category wise premium income and loss ratios, and market trends in risk appetite across vehicle segments.
- The Company manages known high risk areas, such as flood prone locations, and records this information for future risk assessment.
- Both the underwriters and the distribution managers are assigned key performance indicators on both top line and profitability, ensuring alignment of the Company objectives.
- Motor Insurance pricing determined based on a risk based pricing grid.
- Financial authority limits in place for underwriting clearly prescribing the limits to underwrite based on the sum assured and risk.

39.2.3 Reinsurance risk

Reinsurance risk arises due to retention of risks beyond the Company's net retention capacity without having adequate reinsurance and/ or the inability of reinsurers to meet their commitments due to insufficient financial strength and inability to meet obligations on time.

Reinsurance recoveries on claims are based on the cession made in respect of each risk and is estimated in a manner consistent with the outstanding claims provisions made for the loss. Although we mitigate our exposures through prudent reinsurance arrangements, the obligation to meet claims emanating from policyholders rests with the Company. Default of reinsurers does not negate the obligation and in that respect the Company carries a credit risk up to the extent ceded to each reinsurer.

The Company reinsurance placement is arranged in a manner that is neither dependent on a single reinsurer nor substantially dependent upon any single reinsurance contract. All reinsurance contracts are reviewed annually and renewed based on careful selection of reinsurers. All General Insurance reinsurance contracts are with companies holding credit ratings above the minimum stipulated by the Insurance Regulatory Commission of Sri Lanka.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.2 Insurance business risk (Cont'd)

39.2.3 Reinsurance risk (Cont'd)

Risk response strategies

- Adequate reinsurance arrangements have been placed within the guidelines of the IRCSL and are continuously reviewed for the adequacy of covers in light of catastrophic/ extreme events.
- Majority of proportional reinsurance is quota share and/or surplus reinsurance to reduce the overall exposure of the subsidiary to most of the classes of business. Non-proportional reinsurance used as primarily excess of loss reinsurance designed to mitigate the subsidiary's net exposure to catastrophic losses. Retention limits for these arrangements differ by product line and territory.
- Strict controls to ensure that no insurance cover is issued without a proper reinsurance arrangement backing the cover.
- Limiting reinsurer panel to globally trusted and stable portfolio of reinsurance companies with high ratings by Standard & Poors, AM Best moody's or Fitch with the exception of reinsurance placed with National Insurance Trust Fund (NITF), a state-owned reinsurer.
- Periodic review of the credit rating and ensuring all reinsurers maintain the rating throughout the year.
- Outstanding reinsurance receivables are reviewed on a monthly basis to ensure that all dues are collected or set-off against payables on time.
- Clearly defined financial authority for reinsurance arrangements.

Reinsurance credit rating

The following table shows the credit ratings of the reinsurance companies with whom the Company has arrangements at the end of the reporting period.

| Reinsurer | Country of origin | Credit rating | Financial strength rating | Name of the rating agency |
|---|----------------------|---------------|---------------------------|---------------------------|
| Abu Dhabi National Insurance Company, Abu Dhabi, United Arab Emirates | United Arab Emirates | a | A | A M Best |
| African Re Cairo Office via Aon MENA | South Africa | A | A | S & P |
| AI Marine Risk Limited | United Kingdom | aa- | A+ | A M Best |
| AIG MEA Limited - Dubai | United Arab Emirates | a+ | A+ | A M Best |
| Allianz Global Corporate and Specialty SE Singapore Branch | Germany | aa | A+ | A M Best |
| AM First Limited | USA | a- | A- | A M Best |
| American International Group UK Limited | United Kingdom | aa- | A+ | A M Best |
| AmFirst Specialty Insurance Company | Ridgeland, USA | a- | A- | A M Best |
| Amlin Syndicate 2001 at Lloyd's | United Kingdom | aa- | A+ | A M Best |
| Antarah Limited | Dubai | aa- | A+ | A M Best |
| Aon Underwriter Managers - Lloyds Syndicate ACT 4514 | United Kingdom | aa- | A+ | A M Best |
| Arch Insurance International | United Kingdom | aa- | A+ | A M Best |
| Asian Reinsurance Corporation | Thailand | bbb | B++ | A M Best |
| Aurora P&I Club | Ireland | aa- | A+ | A M Best |
| AXA XL (XL Insurance Company SE, Singapore branch) | Singapore | AA- | AA- | S & P |
| AXIS Specialty Limited | Bermuda | a+ | A | A M Best |
| Bahrain National Insurance Company | Bahrain | bbb+ | B++ | A M Best |
| Bajaj Allianz Insurance Company Limited | India | Aa2 | Aa2 | Moody's |
| Berkshire Hathaway Specialty Insurance | Singapore | AA+ | AA+ | S & P |
| Best Meridian International Insurance Company | Cayman Island | a- | A- | A M Best |
| Canopus Managing Agents Limited | United Kingdom | aa- | A+ | A M Best |
| Castel Underwriting Agencies Limited | United Kingdom | aa- | A+ | A M Best |
| Chaucer Underwriting Services Limited | Dubai | aa- | A+ | A M Best |
| China Pacific Property Insurance Company Limited | China | A | A | S & P |
| China Reinsurance (Group) Corporation Singapore Branch | Singapore | a+ | A | A M Best |
| Chord Reinsurance Limited | United Kingdom | aa- | A+ | A M Best |
| Chubb European Group SE | United Kingdom | aa- | A+ | A M Best |
| Chubb Underwriting (DIFC) Limited as agent for and on behalf of Chubb European Group SE | Dubai | aa+ | A++ | A M Best |

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.2 Insurance business risk (Cont'd)

39.2.3 Reinsurance risk (Cont'd)

| Reinsurer | Country of origin | Credit rating | Financial strength rating | Name of the rating agency |
|---|----------------------|---------------|---------------------------|---------------------------|
| Compagnie Commune de Réassurance des Etats Membres de la CIMA (CICA Re) | Togo | bbb- | B+ | A M Best |
| Convex Insurance UK Limited - UK | United Kingdom | aa- | A+ | A M Best |
| CSL Syndicate 5316 | United Kingdom | aa- | A+ | A M Best |
| Doha Insurance Group (DIG, formerly DIC) | Qatar | A- | A- | S & P |
| Dubai National Insurance & Reinsurance Co. PSC | Dubai | a | A | A M Best |
| Echo Reinsurance Limited | Switzerland | A | A | S & P |
| Elseco Limited, Dubai | Dubai | a- | A- | A M Best |
| ERS Insurance Limited | United Kingdom | aa- | A+ | A M Best |
| Everest Insurance (Ireland) DAC | United Kingdom | a- | A- | A M Best |
| Fidelis Underwriting Limited | United Kingdom | aa- | A+ | A M Best |
| Gard Marine & Energy Limited (Singapore branch) | Singapore | A+ | A+ | S & P |
| General Insurance Corporation of India, Mumbai, India | India | a- | A- | A M Best |
| Generali IARD S.A. | France | a+ | A | A M Best |
| Hannover Re-SE Malaysian Branch | Malaysia | aa | A+ | A M Best |
| HDI Global Speciality SE, | Sweden | aa- | AA- | A M Best |
| Helvetia Assurances S.A. | France | A+ | A+ | S & P |
| K2 International | United Kingdom | aa- | AA- | A M Best |
| Korean Reinsurance Company | Singapore | a+ | A | A M Best |
| Kuwait Reinsurance Company K.S.C.P | Kuwait | a- | A- | A M Best |
| Lancashire Insurance Services Limited | United Kingdom | aa- | A+ | A M Best |
| Liberty Specialty Market | Singapore | a | A | A M Best |
| Malaysia Reinsurance Berhad | Malaysia | a- | A- | A M Best |
| Mapfre Re Compania de Reaseguros, S.A., Madrid, Spain | Spain | a+ | A | A M Best |
| Markel International (Dubai) Limited | United Arab Emirates | a+ | A | A M Best |
| Markel International (Lloyd's Underwriter Syndicate No. 3000 MKL): | United Kingdom | aa- | A+ | A M Best |
| Markel International Singapore Pte Limited | Singapore | a+ | A | A M Best |
| Markel Int'l Sing. Pvt.Limited | Singapore | a+ | A | A M Best |
| Marlin Underwriters -Lloyds Syndicate | United Kingdom | aa- | A+ | A M Best |
| Mena Re Underwriters Limited | United Arab Emirates | A- | A- | S & P |
| MS First Capital Insurance Limited | Singapore | a+ | A | A M Best |
| Munchener Ruckversicherungs - Gesellschaft Aktiengesellschaft, Munich , Germany | Germany | AA- | AA- | S&P |
| Munich Re (Lloyd's Underwriter Syndicate No. 457 MRS): | United Kingdom | aa- | A+ | A M Best |
| Navium Marine Limited: | United Kingdom | aa- | A+ | A M Best |
| New India Assurance Company Limited | India | bbb+ | B++ | A M Best |
| Newline Syndicate 1218 At Lloyd's | United Kingdom | aa- | A+ | A M Best |
| Nexus Underwriting Limited | United Kingdom | aa- | A+ | A M Best |
| North Standard Limited | United Kingdom | A | A | S & P |
| Oman Reinsurance Co QFC Branch | United Arab Emirates | BBB | BBB | Fitch |
| PICC Property and Casualty Company Limited | China | a- | A- | A M Best |
| Pine Walk Capital Limited | United Kingdom | aa- | A+ | A M Best |
| Ping An Property & Casualty Insurance Company | China | a+ | A | A M Best |
| PVI Insurance Corporation | Vietnam | a- | A- | A M Best |

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.2 Insurance business risk (Cont'd)

39.2.3 Reinsurance risk (Cont'd)

| Reinsurer | Country of origin | Credit rating | Financial strength rating | Name of the rating agency |
|--|----------------------|---------------|---------------------------|---------------------------|
| Qatar Insurance Group, Doha | Qatar | A- | A- | S & P |
| QBE Europe SA/NV trading as British Marine | Belgium | a+ | A | A M Best |
| Redbridge Insurance Company, | Barbados | bbb | B++ | A M Best |
| Royal & Sun Alliance Insurance Limited (DIFC Branch) | United Arab Emirates | a+ | A | A M Best |
| Samsung Reinsurance Pte Limited | Singapore | aa+ | A++ | A M Best |
| Scor Reinsurance Company | Singapore | aa- | A+ | A M Best |
| Singapore Reinsurance Company Limited | Singapore | a | A | A M Best |
| Sinopec Insurance Limited | Hong Kong | a- | A- | A M Best |
| SiriusPoint International Insurance Corp (publ) Stockholm, Sweden | Sweden | a- | A- | A M Best |
| SMA SA | France | a+ | A+ | Fitch |
| Sompo Insurance Singapore PTE Limited | Singapore | A+ | A+ | S & P |
| Starr International (Europe) Limited | United Kingdom | aa- | A+ | A M Best |
| Starr International Insurance (Singapore) Pte. Limited. | Singapore | aa- | A+ | A M Best |
| Steamship Mutual Underwriting Association Limited | United Kingdom | aa- | A+ | A M Best |
| Sukoon - formerly Oman Insurance Company | United Arab Emirates | A | A | S & P |
| Sukoon Insurance PJSC Trading as Sukoon, Dubai, UAE | United Arab Emirates | A | A | S & P |
| Swiss Re International SE | Singapore | aa | A+ | A M Best |
| Taiping Reinsurance Company Limited | Hong Kong | a | A | A M Best |
| Talbot Underwriting Limited | United Kingdom | aa- | A+ | A M Best |
| The Shipowners' Mutual Protection and Indemnity Association - Luxembourg | Luxembourg | A | A | S & P |
| Tokio Marine & Nichido Fire Ins. Company Limited | Japan | aa+ | A++ | A M Best |
| Tokio Marine Houston Casualty Company, Singapore | Singapore | aa+ | A++ | A M Best |
| Travelers syndicate 5000 at Lloyd's of London | United Kingdom | aa- | A+ | A M Best |
| Westfield Specialty Managing Agency | United Kingdom | aa- | A+ | A M Best |
| Worldwide Reinsurance Limited | Trinidad & Tobago | bbb- | B+ | A M Best |
| Zurich Insurance Company | Switzerland | aa | A+ | A M Best |

39.2.4 Claims risk

This is the risk of actual claim experience differing from expectation resulting in losses for the Company.

Risk response strategies

- Claim intimation is carried out through a 24-hour fully fledged Call Center Unit (CCU) to reduce time lag.
- Assessments are carried out by an independent expert panel of assessors/ loss adjusters working throughout the Island on a 24-hour basis.
- Claims are assessed immediately upon intimation and reserved accordingly.
- Comprehensive estimation of costs and high-quality service to customers granted through garages located island-wide.
- Significant outstanding claims are subjected to monthly reviews by the management.
- Service of a appointed actuary is obtained quarterly to assess the adequacy of reserves made in relation to Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims.
- All third-party claim intimations are separately reviewed with the support of the legal division.
- Adequate claim reserves are maintained according to the agreed methodology adopted by the Company.
- Claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure.
- Financial authority limits are set for claim limit giving the maximum limit to the claims panel which is involved in taking decisions on significant/ problematic claims and appeals made in respect of claims.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.2 Insurance business risk (Cont'd)

39.2.4 Claims risk (Cont'd)

Valuation of liabilities in General Insurance

The principal assumption underlying the liability estimates is that Company's future claims development may follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are also used to assess the extent to which liabilities may arise in the future, but exclude one off occurrences, changes in market factors such as public attitude to claiming, economic conditions, and internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

The following analysis is performed for possible movements in claims outstanding with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. It should be noted that movements in these assumptions are non linear.

Sensitivity of claims outstanding

The significant increase in outstanding claims in 2025 compared to 2024 is primarily attributable to the impact of Cyclone Ditwah during 2025, which resulted in a higher volume of reported claims and related provisions.

| As at 31 December | Change in assumptions % | Reported claim outstanding Rs. '000 | Impact on gross liabilities Rs. '000 | Impact on net liabilities Rs. '000 | Impact on profit before tax Rs. '000 | Impact on equity (After tax) Rs. '000 |
|-------------------|----------------------------|--|---|---------------------------------------|---|--|
| 2025 | +/-10 | 10,638,639 | 1,063,864 | 1,063,864 | 1,063,864 | 744,705 |
| 2024 | | 6,783,084 | 678,308 | 678,308 | 678,308 | 474,816 |

Claims development information

For detailed information on claim development over the past six years, please refer to Note 20.5.

39.3 Financial risks

The Sri Lankan economy experienced a continued recovery in 2025, with a solid 5.4% growth in the third quarter, largely driven by industry and services sectors. However, the devastation caused by Cyclone Ditwah in November 2025, which caused an estimated US\$ 4.1 billion (approx. 4% of GDP) in damage, severely disrupted this momentum, causing significant setbacks to agriculture, tea and infrastructure. Despite this, the economy is expected to show resilience in 2026, with growth likely supported by rebuilding efforts. The company made use of market volatility to enhance returns whilst prudently managing risks.

The Investment Committee (IC) is responsible for mitigating investment risks and optimising the investment returns.

The investment committee (IC) worked towards extending the duration of fixed income instruments due to expectations of monetary and fiscal policy easing, whilst holding on and investing in equity counters in its portfolio which had potential to go up as the market recovered. Investment risk management was done whilst exercising utmost care and prudence.

Investment portfolio continued to be diversified in order to mitigate unsystematic risks. Market risk, investment concentration, liquidity and credit also received due attention of the investment committee.

Investment income continued to hit record high numbers as investment decision making continued to remain nimble and efficient.

Strict adherence to risk management principles and applicable IRCSL guidelines helped mitigate regulatory risks.

39.3.1 Market risk

Market risk refers to the potential for losses arising from adverse movements in market variables such as equity prices, interest rates, and foreign exchange rates, which may affect the Company's income and the value of its financial instrument holdings. The Company manages market risk by maintaining a diversified investment portfolio and monitoring market exposures within approved risk limits.

39.3.1.a Equity price risk

Equity price risk refers to the risk of incurring financial losses arising from a decline in the market value of equity investments.

The All Share Price Index (ASPI) gained 41.7% year-on-year by the end of 2025, marking one of the highest annual gains in recent years. Throughout the year, both indices hit multiple all time highs, with the ASPI surpassing 23,000 points and the Standard & Poor's Sri Lanka 20 Index breaking the 6,000-point mark, notably reaching peaks in August and November 2025.

The Company adheres to strict exposure limits for equity in managing the investment portfolio. Further, the Company has diversified the investment portfolio into different sectors to mitigate the unsystematic risks.

Although the Company has reduced unsystematic risks through diversification as depicted below, equities are inherently exposed to systematic risk which is the uncertainty inherent to the entire market.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.1 Market risk (Cont'd)

Risk response strategies

- The Company's investment policy guides the management to set/monitor objectives and constraints on investments, diversification plans as well as limits on equity exposure in order to manage the equity price risk.
- Equity portfolios are reviewed by the investment committee on an ongoing basis.
- Equity investments are made in fundamentally sound stocks which are identified after an in depth research and evaluation process by the investment management team.

Portfolio diversification of equity risks**As at 31 December**

| Sector | Industry Group | 2025 | | 2024 | |
|----------------------------|-------------------------------|-------------------|------------|-------------------|------------|
| | | Market value | | Market value | |
| | | Rs. '000 | % | Rs. '000 | % |
| Financials | Banks | 12,980,576 | 84.49 | 9,046,511 | 88.00 |
| | Diversified financials | 863,492 | 5.62 | 431,322 | 3.90 |
| Consumer discretionary | Consumer durables and apparel | 923 | 0.01 | 923 | 0.10 |
| Industrials | Capital goods | 692,705 | 4.51 | 209,616 | 2.00 |
| Telecommunication services | Telecommunication services | 133,183 | 0.87 | 17,004 | 0.10 |
| Materials | Materials | 287,413 | 1.87 | 181,050 | 1.90 |
| | Food, beverage and tobacco | 404,982 | 2.64 | 415,277 | 3.90 |
| Utilities | Utilities | - | - | 18,043 | 0.10 |
| Total | | 15,363,274 | 100 | 10,319,746 | 100 |

Equity market sensitivity

| As at 31 December 2025 | Rise of market | | Fall of market | |
|------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Impact on profit Rs. '000 | Impact on OCI Rs. '000 | Impact on profit Rs. '000 | Impact on OCI Rs. '000 |
| Shock level: | | | | |
| 5% | 154,524 | 613,640 | (154,524) | (613,640) |
| 10% | 309,048 | 1,227,279 | (309,048) | (1,227,279) |

39.3.1.b Exchange rate risk

Exchange rate risk, arises from fluctuations in foreign currency exchange rates that may adversely affect the value of the Company's investments, assets, or liabilities denominated in foreign currencies.

The Company is exposed to currency risk primarily through investments in financial assets denominated in currencies other than Sri Lankan Rupees (LKR), mainly United States Dollars (USD). Movements in exchange rates may therefore impact the value of these investments and the Company's financial performance.

During the recent period, the Sri Lankan Rupee has shown relative stability compared with the significant volatility experienced during the economic crisis. The stabilisation of the currency has been supported by improved macroeconomic conditions, including stronger tourism earnings, increased worker remittances, and the continuation of economic reforms under the IMF supported programme.

However, exchange rate movements remain subject to external and domestic factors such as global economic

conditions, import demand, foreign investment flows, and the country's balance of payments position. The Company continues to closely monitor its foreign currency exposures and manage exchange rate risk within established risk management policies.

The US Dollar remained relatively stable against the Sri Lankan Rupee in 2025. For 2026, the USD/LKR rate is projected to stay stable possibly within a tight range due to strong tourism, remittances and rising reserves positions, despite continued vehicle imports and potential oil price shocks. Once again geopolitics can have a significant impact on the exchange rate.

Risk response strategies

- The Company's principal transactions are carried out in Sri Lankan Rupees.
- Continuous monitoring process of foreign exchange rate effect on Financial Statements under various stressed scenarios.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.1 Market risk (Cont'd)

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts;

| As at 31 December Carrying Value | 2025 Rs. '000 | 2024 Rs. '000 |
|-------------------------------------|------------------|------------------|
| Dollar denominated unit trust | 2,850,641 | 2,258,364 |
| Dollar denominated fixed deposits | 2,956,411 | 3,277,537 |
| | 5,807,052 | 5,535,901 |

The following significant exchange rates were applicable during the year;

| Currency | Average Rate | | Reporting date spot rate | |
|------------------------|---------------|--------|--------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| USD (1\$ = LKR) | 297.58 | 304.88 | 306.40 | 288.75 |

Sensitivity analysis

A strengthening of the USD, as indicated below, against the LKR as at 31 December 2025 would increase the forex gains and interest income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| As at 31 December 2025 | Exchange rate shock level | | |
|-------------------------------------|---------------------------|-----------------|-----------------|
| | 10% Rs. 000' | 15% Rs. 000' | 20% Rs. 000' |
| Impact on forex gains/losses | | | |
| USD - Unit trust | 28,507 | 42,760 | 57,013 |
| USD - Fixed rate instruments | 29,564 | 44,346 | 59,128 |
| | 58,071 | 87,106 | 116,141 |
| Impact on interest income | | | |
| USD - Fixed rate instruments | 1,419 | 2,129 | 2,839 |
| | 1,419 | 2,129 | 2,839 |

39.3.1.c Interest rate risk

Interest rate risk refers to the potential for losses arising from adverse movements in market interest rates, including changes in the level and shape of the yield curve. Such movements may affect the value of financial assets and liabilities as well as the Company's net interest income. In addition, changes in credit spreads over the risk free yield curve may influence the valuation of fixed income securities and other interest sensitive instruments held by the Company.

The Company manages interest rate risk through prudent portfolio management. The investment committee actively monitors market developments and manages the fixed income portfolio by maintaining an appropriate mix of short, medium, and long-term investments. During the period, the portfolio was strategically rebalanced towards relatively higher yielding instruments while closely monitoring duration gaps and interest rate sensitivities, thereby supporting stable investment income while maintaining an acceptable risk profile.

Risk response strategies

- A considerable portion of the investments is made in government securities with adherence to the rules and regulations issued by the IRCSL.
- The entire debt portfolio is made in rated financial institutions or in rated instruments.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (CONT'D)

39.3.1 Market risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

| As at 31 December | 2025 | | 2024 | |
|---|---------------------------------|------------------------------------|---------------------------------|------------------------------------|
| | Fixed interest rate Rs. '000 | Variable interest rate Rs. '000 | Fixed interest rate Rs. '000 | Variable interest rate Rs. '000 |
| Held To Maturity (HTM) | | | | |
| Treasury bonds | - | - | 1,029,294 | - |
| Listed debentures | 7,330,288 | - | 2,018,835 | - |
| | 7,330,288 | - | 3,048,129 | - |
| Loans and Receivable (L&R) | | | | |
| Unlisted debentures | 1,508,603 | - | 2,569,781 | - |
| Term deposits | 2,983,782 | - | 3,310,237 | - |
| Staff loans and receivables | 1,297,115 | - | 1,457,950 | - |
| | 5,789,500 | - | 7,337,968 | - |
| Available For Sale (AFS) | | | | |
| Listed debentures | 1,008,603 | - | 1,263,668 | - |
| Treasury bonds | 4,731,645 | 3,522,659 | 10,198,783 | 6,249,282 |
| Commercial papers | 1,505,373 | - | 1,717,952 | - |
| | 7,245,621 | 3,522,659 | 13,180,403 | 6,249,282 |
| Total exposure to interest rate risk | 20,365,408 | 3,522,659 | 23,566,500 | 6,249,282 |

Sensitivity analysis

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and interest income by the amounts shown below.

| As at 31 December 2025 | +100 basis points | | -100 basis points | |
|---|---------------------------------------|------------------------------|---------------------------------------|------------------------------|
| | Impact on interest income Rs. '000 | Impact on equity Rs. '000 | Impact on interest income Rs. '000 | Impact on equity Rs. '000 |
| Financial investments | | | | |
| Held To Maturity (HTM) | - | - | - | - |
| Loans and Receivable (L&R) | 62,443 | - | (62,443) | - |
| Available For Sale (AFS) | - | (2,859,542) | - | (2,084,736) |
| Fair Value Through Profit or Loss (FVTPL) | - | - | - | - |

In case of a shift in yield curve, there is:

- No impact to the interest income or to the equity for the fixed rate debt instruments classified under HTM and L&R.
- An impact to the interest income but no impact to the equity for the floating rate debt instruments classified under HTM and L&R.
- No impact to the interest income but there is an impact to the equity for the fixed rate debt instruments classified under AFS.
- An impact to the interest income but no impact to the equity for the floating rate debt instruments classified under AFS.

39.3.2. Investment concentration risk

Concentration risk is the risk of loss due to too much exposure to a single investment, sector, borrower, or geographic area. The IC ensures there is sufficient fragmentation across asset classes, issuers and maturities of investments assets in order to minimise concentration risks.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.2 Investment concentration risk (Cont'd)

Risk response strategies

- Investment committee develops and formulates guidelines for the management of the investment portfolios of the Company.
- Investment committee continuously reviews asset allocations and concentrations limits.

Investment concentration related to financial investments is given below:

| As at 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|------------------------------------|------------------|------------------|
| Government securities | | |
| Treasury bonds | 8,254,304 | 11,228,077 |
| Debentures | | |
| Banks, finance and insurance | 7,672,028 | 4,843,682 |
| Power and energy | 1,008,602 | 1,008,602 |
| Capital goods | 1,166,862 | – |
| Term deposits | | |
| Bank | 2,983,782 | 3,310,237 |
| Equity shares | | |
| Banks | 12,980,576 | 9,046,511 |
| Diversified financials | 863,492 | 431,322 |
| Consumer durables and apparel | 923 | 923 |
| Capital goods | 692,705 | 209,616 |
| Telecommunication services | 133,183 | 17,004 |
| Materials | 287,413 | 181,050 |
| Food, beverage and tobacco | 404,982 | 415,277 |
| Power and energy | – | 18,043 |
| Commercial papers | 1,505,373 | 1,717,952 |
| Unit trust | 4,303,923 | 3,095,920 |
| Staff loans and receivables | 1,297,115 | 1,457,950 |
| | 43,555,264 | 36,982,166 |

39.3.3. Liquidity risk

Liquidity risk refers to the potential inability of the Company to meet its financial obligations or to buy or sell financial assets promptly without significantly affecting their market value. Such risks may arise from market disruptions or insufficient liquidity in financial markets.

The Company manages liquidity risk by maintaining a well diversified portfolio with a significant portion invested in highly liquid instruments such as government treasury bonds and other marketable securities. This approach ensures that adequate liquidity is available to meet operational requirements and investment commitments while minimising potential market impact. The Company continuously monitors its liquidity position to ensure that sufficient funds are available to meet obligations as they fall due.

The bulk of the Company's assets are invested in highly liquid assets such as treasury bonds.

Risk response strategies

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk.

- The Company follows Asset and Liability Management (ALM) guidelines set out in the Company investment policy which is reviewed by the investment committee regularly.
- Maintaining sufficient liquidity to accommodate expected obligations and commitments of the Company.
- Determining the maturity profiles of insurance contract liabilities and reinsurance assets based on the estimated timing of net cash outflows from recognised insurance liabilities.
- Agreeing with the reinsurers to support by way of cash call, if the need arises.
- Forecasting and planning for all large cash outflows in advance and making necessary arrangements to ensure the availability of funds to meet such outflows.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.3 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profiles of non derivative financial assets and financial liabilities based on the remaining undiscounted contractual obligations, including interest payable and receivable.

| As at 31 December | 2025 | | | | | | | |
|---|----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|-------------------|
| | Carrying value Rs. '000 | No fixed tenure Rs. '000 | Up to 1 year Rs. '000 | 1 to 2 years Rs. '000 | 2 to 5 years Rs. '000 | 5 to 10 years Rs. '000 | Over 10 years Rs. '000 | Total Rs. '000 |
| Financial assets | | | | | | | | |
| Held To Maturity (HTM) | 7,330,288 | - | - | - | 7,075,600 | - | - | 7,075,600 |
| Loans and Receivables (L & R) | 4,492,385 | - | 2,953,346 | 12,357 | 1,500,000 | - | - | 4,465,703 |
| Available For Sale (AFS) | 24,965,229 | 14,196,950 | 3,394,000 | 1,861,042 | 4,080,554 | 1,261,109 | - | 24,793,655 |
| Fair Value Through Profit or Loss (FVTPL) | 5,470,247 | 5,470,247 | - | - | - | - | - | 5,470,247 |
| Reinsurance receivables | 5,967,242 | - | 5,967,242 | - | - | - | - | 5,967,242 |
| Premiums receivables | 6,338,759 | - | 6,338,759 | - | - | - | - | 6,338,759 |
| Other financial assets | 856,258 | - | 856,258 | - | - | - | - | 856,258 |
| Cash at bank | 5,138,025 | - | 5,138,025 | - | - | - | - | 5,138,025 |
| | 60,558,433 | 19,667,197 | 24,647,630 | 1,873,399 | 12,656,154 | 1,261,109 | - | 60,105,489 |

Above maturity analysis does not include staff loan and receivables.

Maturity dates and nominal values (not the book value) has been considered in the analysis.

39.3.4. Credit risk

Credit risk refers to the risk of financial loss arising from the failure of investee companies, reinsurers, counterparties, or other debtors to meet their contractual obligations when they fall due. This includes the risk of default on principal or interest payments, which may result in disruptions to cash flows and potential losses to the Company.

The Company manages credit risk through a well-defined investment framework and prudent credit evaluation processes. Limits have been established on exposure to individual issuers, counterparties, and specific asset classes to avoid excessive concentration risk.

The Company placed term deposits only with licensed commercial banks to ensure a high level of creditworthiness and stability. Furthermore, investments in corporate debt are generally restricted to instruments and issuers that possess investment grade credit ratings from recognised credit rating agencies.

The Company does not invest in related companies, thereby minimising potential conflicts of interest. Prior to making any investment in debt securities, a comprehensive internal credit assessment is conducted to evaluate the financial strength, repayment capacity and overall risk profile of the issuer.

Specific actions undertaken by the Company to mitigate credit risk in financial investments are shown below.

- The Company's investment policy prohibits non investment grade debt instruments.
- Appropriate actions are implemented when the Company identifies investments that are expected to be downgraded.
- Comprehensive credit evaluation is made prior to making an investment in debt securities.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.4 Credit risk (Cont'd)

Credit risk exposure

| As at 31 December | 2025 | | | | | | |
|----------------------------------|---------------|------------------------------|-----------------------------------|--------------------------------|---|-------------------|------------|
| | Rating agency | Held To Maturity Rs. '000 | Loans and Receivables Rs. '000 | Available For Sale Rs. '000 | Fair Value Through Profit or Loss Rs. '000 | Total Rs. '000 | % |
| Financial investments | | | | | | | |
| Government securities | | | | | | | |
| Treasury bonds | | - | - | 8,254,304 | - | 8,254,304 | 20 |
| Corporate debt securities | | | | | | | |
| AAA | Fitch | 1,166,862 | - | - | - | 1,166,862 | 3 |
| AA- | Fitch | 2,659,521 | - | 1,008,603 | - | 3,668,124 | 9 |
| A | Fitch | 2,402,549 | - | - | - | 2,402,549 | 6 |
| A- | Fitch | 2,102,945 | - | - | - | 2,102,945 | 5 |
| BBB+ | Fitch | 507,014 | - | - | - | 507,014 | 1 |
| Term deposits | | | | | | | |
| AA- | Fitch | - | 2,983,782 | - | - | 2,983,782 | 7 |
| Commercial papers | | | | | | | |
| A | Fitch | - | - | 1,505,373 | - | 1,505,373 | 4 |
| Staff loans and receivables | | - | 1,297,115 | - | - | 1,297,115 | 3 |
| Reinsurance receivables | | - | 5,967,242 | - | - | 5,967,242 | 14 |
| Premiums receivables | | - | 6,338,759 | - | - | 6,338,759 | 15 |
| Other financial assets | | - | 856,258 | - | - | 856,258 | 2 |
| Cash at Bank | | - | 5,138,025 | - | - | 5,138,025 | 12 |
| | | 8,838,891 | 22,581,181 | 10,768,280 | - | 42,188,352 | 100 |

*Credit risk on fixed deposits is based on credit risk of the bank.

Staff loan and receivables

Risk response strategies

- Company has established an effective credit policy which evaluates staff and advisor credit worthiness before granting loans.
- All loans are fair valued and tested for impairment on a periodic basis. The Company obtains collateral in the form of mortgage over the vehicle for all vehicle loans to staff. An approved policy is followed when granting loans and valuation certificates of vehicles are obtained from a reputed valuer prior to granting.

Reinsurance receivables

Risk response strategies

- The Company operates a policy to manage its reinsurance counterparty exposures, by limiting the reinsurers that may be used, and applying strict limits to each reinsurer.
- Regular review of creditworthiness of reinsurers.

Premium receivable

Risk response strategies

- Strict implementation of Premium Payment Warranty (PPW), ensuring that all General Insurance policies with payments outstanding for more than 60 days are cancelled.
- Conducting follow-up meetings on debt collection on a monthly basis.
- Using the latest technology to inform customers on premium reminders and cancellation notices.
- Following up with the customer by contacting from our credit management unit on long outstanding balances.
- Processing claims only for the premium settled policies.

Cash and cash equivalents

Credit risk relating to cash can arise in the event of the bank/ financial institution facing an inability to repay the amounts in credit to the Company.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.3 Financial risks (Cont'd)

39.3.4 Credit risk (Cont'd)

Given below is the list of banks and financial institutions the Company maintains current/savings accounts with, and their respective credit ratings.

Cash and cash equivalent balances with respective credit ratings

| As at 31 December | Rating | Rating agency | 2025 | |
|--------------------------------------|--------|---------------|----------------|---------------|
| | 2025 | | Rs. '000 | % |
| Bank of Ceylon | AA- | Fitch Rating | 156,209 | 30.17 |
| Bank of China | A | Fitch Rating | 1,116 | 0.22 |
| Cargills Bank | A | Fitch Rating | 120 | 0.02 |
| Commercial Bank of Ceylon | AA- | Fitch Rating | 100,767 | 19.46 |
| DFCC Bank | A | Fitch Rating | 26,535 | 5.13 |
| Hatton National Bank | AA- | Fitch Rating | 13,665 | 2.64 |
| National Savings Bank | AAA | Fitch Rating | 2,128 | 0.41 |
| Nations Trust Bank | A | Fitch Rating | 3,832 | 0.74 |
| Pan Asia Bank | BBB | Fitch Rating | 12,071 | 2.33 |
| People's Bank | AA- | Fitch Rating | 173,850 | 33.58 |
| Regional Development Bank | BBB+ | Fitch Rating | 4,094 | 0.79 |
| Sampath Bank | AA- | Fitch Rating | 17,099 | 3.30 |
| Seylan Bank | A+ | Fitch Rating | 5,485 | 1.06 |
| Standard Chartered Bank | AAA | Fitch Rating | 442 | 0.09 |
| State Moga Investment Bank | BB | Fitch Rating | 326 | 0.06 |
| Total exposure to credit risk | | | 517,739 | 100.00 |
| Cash in hand | | | 95,418 | |
| Cash and cash equivalents | | | 613,157 | |

Risk response strategies

The Company maintains savings and current accounts with banks and financial institutions with good credit ratings. As at 31 December 2025, 97% of cash was maintained with A and above rated banks and 65% of cash was maintained with banks owned by the government.

| As at 31 December | 2025 | |
|--------------------------------------|----------------|---------------|
| Rating | Rs. '000 | % |
| AAA | 2,570 | 0.49 |
| AA- | 461,590 | 89.15 |
| A+ | 5,485 | 1.06 |
| A | 31,603 | 6.10 |
| BBB+ | 4,094 | 0.79 |
| BBB | 12,071 | 2.33 |
| BB | 326 | 0.06 |
| Total exposure to credit risk | 517,739 | 100.00 |
| Cash in hand | 95,418 | |
| Cash and cash equivalents | 613,157 | |

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.4 Operational risk

Operational risk is the possibility of incurring losses resulting from human errors, uninformed decisions, inadequate/failed internal processes and systems or from external events that affect business operations.

Main contributors to the operational risk are as follows;

| Risk | Description |
|--|--|
| Legal and regulatory compliance risk | Risk of non-compliances to the rules and regulations |
| Model risk | Risk of financial losses or inappropriate business decisions due to inappropriate use or interpretation of various models, their output, use of deficient models, data or assumptions |
| Human resources risk | Unavailability of qualified human resources to deploy in company operations |
| Third party risk | Unexpected delays from services providers and failures in outsourced business functions |
| Technology and information security risk | Risk of operational disruptions due to system failure, information security breaches, privacy breaches, cyberattacks, human errors, criminal activity or loss of certain software licensing agreements |
| Business continuity risk | Risk of losses due to disruptions in critical business operations. |

Risk response strategies

- The management is responsible for the monitoring and control of operational risk. Compliance is monitored through monthly checklist filled and signed by Heads of Divisions, a summary of which is presented to the Audit Committee.
- Risk and compliance division monitors compliance with regulations through a monthly checklist a summary of which is tabled at the Board meeting on a monthly basis.
- Each employee is required to adhere to financial authority manual when entering into transactions and discharge of duties.
- Divisional procedure manuals including branch procedure manuals are in place for the employees to follow.
- Human resource planning as part of the corporate plan and staff training on policies and procedures of the Company on a regular basis.
- Risk mitigation, including insurance where this is cost-effective.
- Ethical business standards
- Policy guidelines for third-party service contracting and process outsourcing
- The Company has a Business Continuity Plan (BCP) and annual tests are carried out.
- Employee code of business conduct, integrity reporting policy and share trading policy are in place for the guidance of staff and to streamline controls.
- Segregation of duties is incorporated into each operational area to the highest practicable level.
- Internal audit reviews the internal controls of the Company through audits carried out and shares the findings with the Audit Committee. Corrective actions/implementation of recommendations are also monitored.
- Information and Communication Technology (ICT) division ensures the on time software upgrade to ensure information and cyber security of the Company.
- The Company has assessed the impact of uncertain macroeconomic conditions in preparing these Financial Statements.

39.5. Capital management framework

The Company's capital management framework is formed to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. The capital requirements are forecasted on a periodic basis by the management and the Board of Directors.

The Company has made no significant changes, from previous years, to its policies and processes of its capital structure. Thus, there were no changes in the capital structure in the Company during the year.

Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approaches to manage the risks that affect its capital position

To maintain solvency levels of the Company above the levels stipulated by the regulator and 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 meets the requirements of its shareholders and policyholders

To retain financial flexibility by maintaining strong liquidity

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, shareholders, regulators and other stakeholders

To maintain strong credit ratings and healthy capital adequacy ratios in order to support its business objectives and maximise shareholders' wealth.

Notes to the Financial Statements

39. INSURANCE AND FINANCIAL RISK MANAGEMENT (CONT'D)

39.5 Capital management framework (Cont'd)

The operations of the Company are subject to regulatory guidelines and frameworks. Such regulations are there, not only to prescribe approval and monitor activities, but also to impose certain restrictive provisions such as minimum capital requirement, solvency margin, approved assets requirements, etc. to minimise the risk of default, insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise.

40 SEGREGATION

Legal basis for segregation

In accordance with Section 53 of the Insurance Industry Regulation (Amendment) Act No. 03 of 2011 and the specific segregation guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) (Ref: IBSL/DG/LEG/14/02/089 and IBSL/DG/LEG/13/09/468), the composite insurance business of Sri Lanka Insurance Corporation Limited (SLIC) was restructured into two distinct legal entities:

- (1) Sri Lanka Insurance Corporation General Limited (SLICGL)
- (2) Sri Lanka Insurance Corporation Life Limited (SLICLL)

This restructuring followed Cabinet Decisions No. 23/0431/604/046 (17 March 2023) and No. 23/2397/604/239 (18 December 2023).

Transfer of assets and liabilities

The legal ownership of all relevant assets and liabilities was formally transferred from SLIC to SLICGL as sanctioned by a high court order under a scheme of arrangement approved by the relevant authorities. While legal title has been successfully vested in SLICGL, the physical recording of these transfers within the registries of certain external authorities is currently being finalised.

Progress and compliance status

To ensure full compliance with Section 30 of the Regulation of Insurance Industry Act, No. 43 of 2000, the management of SLICGL initiated an extensive administrative name change project. As of 31 December 2025, the Management has successfully completed over 90% of these administrative updates.

The following table summarises the status of the remaining financial assets and liabilities currently in the final stages of the administrative name change process:

| Financial instrument category | Bank/Entity | As at 31 December 2025 Rs. '000 | Completed as at 28 February 2026 Rs. '000 | In progress as at 28 February 2026 Rs. '000 | As at 31 December 2024 Rs. '000 |
|-------------------------------|---|------------------------------------|--|--|------------------------------------|
| Listed shares | CDS Account * | 15,363,274 | – | 15,363,274 | 10,319,746 |
| Listed debentures | CDS Account * | 8,338,891 | – | 8,338,891 | 3,282,503 |
| Unlisted debentures | Bank of Ceylon | – | – | – | 1,001,589 |
| | DFCC Bank PLC | – | – | – | 1,061,178 |
| | People's Bank | – | – | – | 507,014 |
| Commercial papers | LOLC Holdings PLC | – | – | – | 1,717,952 |
| Term deposits | Bank of Ceylon | 2,886,702 | 2,775,809 | 110,893 | 3,049,286 |
| | Commercial Bank of Ceylon PLC | 12,363 | 12,363 | – | 203,043 |
| | Hatton National Bank | 84,717 | 84,717 | – | 57,908 |
| Unit trusts | Ceylon Asset Management Company Limited | 4,303,923 | 4,303,923 | – | 3,095,920 |
| Treasury bonds | Bank of Ceylon ** | 1,820,223 | – | 1,820,223 | 3,791,483 |
| | Hatton National Bank PLC ** | 1,702,436 | – | 1,702,436 | 2,457,800 |
| | Commercial Bank of Ceylon PLC ** | 3,455,893 | 2,128,729 | 1,327,165 | 3,944,310 |
| | Wealth Trust ** | 159,330 | – | 159,330 | 1,034,484 |
| | HNB Securities** | 1,010,450 | – | 1,010,450 | – |
| | Pan Asia Bank** | 105,972 | – | 105,972 | – |
| Reverse repurchase agreements | Commercial Bank of Ceylon PLC | – | – | – | 2,602,341 |

*The transfer of listed shares and debentures from SLIC to SLICGL CDS accounts, which had been delayed pending approval from the Securities and Exchange Commission of Sri Lanka (SEC) for a waiver of transaction fees, was approved on 17 March 2026 following several discussions between SLIC corporate management and the SEC. Accordingly, the Company will proceed with effecting the transfers in line with the approval granted.

** The Company has opened the CDS accounts in CBSL under the name of SLICGL and the in the process of transferring the securities under the name of SLIC for the newly opened CDS accounts. Newly purchased treasury bonds are under the name of SLICGL.

Notes to the Financial Statements

40. SEGREGATION (CONT'D)

| Financial instrument category | Bank/Entity | Remarks |
|-------------------------------|-------------------------|---|
| Current accounts | Cargills Bank | As per the scheme of arrangement, Bank accounts were transferred to the Company (SLICGL) as at 1 February 2024. Furthermore, administrative name of significant number of bank accounts have been changed as of 28 February 2026 and the management is in the process of changing the administrative name of remaining bank accounts from SLIC. |
| | Bank of China | |
| | DFCC Bank | |
| | Nations Trust Bank | |
| | Seylan Bank | |
| | Standard Chartered Bank | |

41 RELATED PARTY DISCLOSURES

ACCOUNTING POLICY

Related party transactions are transfers of resources, services, or obligations between the Company and its related parties, regardless of whether a price is charged. The Company enters into transactions with related parties in the ordinary course of business on terms and conditions comparable to those with third parties, where applicable.

Transactions with related parties are carried out in the ordinary course of business and are conducted on terms and conditions comparable to those prevailing in arm's length transactions with unrelated parties, unless otherwise stated.

The Company has not provided or received any guarantees in respect of related party receivables or payables unless otherwise disclosed.

Relationship with parent and fellow subsidiaries

Sri Lanka Insurance Corporation General Limited (SLICGL) is a fully owned subsidiary of Sri Lanka Insurance Corporation Limited (SLIC), which is the immediate and ultimate parent of the Company. Accordingly, entities that are subsidiaries and associates of SLICGL are considered related parties (fellow subsidiaries) of the Company.

The following entities are considered as related parties of the SLICGL in terms of LKAS 24, Related Party Disclosures.

| Name of the entity | Relationship |
|---|---|
| Sri Lanka Insurance Corporation General Limited | Subsidiary of SLIC (Reporting Entity) |
| Sri Lanka Insurance Corporation Limited | Parent company of the reporting entity SLICGL |
| Sri Lanka Insurance Corporation Life Limited | Fellow Subsidiary |
| Lanka Hospitals Corporation PLC | Fellow Subsidiary |
| Lanka Hospitals Diagnostics (Pvt) Limited | Fellow Subsidiary |
| Litro Gas Lanka Limited | Fellow Subsidiary |
| Litro Gas Terminal Lanka (Pvt) Limited | Fellow Subsidiary |
| Canowin Holdings (Pvt) Limited | Fellow Subsidiary |
| Ceybank Asset Management Limited | Associate Company of SLIC |
| The Ceylon Investment Banking PLC | Associate Company of SLIC |

During the year 2024 Sri Lanka Insurance Corporation Limited (Parent Company) has transferred the Canwill Holding to the treasury.

Transactions with key management personnel

Key Management Personnel (KMP) are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Accordingly, the Chairman and the members of the Board of Directors are considered as key management personnel of the Company.

Parent and ultimate controlling party

The Company's immediate and ultimate controlling party is Sri Lanka Insurance Corporation Limited, which holds a 100% stake of the Company.

As at 31 December 2025, the composition of the Board of Directors of Sri Lanka Insurance Corporation General Limited was as follows,

Notes to the Financial Statements

41. RELATED PARTY DISCLOSURES (CONT'D)

| Director | Directorship in other related entities | Nature of the Directorship | Joined date | Resigned date |
|---------------------------|---|-------------------------------------|------------------|------------------|
| Mr Nusith Kumaratunga | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited Management Services Rakshana (Private) Limited | Chairman/ Non Executive Director | 23 October 2024 | N/A |
| | Biomed Hydro Power (Private) Limited National Transmission Network Service Provider (Private) Limited Sri Lanka Energies H R (Private) Limited Deduruoya Mini Hydro (Private) Limited Kumbalgamuwa Mini Hydro (Pvt) Limited Sri Lanka Energies (Pvt) Limited Lanka Hospitals Corporation PLC Litro Gas Lanka Limited Litro Gas Terminal Lanka Limited | Non Executive Director | | |
| Mr Dushmantha Thotawatte | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 29 April 2024 | N/A |
| | LCB Finance PLC Canwill Holdings (Private) Limited Canowin Hotels & Spas Limited | Chairman/Non Executive Director | | |
| Mr Ravindra Pathmapriya | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited Management Services Rakshana (Private) Limited | Non Executive Director | 29 April 2024 | 01 August 2025 |
| | Department of Information Technology Management | Director General | | |
| Mr Anil Koswatte | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 29 April 2024 | 02 January 2025 |
| | Lakarcade Attidiya Wetpark Resort Private Limited | | | |
| Mr Neil Unamboowe, PC | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 01 January 2025 | N/A |
| Mr Rohan Philip Buultjens | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 01 January 2025 | N/A |
| Mr Rajiv Dharmendra | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 01 January 2025 | 23 June 2025 |
| Mr Somadasa Paliawadana | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 30 June 2025 | N/A |
| Ms Ajitha Batagoda | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 13 August 2025 | 13 November 2025 |
| Mr Thushara Rodrigo | Sri Lanka Insurance Corporation Limited Sri Lanka Insurance Corporation Life Limited | Non Executive Director | 13 November 2025 | N/A |

41.1 Transactions with KMP

Key management personnel compensation comprised of the following:

| For the year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--------------------------------|------------------|------------------|
| Director fees and allowances | 3,292 | 1,988 |

As at the reporting date, there were no receivable/payable amount relating to KMP.

Therefore, no Impairment losses have been recorded against balance outstanding from KMP.

Transactions with the immediate and ultimate controlling parties, as well as with other group entities of the ultimate parent, are disclosed below. These disclosures have been made in accordance with the requirements of Sri Lanka Accounting Standard LKAS 24 - "Related Party Disclosures".

Outstanding balances are reviewed periodically and assessed for impairment in accordance with the applicable accounting standards. Any impairment losses, if identified, are recognised in the Statement of Profit or Loss.

Notes to the Financial Statements

41. RELATED PARTY DISCLOSURES (CONT'D)

41.2 Transactions with immediate and ultimate controlling party and group entities of the ultimate parent - Sri Lanka Insurance Corporation Limited

| Name of the Company | Nature of the relationship | Nature of transactions | 2025 Rs. '000 | 2024 Rs. '000 |
|---|----------------------------|----------------------------------|------------------|------------------|
| Sri Lanka Insurance Corporation Limited | Parent | Investment related transactions | 658,551 | (16,179,974) |
| | | Management expenses | 159,527 | (1,558,970) |
| | | Settlement | (797,299) | 18,544,791 |
| | | Premium income | 88,764 | 2,138 |
| | | Premium paid | (88,764) | (2,138) |
| | | Claim due | (17,618) | - |
| | | Claim settlement | 7,827 | - |
| | | Rent expense due | (299,889) | 331,254 |
| | | Rent expense settle | 266,875 | (331,254) |
| | | Utility expense due | (374,220) | (303,512) |
| | | Utility expense settle | 295,534 | 302,991 |
| | | Honorarium fee due | 1,554 | 915 |
| Sri Lanka Insurance Corporation Life Limited | Affiliate | Investment related transactions | (385,976) | (2,561,845) |
| | | Management expenses | (558,140) | (6,991,638) |
| | | Settlement | 797,299 | 8,489,091 |
| | | Insurance premium | 7,816 | 5,945 |
| | | Premium settlement | (7,816) | (5,945) |
| | | Claim due | (8,259) | - |
| | | Claim settlement | 174 | - |
| | | Asset utilisation fee due | 42,230 | 3,238 |
| | | Asset utilisation fee settle | (29,466) | - |
| | | Staff related other expenses due | (6,028) | - |
| Litro Gas Lanka Limited | Affiliate | Insurance premium | 180,720 | 213,316 |
| | | Premium settlement | (127,955) | (105,412) |
| | | Claim due | (6,838) | 35,230 |
| | | Claim settlement | 6,420 | (35,230) |
| Litro Gas Terminal Lanka (Pvt) Limited | Affiliate | Insurance premium | 67,186 | 68,128 |
| | | Premium settlement | (33,007) | (31,412) |
| Canowin Hotels & Spas (Pvt) Limited | Affiliate | Insurance premium | 6,332 | 5,528 |
| | | Premium settlement | (3,383) | (4,184) |
| | | Claim due | (1,097) | 1,656 |
| | | Claim settlement | 1,001 | (1,656) |
| | | Hotel services received | (1,866) | - |
| The Lanka Hospitals Corporation PLC | Affiliate | Transfer from holdings - premium | - | 355 |
| | | Insurance premium | 8,981 | 66,490 |
| | | Insurance premium settlement | (5,581) | (62,987) |
| | | Claim due | (2,432) | 12,529 |
| | | Claim paid | 1,924 | (12,529) |
| | | Laboratory services provided | (87,433) | 19,745 |
| | | Laboratory services settlement | 50,030 | (19,709) |

Notes to the Financial Statements

41. RELATED PARTY DISCLOSURES (CONT'D)

41.2 Transactions with immediate and ultimate controlling party and group entities of the ultimate parent - Sri Lanka Insurance Corporation Limited (Cont'd)

| Name of the Company | Nature of the relationship | Nature of transactions | 2025 Rs. '000 | 2024 Rs. '000 |
|---|----------------------------|----------------------------------|------------------|------------------|
| Lanka Hospital Diagnostics (Pvt) Limited | Affiliate | Transfer from holdings - premium | - | 4 |
| | | Insurance premium | 6,007 | 11,781 |
| | | Insurance premium settlement | (6,001) | (9,014) |
| | | Claim due | (8,770) | 259 |
| | | Claim paid | 270 | (259) |
| | | Laboratory services provided | (23,887) | 2,642 |
| | | Laboratory services settlement | 17,234 | (2,642) |
| Canwill Holdings (Pvt) Limited | Affiliate | Insurance premium | - | 2,931 |
| | | Premium settlement | - | (2,931) |
| | | Claim due | - | 2,699 |
| | | Claim settlement | - | (2,699) |
| Sinolanka Hotels & Spa (pvt) Limited | Affiliate | Insurance premium | - | 10,650 |
| | | Premium settlement | - | (10,650) |
| | | Claim due | - | 36 |
| | | Claim settlement | - | (36) |

42 EVENTS AFTER THE REPORTING DATE

ACCOUNTING POLICY

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. Two types of events can be identified as events occurring after the balance sheet date:

- Adjusting events – Events that provide additional evidence of conditions that existed at the reporting date.
- Non-adjusting events – Events that are indicative of conditions that arose after the reporting date.

Other than mentioned in the note 40 and 45, there were no events after reporting period ended 31 December 2025 which may have a material impact on the financial position of the Company as of the balance sheet date.

All material post reporting date events have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the Financial Statements.

43 PROVISIONS AND CONTINGENCIES

ACCOUNTING POLICY

Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

The Company does not have any contingent liabilities to disclose as at 31 December 2025.

Notes to the Financial Statements

44 ASSETS PLEDGED

There are no assets offered as security for obligations as at the end of the reporting period.

45 COMPLIANCE WITH REGULATORY REQUIREMENTS – BOARD COMPOSITION

In terms of Direction No. 02 of 2022 on the Corporate Governance Framework for insurers issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), read together with Section 9.8.2(a) of the listing rules of the Colombo Stock Exchange issued by the Securities and Exchange Commission of Sri Lanka and Principle A.5.3 of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka, companies are required to maintain the minimum number of Independent Directors of board shall be at least one third of the Board or a minimum of two, whichever is higher complying to the definition of independence of Directors.

As at the reporting date, the Board of Directors of Sri Lanka Insurance Corporation General Limited comprised six (06) Non Executive Directors, all of whom were classified as Non Independent.

Regulatory communication and grace period

The IRCSL has formally communicated this matter of non-compliance to Sri Lanka Insurance Corporation Limited (SLIC) and its subsidiaries and has granted a grace period until 06 April 2026 for the Companies to regularise their position and comply with the applicable requirements.

The granting of this grace period provides the Company with an opportunity to take corrective action within the specified timeframe. However, such grace period does not negate the fact that the Company was not fully compliant with the relevant regulatory requirements as at the reporting date.

Further, the IRCSL has required the Company to submit board resolutions confirming compliance with the said direction on or before the stipulated deadline.

Management's proposed course of action

In order to achieve compliance while maintaining the effectiveness and balance of the existing Board structure, the Company has proposed the following actions and same as communicated to the Secretary to the Treasury, Ministry of Finance, Planning and Economic Development:

1. Re designation of Directors: Re designating two (02) existing Non Executive Non Independent Directors as Independent Directors, subject to meeting the prescribed independence criteria; and
2. Appointment of a New Independent Director: Appointing one (01) new Independent Director to fill an existing vacancy on the Board.

This approach is intended to ensure compliance with the requirement to have a minimum of three (03) Independent Directors, without increasing the overall size of the Board.

SUPPLEMENTARY INFORMATION



Insurance Business Performance

In accordance with Section 53 of the Insurance Industry Regulation (Amendment) Act No. 03 of 2011, SLIC has been segregated into two separate legal entities with effect from 01 February 2024. Accordingly, the Financial Statements of financial year 2024 cover 11-month period from February to December 2024. However, for comparison purposes, financial information for the full year of 2024 (January to December) of the insurance business is presented on this page.

| Year ended 31 December | 2025 Rs. '000 | 2024 Rs. '000 |
|--|---------------------|------------------|
| Revenue | 24,270,492 | 22,986,452 |
| Gross written premium | 30,303,076 | 25,332,582 |
| Less: Premium ceded to reinsurers | (5,349,927) | (4,286,565) |
| Amounts ceded to NITF | (3,385,825) | (2,966,116) |
| Net written premium | 21,567,324 | 18,079,902 |
| Net change in reserve for unearned premium | (1,616,396) | (9,317) |
| Net earned premium | 19,950,928 | 18,070,584 |
| Other income | | |
| Income from investments | 3,913,726 | 5,321,189 |
| Other income | 405,838 | (405,322) |
| Total revenue | 24,270,492 | 22,986,452 |
| Benefits and losses | | |
| Insurance claims and benefits (Net) | (12,268,736) | (10,509,917) |
| Underwriting and net acquisition costs | 12,093 | (293,003) |
| Other insurance related costs | (8,762,344) | (8,144,457) |
| Profit before tax | 3,251,506 | 4,039,076 |
| Income tax expense | (723,454) | (753,218) |
| Net profit for the year | 2,528,052 | 3,285,858 |

Ten Year Summary

Statement of Income

| | 2025 Rs. '000 | 2024 Rs. '000 | 2023 Rs. '000 | 2022 Rs. '000 |
|--|------------------|------------------|------------------|------------------|
| Gross written premium | 30,303,076 | 25,332,582 | 23,145,056 | 20,341,448 |
| Premium ceded to reinsurance | (8,735,752) | (7,252,680) | (5,700,815) | (5,180,941) |
| Net changes in reserved for unearned premium | (1,616,396) | (9,317) | (987,698) | 1,496,218 |
| Net earned premiums | 19,950,928 | 18,070,584 | 16,456,544 | 16,656,725 |
| Net benefits and claims incurred | (12,268,736) | (10,509,917) | (10,017,691) | (10,525,781) |
| Underwriting and net acquisition cost | 12,093 | (293,003) | (755,440) | (740,074) |
| other operation and administration expenses | (8,762,344) | (8,144,457) | (4,933,958) | (8,807,009) |
| Investment and other income | 4,319,565 | 4,915,867 | (4,643,100) | 11,498,623 |
| Profit before taxation | 3,251,506 | 4,039,076 | 5,392,465 | 8,082,484 |
| Income tax expenses | (723,454) | (753,218) | (1,063,540) | (553,331) |
| Net profit for the year | 2,528,052 | 3,285,858 | 4,328,925 | 7,529,153 |

Ten Year Summary Statement of Income

| 2021 Rs. '000 | 2020 Rs. '000 | 2019 Rs. '000 | 2018 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 21,255,023 | 20,163,296 | 18,974,323 | 18,532,092 | 18,920,562 | 15,720,793 |
| (4,029,008) | (3,133,728) | (3,358,526) | (2,989,790) | (4,542,029) | (2,556,737) |
| (325,424) | (1,667,533) | (306,793) | (450,954) | (726,188) | (830,098) |
| 16,900,591 | 15,362,035 | 15,309,003 | 15,091,348 | 13,652,345 | 12,333,957 |
| (10,206,589) | (7,786,221) | (9,290,432) | (10,028,386) | (9,127,011) | (8,605,127) |
| (653,821) | (864,830) | (967,782) | (661,317) | (636,080) | (634,481) |
| (5,457,312) | (5,047,881) | (4,546,109) | (4,173,489) | (3,502,864) | (3,181,514) |
| 4,655,818 | 3,159,227 | 4,483,050 | 4,168,839 | 2,189,129 | 9,322,418 |
| 5,238,687 | 4,822,331 | 4,987,730 | 4,396,994 | 2,575,519 | 9,235,253 |
| (181,339) | (1,179,070) | (330,151) | (840,326) | (391,642) | (308,911) |
| 5,057,348 | 3,643,261 | 4,657,579 | 3,556,668 | 2,183,878 | 8,926,342 |

Ten Year Summary Balance Sheet

| | 2025 Rs. '000 | 2024 Rs. '000 | 2023 Rs. '000 | 2022 Rs. '000 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | |
| Property, plant and equipments | 499,975 | 611,198 | 12,551,299 | 12,667,642 |
| Financial investments | 43,555,264 | 36,982,166 | 65,883,490 | 56,422,739 |
| Other assets | 19,959,705 | 13,540,443 | 14,370,745 | 16,732,667 |
| Total assets | 64,014,944 | 51,133,807 | 92,805,534 | 85,823,048 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | 15,000,000 | 15,000,000 | 6,000,000 | 6,000,000 |
| Revaluation reserve | 185,236 | 185,236 | 8,339,227 | 8,444,617 |
| Revenue/other reserves | 12,365,409 | 6,793,198 | 46,809,384 | 39,844,165 |
| Total equity | 27,550,645 | 21,978,434 | 61,148,611 | 54,288,782 |
| Liabilities | | | | |
| Insurance contract liabilities | 26,458,482 | 20,441,265 | 20,496,192 | 21,689,853 |
| Other liabilities | 10,005,817 | 8,714,108 | 11,160,730 | 9,844,413 |
| Total liabilities | 36,464,299 | 29,155,372 | 31,656,922 | 31,534,266 |
| Total equity and liabilities | 64,014,944 | 51,133,807 | 92,805,533 | 85,823,048 |

Ten Year Summary Balance Sheet

| 2021 Rs. '000 | 2020 Rs. '000 | 2019 Rs. '000 | 2018 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 12,639,695 | 10,781,351 | 10,985,571 | 11,075,190 | 10,072,272 | 10,187,556 |
| 55,176,583 | 51,492,092 | 50,817,353 | 50,194,451 | 51,222,698 | 47,386,662 |
| 16,376,469 | 14,127,105 | 9,622,380 | 9,584,542 | 7,860,467 | 9,929,691 |
| 84,192,747 | 76,400,548 | 71,425,304 | 70,854,183 | 69,155,437 | 67,503,909 |
| 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| 9,203,609 | 7,301,747 | 7,296,794 | 8,291,124 | 7,633,144 | 8,115,786 |
| 38,279,454 | 33,899,514 | 32,900,723 | 31,289,889 | 31,466,484 | 32,487,296 |
| 53,483,063 | 47,201,261 | 46,197,517 | 45,581,013 | 45,099,628 | 46,603,082 |
| 20,879,547 | 18,866,402 | 16,648,028 | 17,806,430 | 17,128,395 | 16,517,151 |
| 9,830,137 | 10,332,885 | 8,579,759 | 7,466,740 | 6,927,414 | 4,383,676 |
| 30,709,684 | 29,199,287 | 25,227,787 | 25,273,170 | 24,055,809 | 20,900,827 |
| 84,192,747 | 76,400,548 | 71,425,304 | 70,854,183 | 69,155,437 | 67,503,909 |

Branch Network

| No. | Region | # | Branch | Province | Main branch | Branch code | Branch address | Phone | Fax |
|-----|-----------------|----|-------------------------|----------|----------------|-------------|---|---|-------------|
| 1. | Central | 1 | Kandy Main | CP | Kandy Main | 16 | No. 25, Hill Street, Kandy | 081-2234296 081-2234954 081-2228172 | 081-2201685 |
| | | 2 | Digana | CP | Digana | 172 | No. 64, Gonawala Road, Digana, Rajawella | 081-5630744 081-2376814 | 081-2376814 |
| | | 3 | Gampola | CP | Gampola | 86 | No. 176/B, Kandy Road, Gampola | 081-2351709 081-5675128 | 081-2351709 |
| | | 4 | Kandy City | CP | Kandy City | 173 | No. 6, Wadugodapitiya Road, Kandy | 081-2204830 | |
| | | 5 | Katugasthota | CP | Katugasthota | 414 | No. 431, Katugastota Road, Kandy | 081-2229938 | 081-2229938 |
| | | 6 | Kegalle | SG | Kegalle | 17 | No. 389, Kandy Road, Kegalle | 035-2222531 | N/A |
| | | 7 | Matale | CP | Matale | 35 | No. 134, Dharmapala Mawatha, Matale | 066-2233989 066-2224735 066-5671653 | 066-2222417 |
| | | 8 | Mawanella | SG | Mawanella | 76 | No. 288 1/1, Kandy Road, Mawanella | 035-2249335 035-5672981 | 035-2249335 |
| | | 9 | Mawathagama | NW | Mawathagama | 415 | No. 54/A, Walawwawatta, Mawathagama | 037-2299861 | 037-2299861 |
| | | 10 | Nawalapitiya | CP | Nawalapitiya | 69 | No. 79, Kothmale Road, Nawalapitiya | 054-2222019 | 054-2222019 |
| | | 11 | Pilimathalawa | CP | Pilimathalawa | 171 | No. 211/C, Colombo Road, Pilimathalawa | 081-5630070 081-2575444 | 081-2575444 |
| | | 12 | Rikillagaskada | CP | Rikillagaskada | 88 | No. 68, Ragala Road, Rikillagaskada | 081-2365279 081-5674793 | 081-2365667 |
| | | 13 | Aranayaka - ABDC | CP | Mawanella | 543 | No. 839-D, Dippitiya, Aranayake | 035-2249335 | N/A |
| | | 14 | Bulathkohupitiya - ABDC | CP | Kegalle | 504 | No. 63/4, Avissawella Road, Bulathkohupitiya | 035-2222531 | N/A |
| | | 15 | Galagedara - ABDC | CP | Kandy Main | 502 | No. 125/A/1/2, Sanasa [Sanasa (Pvt) Ltd.] Rambukkana Road, Galagedara | 081-2234954 | N/A |
| | | 16 | Peradeniya - ABDC | CP | Katugasthota | 503 | No. 159, Colombo Road, Peradeniya. | 081-2229938 | N/A |
| | | 17 | Wattegama - ABDC | CP | Digana | 215 | No. 73/C, Kandy Road, Wattegama | 081-5630744 | N/A |
| 2. | Eastern | 18 | Batticaloa | EP | Batticaloa | 22 | No. 64, Bar Road, Batticaloa | 065-2224470 | 065-2222331 |
| | | 19 | Akkaraipattu | EP | Akkaraipattu | 343 | No. 143/1, Main street Akkaraipattu - 2, Akkaraipattu | 067-2279627 | N/A |
| | | 20 | Kalmunai | EP | Kalmunai | 49 | No. 90, Batticalloa Road, Kalmunai. | 067-2229912 | 067-2229912 |
| | | 21 | Kanthale | EP | Kanthale | 161 | No. 62/P, Main Street, Kantale | 026-2234043 | 026-2234043 |
| | | 22 | Trincomalee | EP | Trincomalee | 36 | No. 46, Main Street, Trincomalee. | 026-2222434 | |
| | | 23 | Kaluwanchikudy - ABDC | EP | Kalmunai | 514 | Main Road, Kaluwanchikudy. | 067-2229912 | N/A |
| | | 24 | Muthur - ABDC | EP | Trincomalee | 220 | Trincomalee Road, Periyapalam, Mutur | 026-2222434 | |
| | | 25 | Pothuwil - ABDC | EP | Akkaraipattu | 513 | Main Street, Pothuwil. | 067-2279627 | N/A |
| 3. | Northern | 26 | Jaffna | NP | Jaffna | 23 | No. 600, Hospital Road, Jaffna | 021-2222023 | 021-2224526 |
| | | 27 | Kaithady ABDC | NP | Chavakachcheri | 355 | No.1/1, Kaithady | 021-2270711 | N/A |
| | | 28 | Pallai ABDC | NP | Kilinochchi | 362 | A/9 Road, Opposite Pallai Bus Stand, Pallai | 021-2280031 | 021-2280032 |
| | | 29 | Point Pedro ABDC | NP | Nelliadi | 101 | No. 411, Mainstreet, Pointpedro | 021-2264686 | N/A |
| | | 30 | Chankanai | NP | Chankani | 191 | No. 45, Ponnalai Road (Main Street), Chankanai. | 021-2250462 | 021-2250463 |
| | | 31 | Chavakachcheri | NP | Chavakachcheri | 355 | No. 267, Kandy Road, Chavakachcheri | 021-2270711 | N/A |
| | | 32 | Kilinochchi | NP | Kilinochchi | 362 | No. 31, A-09 Road, Karadippokku, Kilinochchi | 021-2280031 | 021-2280032 |
| | | 33 | Mannar | NP | Mannar | 187 | No. 60/2, Railway Station Road, Panankakaddikoddu, Mannar | 023-2223236 | N/A |
| | | 34 | Mullaitivu | NP | Mullaitivu | 188 | No. 41, Main Street, Mullaitivu | 021-2290089 | N/A |
| | | 35 | Nelliadi | NP | Nelliadi | 101 | No. 146/2, Jaffna Road, Nelliady | 021-2264686 | N/A |
| | | 36 | Vavunia | NP | Vavunia | 24 | No. 119/1, Kandy Road, Vavniya | 024-2222380 | 024-5670021 |
| | | 37 | Chunnakam - ABDC | NP | Jaffna | 531 | No. 122, KKS Road, Chunnakam. | 021-2222023 | N/A |
| | | 38 | Mallavi - ABDC | NP | Mullaitivu | 532 | Thunukkai Road, Anichiyam Kulam, Mallavi. | 021-2290089 | N/A |
| | | 36 | Kodikamam - ABDC | NP | Chavakachcheri | 210 | 1st Floor, A9 Road, Kodikamam | 021-2270711 | N/A |
| | | 37 | Visuwamadu - ABDC | NP | Mullaitivu | 222 | Mullathivu rd, Visuwamadu, Mullaitivu | 021-2290089 | |
| | | 38 | Puthukudiyiruppu - ABDC | NP | Mullaitivu | 209 | Paranthan Mullai Road, Puthukudiyiruppu East, Mullaitivu | 021-2290089 | N/A |

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| 4. | North Central | 39 | Anuradhapura | NC | Anuradhapura | 18 | No. 61, Main Street, 2nd Lane, Anuradhapura | 025-2222167 025-5673819 | 025-2235258 |
| | | 40 | Aralaganwila | NC | Aralaganwila | 407 | No. 208/14, New Town, Aralaganwila | 027-2050830 | |
| | | 41 | Bakamuna | NC | Bakamuna | 406 | No. 10, Samupakara Mawatha, Bakamuna | 066-2256550 | 066-2256550 |
| | | 42 | Dehiattakandiya | EP | Dehiattakandiya | 186 | No. 256, Garment Place, Dehiattakandiya | 027-2250318 | |
| | | 43 | Hingurakgoda | NC | Hingurakgoda | 37 | No. 31, Main Street, Hingurakgoda | 027-2246345 | |
| | | 44 | Horowpothana | NC | Horowpothana | 203 | Rest House Junction, Horowpothana | 025-2278600 | |
| | | 45 | Kaduruwela | NC | Kaduruwela | 96 | No. 25, Batticaloa Road, Polonnaruwa | 027-2222954 027-5672041 | 027-2222954 |
| | | 46 | Kekirawa | NC | Kekirawa | 91 | No. 43, Dissanayake Building, Thalawa Road, Kekirawa | 025-2264573 | 025-2264573 |
| | | 47 | Medawachchiya | NC | Medawachchiya | 427 | Kandy Road, Medawachchiya | 025-2245318 | N/A |
| | | 48 | Padavi Parakramapura | NC | Padavi Parakramapura | 408 | Infront of School, Padavi Parakramapura. | 025-2254115 | 025-2254115 |
| | | 49 | Habarana - ABDC | NC | Hingurakgoda | 529 | Dambulla Road, Habarana | 027-2246345 | N/A |
| | | 50 | Mahaaya - ABDC | EP | Aralaganwila | 530 | Block B, Wijethunga Building, Mahaaya | 027-2050830 | N/A |
| 51 | Galenbindunuwewa - ABDC | NC | Horowpothana | 218 | Near the Police Station, Galenbindunuwewa | 025-2278600 | N/A | | |
| 52 | Medirigiriya - ABDC | NC | Hingurakgoda | 164 | Fair Road, Medirigiriya | 027-2246345 | N/A | | |
| 5. | Upper Western | 53 | Nittambuwa | WP | Nittambuwa | 34 | New Super Market Complex, Nittambuwa | 033-2289709 033-5671351 | 033-2289709 |
| | | 54 | Katana ABDC | WP | Negombo | 19 | No. 195/2, Delgas Junction, Katana | 031-2231374 031-2235235 | 031-2233498 |
| | | 55 | Veyangoda | WP | Veyangoda | 64 | No. 166/1/1, Negombo Road, Veyangoda | 033-2288027 033-5676037 | 033-2288027 |
| | | 56 | Gampaha | WP | Gampaha | 66 | No. 116, Bauddhaloka Mawatha, Gampaha | 033-2222676 033-2224710 033-5675786 | 033-2222676 |
| | | 57 | Yakkala | WP | Yakkala | 128 | No. 80, Colombo Road, Yakkala | 033-2225522 | 033-2225522 |
| | | 58 | Minuwangoda | WP | Minuwangoda | 122 | No. 21, M P Z Siriwardena Road, Minuwangoda | 011-2280870 011-5667822 | 011-2280870 |
| | | 59 | Negombo | WP | Negombo | 19 | No. 20, Rajapaksha Broadway, Negombo | 031-2231374 031-2235235 | 031-2233498 |
| | | 60 | Ja-Ela | WP | Ja Ela | 29 | No. 205/1/1, Negombo Road, Ja Ela | 011-2233169 011-5639270 | 011-2233169 |
| | | 61 | Marawila | NW | Marawila | 43 | No. 83/A, Negombo Road, Marawila | 032-2254297 032-5672090 | 032-2254297 |
| | | 62 | Wennappuwa | NW | Wennappuwa | 62 | No. 236 /3/ A, Main Street, Wennappuwa | 031-2253319 031-5672447 | 031-2253319 |
| | | 63 | Kandana | WP | Kandana | 158 | No. 54, Negombo Road, Kandana | 011-2228848 | 011-2228848 |
| | | 64 | Kochchikade | WP | Kochchikade | 184 | No. 18/1/4, Negombo Road, Kochchikade | 031-2274626 031-5677135 | 031-2274626 |
| | | 65 | Dankotuwa - ABDC | WP | Kochchikade | 519 | No. 96/1, Pannala Road, Dankotuwa | 031-2274626 | N/A |
| | | 66 | Divulapitiya - ABDC | WP | Negombo | 120 | No. 60-5, Circular Road, In Front Bodiya, Divulapitiya | 031-2231374 | N/A |
| | | 67 | Ganemulla - ABDC | WP | Gampaha | 182 | No. 187/A/8, Main Street, Ganemulla | 0332224710 | N/A |
| | | 68 | Kirillawala - ABDC | WP | Yakkala | 520 | No. 122/6/5, Pahala Imbulgoda, Imbulgoda, Kirillawala | 033-2225522 | N/A |
| | | 69 | Kirindiwela - ABDC | WP | Gampaha | 130 | No. 157/1, Colombo Road, Kirindiwela | 033-2224710 | N/A |
| | | 70 | Mahabage - ABDC | WP | Kandana | 518 | No. 562, 1st Floor, Negombo Road, Mahabage | 011-2228848 | N/A |
| | | 71 | Mirigama - ABDC | WP | Veyangoda | 131 | No. 100, Sri Lanka Insurance, Pasyala Road, Mirigama | 033-2288027 | N/A |
| | | 72 | Naiwala - ABDC | WP | Gampaha | 566 | Naiwala, Veyangoda | 033-2224710 | N/A |
| | | 73 | Pugoda - ABDC | WP | Minuwangoda | 129 | No. 40/1, Kospitiyana, Pugoda | 011-2280870 | N/A |
| | | 74 | Urapola - ABDC | WP | Nittambuwa | 516 | No. 29/G, Urapola | 033-2289709 | N/A |
| | | 75 | Weliweriya - ABDC | WP | Gampaha | 515 | No. 480/46/1 A, Palliyawatta, Weliweriya | 033-2224710 | N/A |

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| 6. Ratnapura | 76 | Ratnapura | SG | Ratnapura | 13 | No. 284/I, Main Street , Rathnapura. | 045-2222433 045-5674250 | 045-2231517 |
| | 77 | Avissawella - GI | WP | Avissawella | 51 | No. 77, Ratnapura Road, Avissawella. | 036-2222311 | N/A |
| | 78 | Avissawella - Life | SG | Avissawella | 51 | No. 77, Ratnapura Road, Avissawella. | 036-2239201 | |
| | 79 | Balangoda | SG | Balangoda | 93 | No. 115, Old Road, Balangoda | 045-2287670 | 036-2259014 |
| | 80 | Eheliyagoda | SG | Eheliyagoda | 110 | No. 334/I, Main Street, Eheliyagoda | N/A | 036-2259014 |
| | 81 | Embilipitiya | SG | Embilipitiya | 75 | No. 67, Pallegama, Nonagama, Embilipitiya | 047-2230389 | 045-2270160 |
| | 82 | Kahawatta | SG | Kahawatta | 94 | No. 46/I, 46/IA, Walawwatte Road, Kahawatta. | 045-2270160 | 045-2270160 |
| | 83 | Kalawana | SG | Kalawana | 109 | No. 56, Matugama Road, Manana, Kalawana | 045-2255930 | N/A |
| | 84 | Pallebedda | SG | Pallebedda | 411 | Near the Temple, Main Street, Pallebedda | 045-2241717 | N/A |
| | 85 | Ruwanwella | SG | Ruwanwella | 416 | No. 197, Awissawella Road, Ruwanwella | 036-2267737 | N/A |
| | 86 | Deraniyagala - ABDC | WP | Awissawella | 533 | No. 38, Noori Road, Deraniyagala South. | 036-2239201 | N/A |
| 87 | Hanwella - ABDC | WP | Awissawella | 534 | No. 133D, Main Street, Hanwella. | 036-2239201 | N/A | |
| 7. Sothorn 01 | 88 | Galle | SP | Galle | 14 | No. 54, 50 1/2, Havlock Road, Galle | 091-2234531 091-2224029 | 091-2241981 |
| | 89 | Aluthgama | WP | Aluthgama | 95 | No. 433-1/I, 1st Floor, Depot Junction Galle Road, Aluthgama | 034-2276409 034-5674655 | 034-2276409 |
| | 90 | Ambalangoda | SP | Ambalangoda | 30 | No. 97, New Road, Ambalangoda. | 091-2258339 091-5678298 | 091-2255855 |
| | 91 | Baddegama | SP | Baddegama | 151 | No. 60 1/I, Galle Road, Baddegama | 091-2292303 091-5624502 | 091-2292303 |
| | 92 | Bandaragama | WP | Bandaragama | 121 | No. 72, Jayakody Building , Horana Road, Bandaragama. | 038-2293940 | 038-2293940 |
| | 93 | Elpitiya | SP | Elpitiya | 77 | No. 18/12, 2nd Lane, Ihalagoda, Elpitiya | 091-2291365 091-5673672 | 091-2291365 |
| | 94 | Horana | WP | Horana | 67 | No. 50/09, Graceland Circular Road, Horana | 034-2261351 034-5674512 | 034-2261351 |
| | 95 | Kalutara | WP | Kalutara | 12 | No. 326/2/2/I, Galle Road, kalutara South | 034-2222474 034-5674535 034-2236616 | 034-2228696 |
| | 96 | Mathugama | WP | Mathugama | 84 | No. 79/I, Kalutara Road, Matugama | 034-2247510 | 034-2247510 |
| | 97 | Panadura | WP | Panadura | 83 | No. 534, Galle Road, Panadura | 038-2234736 038-5671547 | 038-2234736 |
| | 98 | Thalgaswala | SP | Talgaswela | 74 | New Town , Thalgaswala. | 091-2296268 | 091-2296344 |
| | 99 | Udugama | SP | Udugama | 78 | Mavidola, Bar Junction, Udugama | 091-5674987 | 091-2285097 |
| | 100 | Karapitiya - ABDC | SP | Galle | 14 | No. 86 B, Hirimbura Cross Road, Karapitiya | 091-2234531 091-2224029 | 091-2241981 |
| | 101 | Pitigala - ABDC | SP | Talgaswela | 521 | No. 66B , 1st Floor, (Upper floor of DSI Show Room), Main Street, Pitigala. | 091-2296268 | N/A |
| | 102 | Thanipolgaha - ABDC | SP | Galle | 179 | No. 45, H K Edman Mawatha, Galle. | 091-2234531 | N/A |
| | 103 | Uragaha - ABDC | SP | Uragaha - ABDC | 523 | Main Street, Uragasmanhandiya | 091-2234531 | N/A |

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| 8. | Southern 02 | 104 | Matara | SP | Matara | 15 | No. 5A, Hakmana Road, Matara | 041-2227962 041-2222352 | 041-2221472 | | |
| | | 104 | Thelijjawila ABDC | SP | Matara | 15 | No. 19/1, Weligama Road, Thelijjawila | 041-2227962 041-2222352 | 041-2221472 | | |
| | | 105 | Akuressa | SP | Akuressa | 85 | No. 49 2/1, Matara Road, Akuressa | 041-2283590 041-5674482 | 041-2283590 | | |
| | | 106 | Ambalantota | SP | Ambalantota | 31 | No. 195, Main Steet, Ambalantota | 047-2223235 047-5670906 | 047-2223235 | | |
| | | 107 | Beliatta | SP | Beliatta | 32 | No. 74, Tangalla Road, Beliatta | 047-2243211 047-5670908 | 047-2243211 | | |
| | | 108 | Deniyaya | SP | Deniyaya | 33 | No. 06, Pallegama Road, Deniyaya | 041-2273565 041-5674483 | 041-2273565 | | |
| | | 109 | Dikwella | SP | Dikwella | 90 | No. 95, Matara Road, Dikwella | 041-2255630 041-5674476 | 041-2255630 | | |
| | | 110 | Hakmana | SP | Hakmana | 189 | No. 5A, Hakmana Road, Matara | 041-5670600 | 041-2287616 | | |
| | | 111 | Hambantota | SP | Hambantota | 357 | No. 59, Main Street, Hambanthota | 047-2222572 | 047-2222571 | | |
| | | 112 | Neluwa | SP | Neluwa | 413 | 2nd Floor, Manuka Building, Delwala Road, Neluwa | 091-2285140 | 091-2285140 | | |
| | | 113 | Tangalle | SP | Tangalle | 127 | No. 85, Beliatta Road, Thangalla | 047-2242514 047-5676144 | 047-2242514 | | |
| | | 114 | Tissamaharama | SP | Tissamaharama | 97 | No. 211, Hambantota Road, Kachcheriyagama, Tissamaharama | 047-2237152 047-5670905 | 047-2237152 | | |
| | | 115 | Weligama | SP | Weligama | 89 | No. 352/2, Galle/Matara Middle Road, Weligama | 041-2250647 | N/A | | |
| | | 116 | Deyyandara - ABDC | SP | Hakmana | 525 | No. 01 A, The Court, Deyyandara | 041-5670600 | N/A | | |
| | | 117 | Imaduwa - ABDC | SP | Weligama | 116 | New Shopping Complex, Imaduwa | 041-2250647 | N/A | | |
| | | 118 | Kekanadura - ABDC | SP | Kamburupitiya | 117 | No. 1, Yatiyana Road, Kekanadura | | N/A | | |
| | | 119 | Kamburupitiya | SP | Matara | 526 | No. 40 A, Makandura Road, Kamburupitiya | 041-5670291 | N/A | | |
| | | 120 | Middeniya - ABDC | SP | Beliatta | 118 | Walasmulla Road, Middeniya | 047-2243211 | N/A | | |
| | | 121 | Morawaka - ABDC | SP | Deniyaya | 33 | Commercial Bank Building, Morawaka. | 041-2273565 041-5674483 | 041-2273565 | | |
| | | 122 | Urubokka - ABDC | SP | Deniyaya | 125 | 2nd Floor, Shopping Complex, Main Street, Urubokka | 041-2273565 | N/A | | |
| | | 123 | Walasmulla - ABDC | SP | Beliatta | 524 | No. 14/B, 1st Floor, Weeraketiya Road, Walasmulla | 047-2243211 | N/A | | |
| | | 9. | Wayamba 01 | 124 | Kurunegala Main | NW | Kurunegala Main | 20 | No. 16/1, Dambulla Road, Kurunegala | 037-2222376 037-2227433 | 037-2224053 |
| | | | | 125 | Giriulla | NW | Giriulla | 68 | No. 101, Negombo Road, Giriulla | 037-2288304 037-5673405 | 037-2288304 |
| 126 | Kuliyapitiya | | | NW | Kuliyapitiya | 41 | No. 74/A 1/1, Hettipola Road, Kuliyapitiya | 037-2281304 037-5673401 | 037-2281304 | | |
| 127 | Kurunegala City | | | NW | Kurunegala City | 138 | No. 11 1/2, Rajapihilla Road, Kurunegala | 037-2234176 | 037-2234176 | | |
| 128 | Melsiripura | | | NW | Malsiripura | 102 | Dambulla Road, Welipathwala, Melsiripura | 037-2250459 | 037-2250459 | | |
| 129 | Narammala | | | NW | Narammala | 108 | No. 159/A, Super City building, U.B. Wijekoon Mawatha, Kurunegala Road, Narammala | 037-2248920 | 037-2248920 | | |
| 130 | Polgahawela | | | NW | Polgahawela | 430 | No. 130, Godawela, Polgahawela | 037-2244040 | 037-2244040 | | |
| 131 | Rambukkana | | | SG | Rambukkana | 426 | No. 6, Thomes Silva Mawatha, Rambukkana. | 035-2262708 | 035-2262708 | | |
| 132 | Rideegama | | | NW | Rideegama | 428 | No. 107-A, Kappetigala Road, Rideegama | 037-2251399 | 0 37-2251399 | | |
| 133 | Warakapola | | | SG | Warakapola | 60 | No. 23, Kandy Road, Warakapola | 035-2267747 037-5673401 | N/A | | |
| 134 | Alawwa - ABDC | | | NW | Kurunegala Main | 107 | No. 29, Narammala Road, Alawwa | 037-2222376 | N/A | | |
| 135 | Hettipola - ABDC | | | NW | Kuliyapitiya | 541 | No. 112, Kurunegala Road, Hettipola | 037-2281304 037-5673401 | N/A | | |
| 136 | Katupotha - ABDC | | | NW | Narammala | 540 | Munamaldeniya, Katupotha | 037-2248920 | N/A | | |
| 137 | Pannala - ABDC | | | NW | Giriulla | 421 | No. 38C, Rajapaksha Building, Pannala | 037-2288304 | N/A | | |
| 138 | Polpithigama - ABDC | | | NW | Malsiripura | 539 | Kudawewa Junction, Polpithigama | 037-2250459 | N/A | | |

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| 10. Wayamba 02 | 139 | Wariyapola | NW | Wariyapola | 82 | No. 10, Puttalam Road, Wariyapola | 037-2267451 037-5673407 | 037-2267451 |
| | 140 | Anamaduwa | NW | Anamaduwa | 44 | No. 63, Puttalam Road, Anamaduwa | 032-2263033 032-5675227 | 032-2263033 |
| | 141 | Chilaw | NW | Chilaw | 40 | No. 43/1, Kurunegala Road, Chilaw | 032-2222371 032-5671749 | 032-2222371 |
| | 142 | Dambulla | CP | Dambulla | 63 | No. 738 A, Anuradhapura Road, Dambulla | 066-2284616 066-5671624 | 066-2284616 |
| | 143 | Galewela | CP | Galewela | 39 | No. 59-A, Kurunegala Road, Galewela | 066-2289285 066-5671651 | 066-2289285 |
| | 144 | Galgamuwa | NW | Galgamuwa | 65 | No. 121, Main Street, Galgamuwa | 037-2254141 037-5673406 | 037-2254141 |
| | 145 | Maho | NW | Maho | 429 | No. 97, Nikaweratiya Road, Mahawa | 037-2050226 | 037-2050226 |
| | 146 | Nikaweratiya | NW | Nikaweratiya | 50 | No. 196, Puttalam Road, Nikaweratiya | 037-2260279 037-5673441 | 037-2260279 |
| | 147 | Puttalam | NW | Puttalam | 42 | No. 80, Kurunegala Road, Puttalam | 032-2265324 032-5672749 | 032-2265324 |
| | 148 | Tambuttegama | NC | Tambuttegama | 123 | No. 64, Kurunegala Road, Thambuttegama. | 025-2275088 | 025-2275088 |
| | 149 | Norochcholai - ABDC | NW | Puttalam | 216 | Kalpitiya Road, Pulachchena, Norochcholai | 032-2265324 | N/A |
| 150 | Ambanpola - ABDC | NW | Galgamuwa | 214 | No. 06, Anuradhapura Road, Ambanpola | 037-2254141 | N/A | |
| 11. Western 01 | 151 | Nugegoda | WP | Nugegoda | 79 | No. 310A, High Level Road, Colombo 06 | 011-2817739 011-2826364 | 011-2826365 |
| | 152 | Battaramulla | WP | Battaramulla | 28 | No. 119, Pannipitiya Road, Battaramulla | 011-2866357 011-5634629 | 011-2866357 |
| | 153 | City Office | WP | City Office | 11 | No. 50, Hide Park Corner, Colombo 2 | 011-2357562 011-2303914 011-5677136 | 011-2303914 |
| | 154 | Dehiwala | WP | Dehiwela | 165 | No. 121,1/1, Galle Road, Dehiwala | 011-2713702 011-5744962 | 011-2713702 |
| | 155 | Kirulapone | WP | Kirulapane | 156 | No. 88, 1st Floor, High Level Road, Kirulapone | 011-2514348 011-5649541 | 011-2514348 |
| | 156 | Moratuwa | WP | Moratuwa | 111 | No. 710, Galle Road, Idama, Moratuwa | 011-2648581 011-2648580 | N/A |
| | 157 | Pitakotte | WP | Pitakotte | 162 | No. 467, Kotte Road, Pita-Kotte | 011-2866755 | 011-2866755 |
| | 158 | Ratmalana | WP | Ratmalana | 72 | No. 143-2/4, Galle Road, Rathmalana | 011-5635475 011-2715992 | 011-2715982 |
| | 159 | Lanaka Hospital Counter | WP | City Office | 436 | No. 578, Elvitigala Mawatha, Colombo 5 | 011-2357562 011-2303914 011-5677136 | 011-2303914 |
| 12. Western 02 | 160 | Kiribathgoda | WP | Kiribathgoda | 81 | No. 318 1/1, Kandy Road, Kiribathgoda | 011-2912776 011-5635483 | 011-2912742 |
| | 161 | Colombo Metro 01 | WP | Colombo Metro 01 | 353 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 162 | Colombo Metro 02 | WP | Colombo Metro 02 | 140 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 163 | Colombo Metro 03 | WP | Colombo Metro 03 | 141 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 164 | Colombo Metro 04 | WP | Colombo Metro 04 | 147 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 165 | Colombo Metro 06 | WP | Colombo Metro 06 | 350 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 166 | Colombo Metro 10 | WP | Colombo Metro 10 | 354 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 167 | Colombo Metro 11 | WP | Colombo Metro 11 | 170 | No. 125, Kynsey Road, Colombo 7 | 011-2692118 | N/A |
| | 168 | Kadawatha | WP | Kadawata | 114 | No. 151/5, Kandy Road, Kadawatha | 011-2921567 | 011-2921567 |

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| No. | Region | # | Branch | Province | Main branch | Branch code | Branch address | Phone | Fax |
|-----|------------------------|-----|-------------------|----------|---------------------------------|-------------|--|---|------------------------------------|
| 13. | Western 03 | 169 | Maharagama | WP | Maharagama | 26 | No. 128, Opposite Elhena Road, High Level Road, Maharagama | 011-2843563 011-5635465 | 011-2843010 |
| | | 170 | Athurugiriya | WP | Athurugiriya | 412 | No. 39/8, Malabe Road, Athurugiriya | 011-2077868 | 011-2077868 |
| | | 171 | Homagama | WP | Homagama | 98 | No. 96, High Level Road, Homagama | 011-2893426 011-5634670 | 011-2893200 |
| | | 172 | Ingiriya | WP | Ingiriya | 423 | Isuru Building, Padukka Road, Ingiriya. | 034-2268270 | 034-2268270 |
| | | 173 | Kaduwela | WP | Kaduwela | 27 | No. 482/8, Colombo Road, Kaduwela | 011-2579976 | 011-2579976 |
| | | 174 | Kottawa | WP | Kottawa | 424 | No. 101, 1st Floor, High Level Road, Kottawa | 011-2172273 | 011-2172273 |
| | | 175 | Malambe | WP | Malambe | 154 | No. 821/3C, New Kandy Road, Malabe | 011-2762312 011-5651612 | 011-2762312 |
| | | 176 | Piliyandala | WP | Piliyandala | 80 | No. 36/1, Vidyalaya Mawatha, Piliyandala | 011-2613976 | 011-2613976 |
| | | 177 | Padukka ABDC | WP | Padukka ABDC | 417 | No. 56F, Colombo Road, Padukka | 011-2579976 | N/A |
| 14. | Western 04 | 178 | Bambalapitiya | WP | Bambalapitiya | 58 | No. 22, Duplication Road, Colombo 4 | 011-5632790 | 011-5332427 |
| | | 179 | Borella | WP | Borella Branch | 144 | No. 27, D.S. Senanayake Mawatha, Colombo 8 | 011-2678480 | 011-2678480 |
| | | 180 | Kotahena | WP | Kotahena | 59 | No. 178, Gold Tower, George R De Silva Mawatha, Colombo 13 | 011-2335254 | N/A |
| | | 181 | Kotikawatta | WP | Kotikawatta | 422 | No. 257/7/5/1, IDH Road, Kotikawatta | 011-2568502 | 011-2568502 |
| | | 182 | Pettah | WP | Pettah | 181 | No. 101, 2nd Floor, Olcott Mawatha, Colombo 11 | 011-5741820 | 011-2423752 |
| | | 183 | Ragama | WP | Ragama | 405 | No. 36 1/1, Mahabage Road, Ragama | 011-2956371 | 011-2956371 |
| | | 184 | Wattala | WP | Wattala | 106 | No. 398/2/1, Negombo Road, Wattala | 011-5355531 011-5355532 011-5635480 | 011-5355532 |
| | | 185 | Wellawatta - ABDC | WP | Bambalapitiya | 545 | No. 9 1/1, Fussels Lane, 1st Floor, New Market Building, Colombo 6 | 011-5632790 | N/A |
| | | 15. | Uva | 186 | Badulla | UP | Badulla | 21 | No. 175, Keppetipola Road, Badulla |
| 187 | Ampara | | | EP | Ampara | 48 | No. 01, Inginiyagala Road, Ampara | 063-2222073 063-5670307 | 063-2222073 |
| 188 | Bandarawela | | | UP | Bandarawela | 70 | No. 193, Badulla Road, Bandarawela | 057-2223526 057-5670703 | 057-2223526 |
| 189 | Bibila | | | UP | Bibile | 136 | No. 68, Badulla Road, Bibile | 055-5675673 | 055-5675673 |
| 190 | Hatton | | | CP | Hatton | 87 | No. 01, 1/1, Sunday Fair Road, Hatton | 051-2222196 051-5670202 | 051-2222196 |
| 191 | Mahiyangana | | | UP | Mahiyanganaya | 38 | Rideethotaliyagama, Mahiyanganaya | 055-2257179 055-5670344 | 055-2257179 |
| 192 | Monaragala | | | UP | Monaragala | 47 | No. 114/1, Wellawaya Road, Monaragala | 055-2276145 | 055-2276145 |
| 193 | Nuwaraeliya | | | CP | Nuwar Eliya | 45 | No. 60/1, Park Road, Nuwar Eliya | 052-2222759 | 052-2222759 |
| 194 | Welimada | | | UP | Welimada | 46 | No. 13 2/8, Badulla Road, Welimada | 057-2245174 057-5670702 | 057-2245174 |
| 195 | Wellawaya | | | UP | Wellawaya | 73 | No. 145, Hambantota Road, Wellawaya | 055-2274133 | |
| 196 | Passara - ABDC | | | UP | Badulla | 135 | Jayanthipura Junction, 11th mile post, Badulla Road, Passara | 055-2230972 | N/A |
| 197 | Hettipola - ABDC (Uva) | UP | Mahiyanganaya | 500 | No. 500, Hettipola, Mahiyangana | 055-2257179 | N/A | | |
| 198 | Siyambalanduwa - ABDC | UP | Monaragala | 501 | Main Street, Siyambalanduwa | 055-2276145 | N/A | | |

Glossary of Terms

A

AGM (Assistant General Manager)

A senior management role responsible for overseeing specific operational or functional areas within the Company.

AML (Anti-Money Laundering)

Regulatory and internal procedures designed to prevent financial crimes involving illicit funds.

API (Application Programming Interface)

A set of protocols that enables different software systems to communicate and exchange data seamlessly.

B

Board Sub-Committees

Specialised committees (e.g., Audit, Risk, Investment) that support the Board in oversight and governance functions.

Business Model

The framework illustrating how the Company creates value by transforming inputs (capitals) into outputs and outcomes.

C

Capital Adequacy Ratio (CAR)

A regulatory measure indicating the Company's capital strength relative to its risk exposure.

CEFT (Common Electronic Fund Transfer)

A digital payment system used to facilitate fast and secure claim settlements.

Combined Ratio

A key insurance performance metric combining claims ratio and expense ratio to assess underwriting profitability.

Corporate Governance

The system of rules, practices, and processes by which the Company is directed and controlled.

D

Digital Transformation

The integration of digital technologies into operations to improve efficiency, customer experience, and decision-making.

Double Materiality

An assessment approach considering both;

Financial impact on the Company.

The Company's impact on the economy, environment, and society.

E

Expense Ratio

The proportion of operating and administrative expenses relative to earned premiums.

Enterprise Risk Management (ERM)

A structured approach to identifying, assessing, and managing risks across the organisation.

F

Fitch Rating

An external credit rating assigned to assess the financial strength and stability of the insurer.

Financial Capital

Funds available for use in the production of goods or provision of services.

G

General Insurance (GI)

Insurance coverage for non-life risks such as motor, fire, marine, health, and liability.

Gross Written Premium (GWP)

Total premium income generated before deductions such as reinsurance.

I

IIRC (International Integrated Reporting Council)

The body that developed the Integrated Reporting Framework guiding this report.

Insurance Contract Liabilities

Obligations arising from insurance contracts, including expected future claims.

IRCSL (Insurance Regulatory Commission of Sri Lanka)

The regulatory authority overseeing insurance companies in Sri Lanka.

M

Materiality

The process of identifying and prioritising issues that significantly impact value creation and stakeholder decisions.

Motor Insurance

Insurance coverage for vehicles, representing a major business segment of SLIC General.

N

Net Claim Ratio

The ratio of claims incurred to net earned premiums, indicating claims cost efficiency.

Net Earned Premium (NEP)

The portion of premium income attributable to the period under review.

Glossary of Terms

P

Policyholder

An individual or entity that owns an insurance policy.

Profit After Tax (PAT)

Net profit after deducting all expenses, including taxes.

Profit Before Tax (PBT)

Profit generated before taxation.

R

Reinsurance

Insurance purchased by an insurer to transfer part of its risk exposure to another insurer.

Risk Capital Requirement (RCR)

The minimum capital required to cover the Company's risk exposure.

ROE (Return on Equity)

A measure of profitability indicating returns generated on shareholders' equity.

S

Six Capitals

The Integrated Reporting concept comprising:

- Financial
- Manufactured
- Intellectual
- Human
- Social and Relationship
- Natural

SOE (State-Owned Enterprise)

An entity owned by the Government of Sri Lanka.

SLFRS (Sri Lanka Financial Reporting Standards)

Accounting standards governing financial reporting in Sri Lanka

T

Total Available Capital (TAC)

The capital available to absorb losses and support operations.

U

Underwriting

The process of evaluating risk and determining terms and pricing for insurance coverage.

V

Value Creation

The process by which the Company generates economic, social, and environmental value over time.

Corporate Information

NAME OF THE COMPANY

Sri Lanka Insurance Corporation General Limited.

REGISTERED OFFICE

No. 21, Vauxhall Street, Colombo 02.

CONTACT DETAILS

Tel : +94 11 2357457

Fax : +94 11 2447742

Web : www.srilankainsurance.com

COMPANY REGISTRATION NUMBER

Company was incorporated on 25 July 2014 under the Companies Act No. 07 of 2007 bearing Company Registration PB 5208.

BOARD OF DIRECTORS

List of Directors/Company Secretary (as at 19 January 2026)

1. Mr Nusith Kumaratunga (Chairman)
2. Mr Dushmantha Thotawatte (Director)
3. Mr Rohan Philip Bultjens (Director)
4. Mr Niel Dhanunayaka Bandara Unamboowa (Director)
5. Mr Somadasa Palihawadana (Director)
6. Mr Bastiankorallalage Antony Thushara Rodrigo (Director)

LEGAL FORM

Sri Lanka Insurance Corporation General Limited is a limited liability company incorporated under the Companies Act No.7 of 2007 of which the sole shareholder is Sri Lanka Insurance Corporation Limited.

TAX PAYER IDENTIFICATION NUMBER (TIN)

139052080

VAT REGISTRATION NUMBER

139052080 - 7000

COMPANY SECRETARY

(Appointed w.e.f. 01 July 2025)

Mrs Sarah Dissanayake

LL.B (General Sir John Kotelawala Defence University),
Attorney-at-Law

Postgraduate Diploma in Diplomacy and World Affairs
(Bandaranaike International Diplomatic Training Institute)

HOLDING COMPANY

Sri Lanka Insurance Corporation Limited

AUDITORS

Auditor General

Auditor General's Department

BANKERS

Bank of Ceylon

People's Bank

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

Nations Trust Bank

Standard Chartered Bank

Sampath Bank PLC

Seylan Bank PLC

National Savings Bank

Regional Development bank

Pan Asia Bank

Development Finance Corporation of Ceylon

Cargills Bank Limited

Bank of China Limited

State Mortgage & Investment Bank

ACTUARY

Appointed Actuary – Sri Lanka insurance Corporation General Ltd

Name of Appointed Actuary: Ms Ruchika Sangwan, FIA

Appointed Actuary since (date): January-2025

The Company: Willis Towers Watson India Private Limited

Address: 7th Floor, Emaar Capital Tower II, Sector 26,
Sikanderpur, MG Road, Gurugram - 122002, Haryana, India.

Tel /Fax: +91 124 4322800

Email: Ruchika.Sangwan@wtwco.com

Notice of Annual General Meeting

SRI LANKA INSURANCE CORPORATION GENERAL LIMITED (COMPANY)
(Company Reg. No. PB No. 5208)
No. 21, Vauxhall Street, Colombo 02

Notice is hereby given that the Annual General Meeting (AGM) of Sri Lanka Insurance Corporation General Limited will be held on Monday 25 May 2026, at 2.30 p.m. at its registered office (the Auditorium - 07th Floor), No. 21, Vauxhall Street, Colombo 02 for the following purposes:

ORDINARY RESOLUTIONS

- (1) To receive and consider the Report of the Board of Directors and the Financial Statements for the year ended 31 December 2025, together with the Auditors' Report thereon.
- (2) To re-elect Mr Palawinnege Nusith Samarasee Kumaratunga, a Director who retires by rotation in terms of Article 105 read with Article 108 of the Articles of Association of the Company.
"RESOLVED THAT pursuant to Article 105 read with Article 108 of the Articles of Association of the Company, Mr Palawinnege Nusith Samarasee Kumaratunga (NIC No. 693431514V), who is liable to retire by rotation at the Annual General Meeting of the Company for the year 2025, be and is hereby re-elected as a Director of the company".
- (3) To re-elect Mr Dushmantha Thotawatte, a Director who retires by rotation in terms of Article 105 read with Article 108 of the Articles of Association of the Company.
"RESOLVED THAT pursuant to Article 105 read with Article 108 of the Articles of Association of the company, Mr Dushmantha Thotawatte (NIC No. 583530428V), who is liable to retire by rotation at the Annual General Meeting of the Company for the year 2025, be and is hereby re-elected as a Director of the company".
- (4) To re-appoint the Auditor General as the External Auditor in terms of article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka.
"RESOLVED THAT the Auditor General of the Democratic Socialist Republic of Sri Lanka, be and hereby re-appointed as the External Auditor, to hold the office from the conclusion Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration as per the applicable process and procedures".
- (5) To authorise the Directors to determine donations for the year 2025 and up to the date of the next Annual General Meeting.

SPECIAL RESOLUTION

- (6) To re-appoint Mr Somadasa Palihawadana, (who is over seventy (70) years of age), to the Board of Sri Lanka Insurance Corporation General Limited.

The Company received a formal notice under Section 212 of the Companies Act No. 7 of 2007 from Mr Somadasa Palihawadana informing it that he is 72 years old and will turn 73 on 07 June 2026.

Accordingly, the Board of Sri Lanka Insurance Corporation General Limited resolved to appoint Mr Somadasa Palihawadana to the Board of Sri Lanka Insurance Corporation General Limited under Section 211 of the Companies Act No. 7 of 2007, as recommended by the Board of Sri Lanka Insurance Corporation Limited, the sole shareholder of the Company.

Therefore, the Board of Directors recommends the following resolution to be passed, if though fit, by the shareholders as a "Special Resolution", with or without any modification:

"RESOLVED THAT, the age limit stipulated in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Somadasa Palihawadana (NIC No. 195315901011) who attained the age of 73 years on 07 June 2026, and Mr Somadasa Palihawadana is hereby appointed as a non-executive Director of Sri Lanka Insurance Corporation General Limited to hold the office until the conclusion of the next Annual General Meeting and, being eligible, had offered himself for re-election subject to the approval of the shareholders".

- (7) Any other business of which is due notice has been given.

By order of the Board,



Company Secretary

31 March 2026

Form of Proxy

SRI LANKA INSURANCE CORPORATION GENERAL LIMITED (COMPANY)
(Company Reg. No. PB5208)
No. 21, Vauxhall Street, Colombo 02

I/We* of
..... being a member/
members* of Sri Lanka Insurance Corporation General Ltd. hereby appoint:
of or failing him/her*

Mr P N S Kumaratunga - of Colombo or failing him
Mr D Thotawatte - of Colombo or failing him
Mr N D B Unamboowe - of Colombo or failing him
Mr R P Buultjens - of Colombo or failing him
Mr S Palihawadana - of Colombo or failing him
Mr B A T Rodrigo - of Colombo or failing him

As my/our* proxy to represent me/us* and to vote as indicated hereunder for me/us* and on my/our behalf at the Annual General Meeting (AGM) of Sri Lanka Insurance Corporation General Limited will be held on Monday, 25 May 2026, at 2.30 pm at its registered office (the Auditorium - 07th Floor) and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

I /We, hereby direct my/our proxy holder to vote on behalf of me/us for the resolutions as specified in the notice by placing the letter "X" in the appropriate cage below.

| RESOLUTIONS | For | Against |
|--|--------------------------|--------------------------|
| To receive and adopt the Report of the Directors and the Financial Statements for the year ended 31 December 2025 and the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| To re-elect Mr Palawinnege Nusith Samarasee Kumaratunga, a Director who retires by rotation in terms of Article 105 & 108 of the Articles of Association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| To re-elect Mr Dushmantha Thotawatte, a Director who retires by rotation in terms of Article 105 and 108 of the Articles of Association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| To re-appoint the Auditor General as the External Auditor in terms of article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. | <input type="checkbox"/> | <input type="checkbox"/> |
| To authorise the Directors to determine donations for the year 2025 and up to the date of the next Annual General Meeting. | <input type="checkbox"/> | <input type="checkbox"/> |
| To re-appoint Mr Somadasa Palihawadana, a Director who retires in terms of Section 211 of the Companies Act No. 07 of 2007.. | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this day of 2026.

Signature of Shareholder/s

**Please delete the inappropriate words.*

Form of Proxy

NOTE:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM.
- (2) A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (3) THE COMPLETED FORM OF PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT THE COMPANY SECRETARIAT, SRI LANKA INSURANCE CORPORATION LTD, 07TH FLOOR, NO. 21, VAUXHALL STREET, COLOMBO 02, NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

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**SRI LANKA INSURANCE CORPORATION
GENERAL LIMITED**

No. 21, Vauxhall Street, Colombo 02
www.slicgeneral.com