

An aerial photograph of a coastal village built on a rocky cliffside. The scene is filled with activity: several construction workers in hard hats are gathered around a large map on the ground, while others are engaged in various tasks. A bright yellow van is parked near a yellow excavator. In the background, there are several houses, some with traditional tiled roofs, and a winding road that follows the curve of the cliff. The ocean is a deep blue, with white waves crashing against the base of the cliff. The sky is clear with a few wispy clouds, and the sun is shining brightly from the upper right, creating a warm, golden glow over the scene.

**IN THE NATION'S HOUR OF NEED,
WE RISE TO LIFT IT**



IN THE NATION'S HOUR OF NEED, WE RISE TO LIFT IT

The year 2025 marked a defining chapter in Sri Lanka's national journey, a period shaped by renewed hope, institutional transition, and a collective resolve to restore stability and confidence after years of uncertainty. Amid this evolving landscape, Ceylinco General Insurance remained steadfast, reaffirming its role as a pillar of strength within the nation's economic and social fabric.

Guided by unwavering integrity, disciplined governance, and long-term strategic foresight, the Company continued to strengthen sectors critical to national resilience. Yet, just as cautious optimism began to re-emerge, Cyclone Ditwah served as a stark reminder of the fragility of recovery. The disaster tested infrastructure, communities, and institutions alike, demanding swift, decisive, and compassionate action.

In those critical days, our hallmark strength came sharply into focus through the speed and precision of our claim settlements. With total claim estimates surpassing Rs. 16.1 Bn to date, our response was defined not only by scale but by discipline and urgency. Claims settlements became more than transactions; they were tangible expressions of trust honoured and promises fulfilled, empowering families, businesses, and communities to rebuild with dignity and confidence.

Despite continued macroeconomic pressures, our steadfast focus on purpose and performance delivered encouraging growth and strengthened our year-end trajectory. More importantly, our contribution extended well beyond financial metrics. Through sustained tax contributions, support for local supplier ecosystems, employment generation, and enhanced care for our people and customers, we played a meaningful role in Sri Lanka's rebuilding, not only through protection but through active participation in national recovery and renewal.

In moments of stability and in times of crisis alike, Ceylinco General Insurance remains guided by a simple conviction: leadership is proven not in comfort, but in commitment. By standing firm when the nation required stability most, we reaffirmed our position not only as Sri Lanka's most sought-after general insurer, but as a trusted partner in the country's journey of resurgence, advancing forward together in rebuilding Sri Lanka with resilience and resolve.



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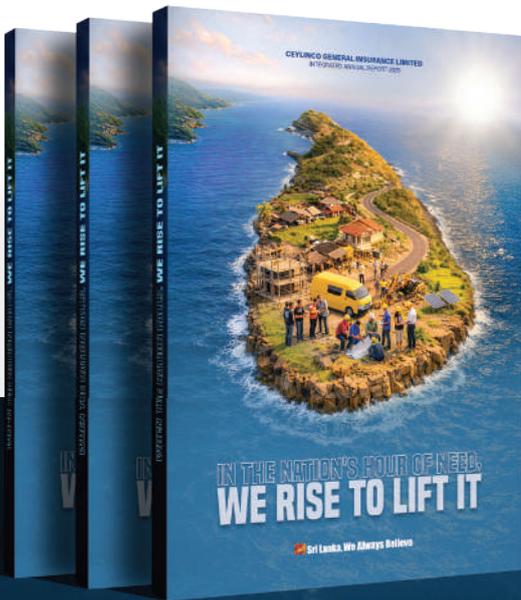
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REPORT OVERVIEW



We invite you to read our sixth Integrated Annual Report, which covers the reporting period from January 1st 2025, to 31st December 2025. The report strives to provide a balanced and comprehensive view of the Company's yearly performance, driven by financial and operational activities. The report narrative and structure align with the principles and guidelines presented under the Integrated Reporting Framework (IIRC), now overseen by the IFRS Foundation.

Accessibility

Physical copies of the annual report have been provided to our valued stakeholders. The digital version of the annual report can be accessed through the corporate website www.ceylincoinsurance.com.

Breaking Down the 2025 Annual Report

Reporting Assurance

The Report includes disclosures on the Company's financial performance and Audited Financial Statements, in addition to internally assured non-financial outcomes and progress from the year under review. The Report was approved by the Board of Directors on the 06th of March 2026. Externally, the financials of the Annual Report has been scrutinised and reviewed by our Independent Auditing Firm, Messrs Ernst & Young, Chartered Accountants.

Past Reports



Assurance

Financial and Governance Management

- ✦ Internal Audit and internal controls
- ✦ Independent Auditor's (Report on page 136-137)
- ✦ Actuarial Report (On page 134-135)
- ✦ Compliance with Continuing Listing Requirements of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka (Pages 113-116)
- ✦ Company adherence to the Directions 02 of 2022 (revised) issued on 25th February 2022 (On page 117)

The double assurance approach ensures that we adhere to the relevant reporting standards, while affirming compliance with relevant accounting standards, governance guidelines and best practices. The accuracy of non-financial information has been assured by the Company management, including departmental heads and the higher management, ensuring that the information presented within this report is an accurate depiction of the activities undertaken to create value for our stakeholders and to advance the Company's business goals.

Conceptual Thinking behind the Report Content

The report is based on the Integrated Thinking approach, which encapsulates the Company's approach to managing its six core capitals while linking value creation to organisational goals to stakeholder expectations.

Strategy	Engagement	Operational focus
Materiality: Focusing on the issues that drive long-term value.	Stakeholders: Our relationship with them and how we have responded to their expectations.	Clarity: Straightforward, brief, and relevant communication.
Strategic Focus: Insight into our overall strategic focus and value creation.	Balanced View: Reporting on both opportunities and challenges.	Connectivity: Interconnectedness of our capital inputs, strategy and value creation. Consistency: Providing comparable financial and non-financial data, where they matter the most.

Basis of Preparation

While the report narrative aligns with the IR framework, the section on financial information and audited financial statements has been prepared in accordance with the proper accounting standards applicable for Sri Lankan companies. Moreover, the report's reporting on corporate governance aligns with the best practices on corporate governance issued by the Institute of Chartered Accountants in Sri Lanka.

Reporting Frameworks

We have adhered to the following regulations and guidelines in improving our reporting and in providing compliant financial statements.

Forward-Looking Statement

Certain statements and information presented within the report are 'forward-looking statements'. These are based on CGI's future outlook on operational and financial trajectories, and also statements pertaining to future value creation efforts and expected outcomes. However, we remind our readers that such statements are based on information presently available to CGI and based on the current business scenarios. They are subject to risks, market changes, macroeconomic developments and internal decisions. Consequently, outcomes may differ from ideas, opinions and data presented, and we will not be making amendments or issuing notifications on such statements.

Digital View



The Annual Report is available on our official website: www.ceylinco-insurance.com

REPORT OVERVIEW

Directing your Feedback

We love to receive your thoughts on how we can elevate our report in the upcoming reporting disclosures. We request readers of this Annual Report and our valued stakeholders to direct your thoughts and queries to the following officer.

Your thoughts and feedback can be shared with us by emailing:
nilikaa@ceyins.lk.

Financial Management

- ✦ Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka
- ✦ Regulations of Insurance Industry Act No. 43 of 2000 and amendments
- ✦ Companies Act No. 7 of 2007

Governance and Risk Management:

- ✦ Corporate Governance Framework for Insurance
- ✦ Code of Best Practice on Corporate Governance (2017) issued by the Institute of Chartered Accountants of Sri Lanka
- ✦ Listing Requirements of the Colombo Stock Exchange (As a subsidiary under Ceylinco Holdings PLC)

Sustainable Contributions

- ✦ Sustainable Development Goals (SDGs) of the United Nations

Integrated Reporting

- ✦ International Integrated Reporting Council's (IIRC) Integrated Reporting Framework

Ceylinco General Insurance

The Promise of Unparalleled Protection

Synonymous with trust and a pre-eminent reputation for providing protection, Ceylinco General Insurance (CGI) has been a safety net for millions of Sri Lankans for decades, fulfilling the expectations of multiple generations.

For over 38 years, CGI has positively reinforced the lives of millions of Sri Lankans by weaving a safety net to safeguard their dreams and interests. From the rural outskirts to the bustling urban hubs, Ceylinco General Insurance has been a reliable partner fulfilling the promise of being there when and where it matters most.

With a history and legacy that extends well into the 20th century, Ceylinco General Insurance has changed the trajectory of insurance in Sri Lanka. Accepted by the masses, Ceylinco General Insurance is the symbol of an industry that has evolved over the decades into a multi-billion-rupee industry with an asset value that exceeds the amalgamated values of many industry contemporaries.

Ceylinco commenced operations as the Ceylon Insurance Company, which pioneered many innovations and services within the Insurance sector. Dating back to 1939, Ceylinco, as a conglomerate, has earned a magnanimous reputation in multiple industries, including a track record of consistently modernising the insurance sector and maintaining a dominant position.

Core Identity and Strategic Intent

Ceylinco General's operations are guided by a vision to provide world-class protection and financial security.



Vision



To provide protection and financial security of the highest quality to society, while adding to shareholders' wealth and valuing the dignity of staff.

Our Corporate Goals

- ✦ To provide an attractive return on investment to the shareholders, whilst retaining adequate funds for growth and to achieve a high degree of stability, which would enable us to hold true to our mission in all business conditions.
- ✦ To be a leading provider of protection and financial security in Sri Lanka and selected international markets.
- ✦ To develop highly satisfied and motivated employees at all levels who will contribute effectively and efficiently towards achieving the overall objectives of the Company.
- ✦ To contribute to the economic development of Sri Lanka and enhance the quality of life of its people.



ABOUT US

Financial Performance and Market Standing

Amidst high claims and constantly shifting global and local economic shifts, the Company secured the highest gross written premiums. Total assets increased to Rs. 63 Bn during 2025, demonstrating greater resilience amidst claim settlements that are the highest in the company's history.

The Company has a high capital adequacy ratio (CAR) of 183%, well-above the regulatory threshold, underscoring our exceptional stability and our ability to honour claims promptly during systemic crises.

Key Financial Indicators (2025):

Indicator	Value (Rs.)	Status
Gross Written Premium	28 Bn	Highest Recorded
Total Assets	63 Bn	High Liquidity
Solvency Ratio (CAR)	183%	Robust Stability
Gross Claims	24.2 Bn	Fastest Payouts

Products - Beyond the Standard

We have secured a strong recognition through our innovative and iconic 'Ceylinco VIP' brand, which continues to be the benchmark among motor insurance policies and the non-life insurance industry. Apart from 'Ceylinco VIP On the Spot', our product portfolio is broad and strategically construed to support individual and business interests and assets as well as family priorities.

Innovation is the lifeblood of CGI. We have been the first to introduce novel solutions to policyholders, being the first in the country and the region to introduce the following.

- + **Ceylinco VIP on the Spot:** Our prominent flagship brand, which defined the insurance industry, VIP on the Spot continues to be the highest in-demand motor policy in Sri Lanka.
- + **Digital Motor Insurance Cards:** We now issue policies and certificates in digital form, designed to lower our carbon footprint and eliminate currency outflows to importing materials used in plastic cards.
- + **Health and Wellness Solutions:** Our flagship health insurance solution is Suwa Sampatha (hospitalisation cover) and specialised plans, such as Ceylinco Suwa Sampatha International, Suwa Divi, Suwa Derana etc.

- + **Niche Schemes:** We also offer policies that address unique community needs, including the fishing community through Dheewara Udana, farmers through Govi Rakshanaya and teachers through Guru Pawura.

Corporate Social Responsibility (CSR) and Sustainability

We view our role as a "National Insurer" with intense gravity. Our CSR pillars, including the in-house CSR brand 'Ceylinco Pihita', focus on education, health, and the environment.



Meals: Over 2,000 students in rural schools receive nutritious meals and support through the CSR brand 'Pihita' on a daily basis throughout the year.



Environment: As at present, a total of 250 Kms of coastal stretch has been cleared of debris and dirt, around the country by 2025. Over 1,900 staff engage in the clean-ups annually.



Healthcare: Significant contributions to the national healthcare system, including the donation of ICU ventilators and organising blood donation camps.



Distribution of clothing: We distributed over 20,000 pcs of free clothing in 2025 for people in need in Villachchi in the Anuradhapura District who lack the financial means to obtain them.

Awards and Accolades

The company's excellence is frequently recognised by both the industry and the public. Moreover, the Company is regularly ranked among the most respected corporate entities in Sri Lanka for its governance and integrity.

Our recognitions speak broadly of our progress and achievements.



Innovation of the year
Asia Insurance Industry Awards 2003



Innovation of the year
Asia Insurance Industry Awards 2006



The People's Insurance Company of the year
for 19 years 2007, 2008, 2009, 2010, 2011, 2012,
2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020,
2021, 2022, 2023, 2024, 2025



**Gold award - National Business
Excellence Awards**
2008, 2010, 2011, 2012, 2013



Innovative Brand of the Year
SLIM Brand Excellence Awards 2005



Gold award
World Quality Commitment Awards 2011

ABOUT US

Impactful Outcomes

Our approach to value creation is holistic and reflects financial empowerment, social resilience and stability for stakeholders.



Employees

Our team stands at the forefront of our success and is the cornerstone of the value we deliver.

- **33%** female employees
- **Over 180** training programmes



Policyholders and Customers

Our mission is defined by our customers, and their expectations drive our strategy, inspiring our purpose.

- **3.4 Bn** active customers served
- **LKR 24.2 Bn** of gross claims
- **Over 1.9 Mn** vehicles insured



Shareholders

Shareholders are the catalyst for our growth; they provide the impetus required to pursue bold initiatives.

- Ensuring strong financials for enterprise stability and strategic growth
- **Initiating and investing in strategic efforts for long-term shareholder value creation**



Community and Environment

By actively supporting our communities, we empower the most vulnerable and economically-challenged individuals and families.

- **Over 1,900** employee volunteers for community services (2025)
- **LKR 24.7 Mn** allocated for CSR programs (2025)
- **100 Km** of coastal stretch cleaned and preserved in 2025



Governance

We champion operational transparency and accountability to safeguard our interests and those of our stakeholders.

- **06** Board Committees
- Non-Executive Chairman appointed in 2025



Strategic partners, Agents and Brokers

Mutual growth is a common goal with our partners and fuels our value creation to policyholders and shareholders.

- **LKR 2.9 Bn** in commission to agents and brokers



Reinsurers

Reinsurance partners enable us to effectively distribute risk and safeguard our long-term solvency.

- **LKR 7.9 Bn** in payouts to reinsurers



Regulators

Our work has aligned with regulator expectations as we uphold standards for consumer protection towards an equitable insurance sector.

- **LKR 281 Mn** in income tax payout
- **183%** capital adequacy ratio (above the 120% minimum)
- Adherence to regulations stipulated by IRCSL, without penalties or violations

FINANCIAL PERFORMANCE SUMMARY

Key Financial Indicators		2025	2024	2023	Change % (2025 and 2024)
Revenue and Profitability					
Gross Written Premium	Rs.Bn	28.0	24.5	25.2	14
Net Written Premium	Rs.Bn	15.6	14.7	14.5	6
Net Earned Premium	Rs.Bn	14.6	14.8	14.5	(1)
Investment Income and Other Operating Revenue (incl. Fees and Commission Income)	Rs.Bn	3.9	3.1	5.2	26
Net Income	Rs.Bn	18.5	17.9	19.8	3
Profit Before Tax (PBT)	Rs.Bn	0.7	1.5	4.1	(54)
Profit After Tax (PAT)	Rs.Bn	0.8	1.1	3.7	(24)
Other Key indicators					
Net Claim and Benefits	Rs.Bn	8.7	8.1	8.2	8
Financial Position					
Total Assets	Rs.Bn	63.1	48.3	46.7	31
Total Liabilities	Rs.Bn	43.3	28.4	26.5	52
Total Equity	Rs.Bn	19.9	19.9	20.2	-
Share Performance					
Dividends Paid	Rs.Mn	800	900	570	(11)
No of Shares	No.	2,501,000	2,501,000	2,501,000	-
Dividend per Share	Rs.	320	360	228	(11)
Net Assets Value per Share	Rs.	7,942	7,969	8,079	-
Earning per Share (EPS)	Rs.	322	423	1,489	(24)
Ratio					
Return on Assets (ROA)	%	1%	3%	9%	(67)
Return on Equity (ROE)	%	4.03%	5.31%	18%	(24)
Solvency (CAR Ratio)	%	183%	267	219	(31)

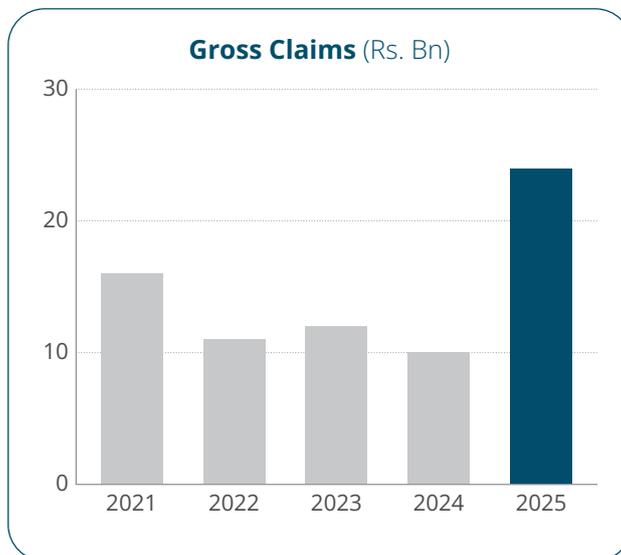
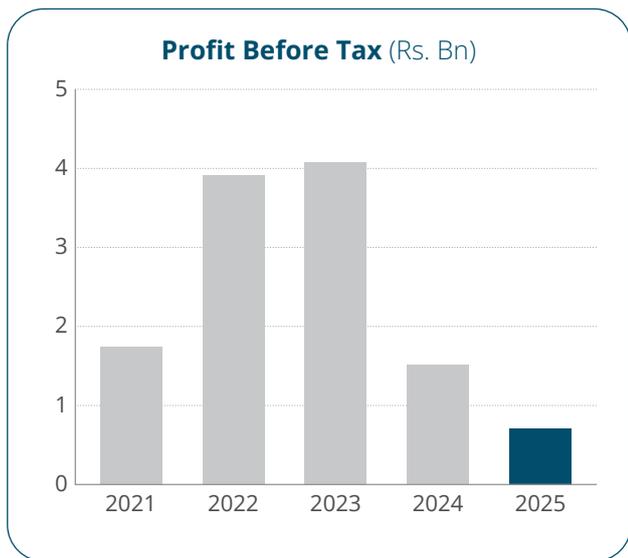
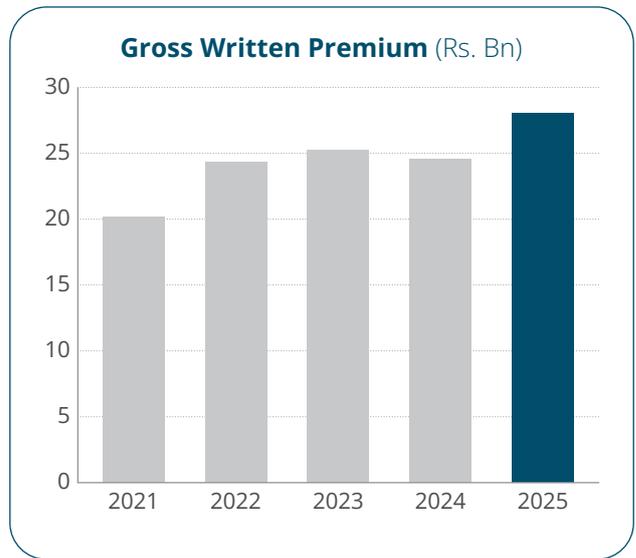
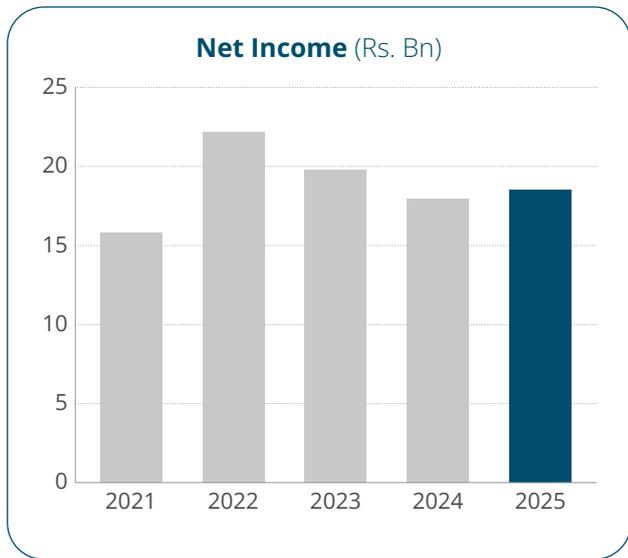
Net Income
Rs. 18.5 Bn
 2024 → Rs. 17.9 Bn

Gross Written Premium
Rs. 28 Bn
 2024 → Rs. 24.5 Bn

Gross Claims
Rs. 24.2 Bn
 2024 → Rs. 10.5 Bn

Profit After Tax
Rs. 804 Mn
 2024 → Rs. 1.1 Bn

FINANCIAL PERFORMANCE SUMMARY





I previously owned two mini marts that were unfortunately destroyed during the flood. Thanks to the exceptional and prompt claims settlement and support provided by Ceylinco Insurance, I was able to successfully rebuild my business. Their timely assistance during such a difficult period meant a great deal to me.

Mr. Rameshwaram
Gampola



OUR MATERIALITY FOCUS

Aligning Strategy with Impact Understanding what matters most to Ceylinco General Insurance as an organisation involved identifying and recognising the topics and themes that significantly influence our ability to create sustainable value for our stakeholders and CGI as a business.

To deliver a report that is true to our values, we have understood that the following material priorities have the most impact on value creation and business sustainability. The following is not merely a static observation, but the result of continued engagements and feedback loops with stakeholders, including our main investors, regulators, staff and the people we serve.

The following topics capture our most pertinent areas of focus, including areas for opportunities, to remain resilient in a dynamic industry. Risks that impact our business and stakeholders are presented within the Risk Management report on pages 102-109.

Our materiality assessment is an ongoing process, shaped by:

- ✦ Stakeholder expectations (investors, regulators, employees, customers, communities)
- ✦ Industry developments and regulatory trends
- ✦ Global challenges such as climate change, digital transformation, and AI adoption



Materiality

Materiality Topics	Areas of focus	SDG alignment		Capitals Impacted
		Primary	Additional	
CGI 1 Financial growth	<ul style="list-style-type: none"> ✦ Cost controls ✦ Targeted campaigns ✦ Strategic investments 			Financial, Manufactured
CGI 2 Financial stability	<ul style="list-style-type: none"> ✦ Capital reserve adjustments ✦ Automations for cost reduction 			Financial
CGI 3 Technological Adoptions	<ul style="list-style-type: none"> ✦ Digital Insurance ✦ AI based adoptions 			Intellectual, Manufactured
CGI 4 Customer experience and accessibility	<ul style="list-style-type: none"> ✦ Swift claim settlements ✦ 24/7 support and digital accessibility ✦ Inclusive policy options 			Social & Relationship, Human
CGI 5 Product and service innovations	<ul style="list-style-type: none"> ✦ New insurance products ✦ Digital certificates and cards 			Intellectual, Manufactured
CGI 6 Brand communication	<ul style="list-style-type: none"> ✦ Advertising and mass communication campaigns ✦ Social media engagements 			Social & Relationship

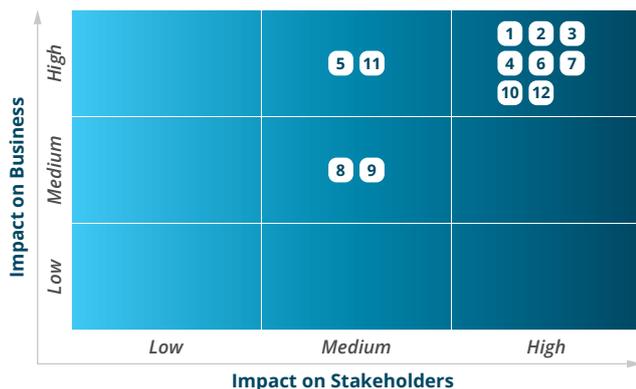
Materiality Topics	Areas of focus	SDG alignment		Capitals Impacted
		Primary	Additional	
CGI 7 Community contributions	<ul style="list-style-type: none"> Financial support Inclusive policies for the financially vulnerable 			Social & Relationship
CGI 8 Environmental sustainability	<ul style="list-style-type: none"> Paperless operations (underwriting and claims management) Beach cleanups 			Natural
CGI 9 Talent management	<ul style="list-style-type: none"> Comprehensive people management strategy Crucial financial allocations for assistance 			Human
CGI 10 Dynamic corporate culture	<ul style="list-style-type: none"> We have embraced a culture steeped in values, with a passion for the business. 			Human, Social & Relationship
CGI 11 Regulatory compliance	<ul style="list-style-type: none"> Continuous statutory assessments 			Financial, Intellectual
CGI 12 Proactive assessment of macroeconomics	<ul style="list-style-type: none"> Macro environment analysis Staying on top of industry developments Scanning the regulatory environment 			Financial, Intellectual

Materiality Matrix

The materiality matrix visually prioritises the topics most relevant to our business and our stakeholders. This two-fold perspective ensures our resources are focused where they can generate the greatest impact and long-term value.

The two perspectives:

- Stakeholders' priorities (external expectations)
- Organisational objectives (internal strategic focus)



Aspect	Importance to Stakeholders	Impact on Business
1 Financial growth and stability	High	High
2 Financial stability	High	High
3 Product and service innovations	High	High
4 Customer experience and accessibility	High	High
5 Technological adoptions	Medium	High
6 Talent management	High	High
7 Dynamic corporate culture	High	High
8 Brand communication	Medium	Medium
9 Community contributions	Medium	Medium
10 Regulatory compliances	High	High
11 Proactive assessments of macroeconomics	Medium	High
12 Environmental sustainability	High	High

SDG ALIGNED SUSTAINABILITY REVIEW

Over the years, we have inadvertently aligned operations and CSR efforts with several of the United Nations' Sustainable Development Goals. As a premier general insurance Company in Sri Lanka that operates within a landscape prone to economic volatility and climate risks, we view sustainability not as a philanthropic addition, but as a strong voluntary commitment to society.

Focusing on long-term value for our communities, the environment and the national economy, we have achieved the following in the year under review.

SDG	Key Initiative	Impact Metric (2025)
SDG 1	VIP Pihita Centres	Over 45,000 clothing items provided to 7,000 individuals in the past two years.
SDG 3	Hospital Support	Affordable medical insurance solutions
SDG 12	Digitalization	Elimination of plastic motor insurance cards since 2022
SDG 14	Beach Clean-up	Over 100 km of coastline cleared by 1,250 volunteers

Highlights of Key Contributions to SDGs

Social Empowerment and Well-being

Our primary contribution towards the SDGs is in our ability to provide financial normalcy to our customers after risks materialise. However, our efforts have gone beyond insurance solutions, carving a special focus in our agenda to uplift vulnerable segments.

Financial Inclusion and Poverty Alleviation



- By providing financial safety nets to millions of Sri Lankans through various insurance solutions, including personalised and affordable policies, we have actively ensured that the financially-challenged individuals and families can regain normalcy and a better footing to restore their lives.
- As a major service provider in a country of 22 Mn, we have an extensive network of partners and suppliers across our head office and branch network. This has enabled us to share economic value for services and businesses exchanged through sound contractual agreements. In 2025 alone, we have paid Rs. 2.9 Bn in commission and other forms to our brokers and agents combined.



Health and Well-being



We make active contributions to the national healthcare system, recognising that access to vital medical services is a right of every citizen.

- ✦ We provide affordable medical insurance options, including the Ceylinco Serious Illness Cover (which starts at a premium of Rs. 850, annually). Additionally, we provide Telehealth (starting at a monthly premium of Rs. 100 for SLT customers) and Suwa Smapatha Internationals, which enable hospitalisation overseas, as well as Suwa Divi and Suwa Derana, which provide daily hospitalisation allowances in cash in addition to the popular Ceylinco Suwa Sampatha.
- ✦ CGI has made equipment donations, such as ICU ventilators, in the past to the National Hospital, which continue to sustain patients with critical illnesses and serious health conditions.

Nutrition and Education



Education and empowerment go hand in hand. With this in mind, we have expedited a significant initiative to provide the best possible impetus to enable poverty-stricken children to embrace their schools as a place of mental and physical nourishment.

- ✦ Combining nutrition and education, we have provided balanced and nutritious meals to over 2,000 students in 11 rural schools daily. A project that commenced in 2022 has now extended to its

5th year. This is done under the understanding that food security is a prerequisite for consistent and effective education.

- ✦ To ensure educational continuity during a loss of a breadwinner and to ensure that academic pursuits can be realised, we have created several educational policies.
- ✦ Most of our employees receive training to support performance in their respective areas of work.

Equal Opportunities



Despite low female labour force participation seen across the insurance industry, female employees at CGI enjoy the same opportunities as their male peers. Based on performance, all employees can strive towards career growth within the organisation's hierarchy and enjoy economic rewards within a highly competitive environment, which encourages them to pursue professional goals with great personal determination.

Environmental Stewardship

As a large-scale service provider, we at CGI have an inherent responsibility to ensure that we reduce unwarranted points of environmental impact and enhance our contributions to preserving the environment. Therefore, we have expedited the following.

Digital transformation and responsible consumption



The introduction of digital motor insurance cards in 2023 has enabled

us to create a domino effect in the long-run on reducing the number of plastic cards in circulation and in landfills. Moreover, our operations include certain paperless processes, replaced by digitalisations, including e-onboarding, SMS receipts and electronic premium payments, which have lowered paper consumption across our branch network.

Land and Marine protection



Each year, we conduct an island-wide beach clean-up, which has thus far covered a combined stretch of over 250 Kms of coastline, with 100 Kms of coastline covered in 2025. This is undertaken and effectively handled by our staff members. We witnessed over 1,250 participants supporting the program in 2025 to clear debris and dirt from the shoreline.

Innovation, Infrastructure and Sustainable Development

Innovation is not only a competitive advantage at CGI, but has enabled us to enhance sustainable practices and accessibility to services.

Innovating new ways of protection, sustainability and resilience



- ✦ In 2025, we expedited initial claim estimates worth Rs. 16.1 Bn, compensating victims of the Ditwah cyclone. In its aftermath, our team expedited swift damage assessments, took prompt decisions and worked cohesively to disburse claims to those who lost homes and livelihoods and those who required medical insurance coverage.

- ✦ CGI is renowned for VIP on the Spot, which revolutionised the motor insurance sector as the swiftest solution for claims settlement. Moreover, the launch of digital motor insurance cards can also be considered as a novel alternative within the local insurance industry.
- ✦ We have ensured accessibility to insurance solutions (protection from unforeseen circumstances) through a vast island-wide network of branches and sales personnel that provide insurance services to millions of consumers.
- ✦ Our extensive branch network has covered innermost areas and locales, including zones with specialised industries, agricultural populations, and remote areas ignored due to hard terrains.

Governance Practices

Accountability is ensured through internal regulations and compliance with external regulatory requirements

Peace and partnerships for goals



Compliance with regulatory requirements is of paramount importance to us at CGI. We ensure compliance with all regulatory requirements and enforce a healthy relationship with the regulator to ensure consumer and stakeholder protection and ensure ethical and transparent conduct.

Outlook

We have recognised a need to align our environmental efforts with proper data gathering, analysis and reporting. A crucial objective is to adopt efforts to monitor and curb our Scope, 1,2 and 3 emissions. Moreover, we have a duty to exert influence to look into the greenness of our supply links, especially in relation to the automotive repair partner network. Moreover, more specialised insurance products to incentivise climate-resilient behaviours among policyholders will be part of our focus in the future, advancing our role in the insurance-related industry's environmental sustainability.



“ My electrical shop was damaged during the flood, but as a loyal customer of Ceylinco Insurance for over 16 years, I experienced a smooth and efficient claim settlement process. I sincerely appreciate the professionalism and support extended to me during this challenging period.

Mr. P.K.J.S.J.K. Choolarathna
Gampola

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

I am deeply gratified to present the Integrated Annual Report along with the Audited Financial Statements for the Financial Year ending on 31st December, 2025. The report is an excellent manifestation of the Board's oversight and as to how value has been created for our stakeholders, including policyholders and our parent company, Ceylinco Holdings PLC.

We navigated a year of extraordinary claims activity, but have emerged successfully, consolidating our financial health and fiscal stability. In this context, we have once again fulfilled our duty to the nation and our commitment to policyholders during the year under review.



Achieving resilience during volatility, the company has successfully navigated a Financial Year of structural economic shifts and sustained its financial and operational stability. From exchange rates to tax rates, the economy has been a double-edged sword for many businesses

It is my pleasure to emphasise the company's unwavering resilience as an industry leader during a period marked by macroeconomic volatility and structural challenges, especially with regard to upward tax revisions, changes in import controls, and the disastrous effects of the Ditwah cyclone. When the entire nation faced the uncertainty arising from the devastating economic impact of Ditwah, the company prioritised rapid compensation disbursement to policyholder victims, in line with our benchmark as an industry leader in claim settlement - a vital component of the country's social security.

Overall Direction and Strategic Foundations

In the year under review, our business strategy remained anchored on the principle of strengthening service to our policyholders, including reinforcement of disbursement channels and providing value additions through our motor and non-motor insurance policies. With nearly 20% of market share, our focus was not solely on increasing the volume of our customer base and reach but on enhancing the quality of protection to policyholders.

In the context that import controls had stifled new motor insurance growth across the industry, we capitalised on the newly lifted restrictions, focusing on new motor vehicle premiums and adopting renewal strategies to ensure that our existing customers received timely indemnification and assurance, when and where it mattered most.

The Company continued to leverage its competitive edge in innovation through its flagship brand, Ceylinco 'VIP On The Spot', a benchmark of industry innovation. And 'On the Spot' claim settlement promise continues to be the gold standard, and has remained an advantage in retaining our leading market profile and attracting portfolio growth for 25 years since the brand's inception in 2000.

Rs. 150 Bn
Total GWP, Non-Life Industry

15%
Industry Growth in GWP in 2025

Navigating the Macro Environment

Achieving resilience during volatility, the company has successfully navigated a Financial Year of structural economic shifts and sustained its financial and operational stability. From exchange rates to tax rates, the economy has been a double-edged sword for many businesses. The amendments to the Inland Revenue Act introduced more severe fiscal challenges, such as VAT on digital service platforms and a revised corporate tax structure.

The industry experienced a 15% growth in Gross Written Premiums in 2025, which demonstrates renewed spending on insurance and appetite for obtaining some form of protection against unforeseen financial risks. The non-life insurance sector recorded Rs. 150 Bn in gross written premiums, with nearly 40% in premiums secured by the two key competitors, including CGIL.

Fiscal Responsibility

Fiscal responsibility and operational efficiency became a necessity due to the implementation of higher corporate and indirect taxes. By optimising the expense ratio, we ensured that the tax burden and claims expense did not burden our ability to provide financial value to our shareholders and policyholders.

MESSAGE FROM THE CHAIRMAN

Our financial resilience was most visible in our response to settling all claims related to the damages and destruction left in the wake of Ditwah. We fulfilled our responsibility by compensating affected policyholders swiftly, amidst the massive surge of gross claims. This was possible only due to our robust reinsurance framework, which shielded our capital, allowing the Company to maintain a solvency margin of 183%. Our relationships with world-renowned reinsurers proved exceptionally strategic and beneficial, which helped to mitigate the impact of heavy payouts and to protect our capital base.

Governance - Regulations and Solvency

Our success is not the outcome of financial gains alone, but a result of efficient and nimble governance practices, aligned with regulatory requirements and best practices in internal policies.

Accordingly, the Company maintained a high standard of compliance and governance, which was instrumental in maintaining a high level of financial resilience and integrity. We maintained a stable outlook, characterised by high capital buffers. Capital adequacy ratio stood at 183%, a high surplus against the regulatory threshold of 120% and, demonstrating financial soundness, resilience and ability to absorb risks by the company.

The financial prudence and strong partnerships with our reinsurers enabled the Company to estimate claim settlements worth Rs. 16.1 Bn to those affected by Ditwah, compensating over 4,100 claimants during the last two months of the FY 2025.

We appreciate the regulator for striving towards the acceptance of the digital insurance e-card by the authorities, which will no doubt reduce environmental pollution and eliminate unwarranted transactions through plastic cards.

We also remained fully compliant with all statutory reporting requirements, demonstrating transparency, accuracy, and accountability to our parent company as well as to regulatory authorities and stakeholders. To ensure operational and financial resilience, we will look at reducing the expense ratio through digitalisation in claims processing, underwriting and service, without compromising human touch points that provide personalised services.

The Horizon

In the immediate term, our outlook remains optimistic, as we target a financial goal of Rs. 30 Bn in 2026. To fuel this objective, we will strengthen our core capabilities, including



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expansion of the motor portfolio and calculated measures on branch expansion, while keeping our capital investments at a prudent level.

The future will certainly pose new challenges, especially from technological changes, shifting market trends and climate-related incidents, apart from the impact of the regulatory environment. We will undoubtedly experience increased digital and AI adoptions in the coming year within the Sri Lankan business landscape and amongst other insurers as well. Online policy issuance, automated claims processing and technologically enhanced underwriting could become gold standards, which may require restructured processes rather than layered options within the organisation.

Compliments

I would like to convey my deepest appreciation to all my peers on the Board for providing collective vision and strategic leadership and for the swift decisions taken to ensure that stakeholder interests remained aligned with organisational goals. I am grateful to the steady hand of the senior management for working tirelessly during a high-pressure year, in particular through the volatility and challenges of the biggest natural disaster to ravage Sri Lanka after the 2004 Tsunami.

I take this opportunity to extend my immense gratitude to Dr. Jagath Alwis, who was the immediate past Chairman of the Board. His professional competence and administrative skills ensured that Ceylinco General Insurance remained at the forefront of the non-life insurance industry.

Most importantly, I thank our parent company and its competent and efficient Chairman, Mr. Ajith Gunawardena, and its Board of Directors for continuing to place their trust in our abilities.



I am very grateful to the Insurance Regulatory Commission of Sri Lanka (IRCSL) for providing unbiased and professional guidance and leadership for the advancement of the Sri Lankan insurance industry and for consumer protection.

Last but not least, I extend my heartfelt gratitude to our valued policyholders for the confidence they have placed in us. We remain committed to protecting your interests and safeguarding your future in the years to come.

I am immensely proud of the family and team at Ceylinco General Insurance, comprising the Executive Leadership and staff members, for your tremendous grit and commitment in serving our customers who were severely affected by the devastation of the cyclone Ditwah. I record our appreciation for your round-the-clock efforts, often at personal risk, in visiting ravaged areas to process claims with a view to assisting customers speedily. You have fulfilled a tremendous duty to the nation and the State at a time of great loss through selfless service.

I am confident and hopeful that the year 2026 will enable us to achieve even greater strides in product innovations and service portfolios with enhanced value additions to customers, greater economic value to our partners and through higher contributions towards corporate social responsibility-related measures.

Mr. Prasad Kariyawasam

Non-Executive Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Dear stakeholders,

I welcome you to peruse our Sixth Integrated Annual Report, which is a documented testament to a financial year of landmark performances amidst a record-breaking fulfilment of claims.

During the year, we were deeply committed to our promise of protection to thousands of Sri Lankans. This was achieved while ensuring greater financial sustainability for our parent company and key shareholder, Ceylinco Holdings PLC.

Our market position was consolidated once again, a testament to the efficacy of our strategies amidst the volatile shifts in the economy, industry trends and competitors. Our success is the result of sustainable growth through prudent strategies over short-term goals, which has empowered us to strengthen our expansion. We have succeeded in reinforcing service quality and agility through the strongest industry distribution network and a sales force of over 2,000 individuals.

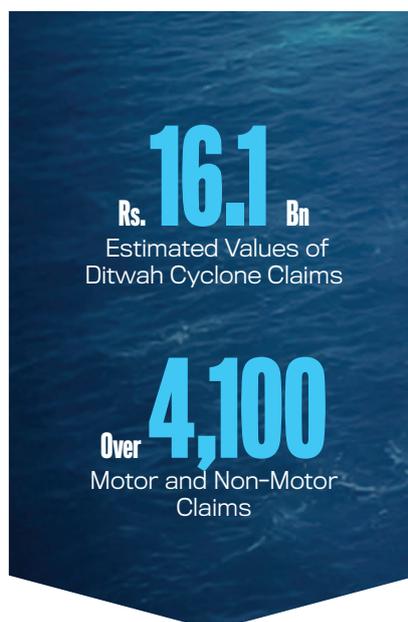
The 2025 Focus

Towards the latter part of 2025, in the wake of the devastating destruction caused by cyclone Ditwah, we had the immense task of compensating those affected. Facing the deep impact left by the cyclones, we deployed our teams to the worst-affected areas, with the objective of providing swift financial recourse, as the first step towards gradual normalcy. I am deeply grateful to the entire Ceylinco General Insurance team for their selfless commitment to ascertain and assess damages, and for prudently undertaking the substantial volume of related claims, which enabled us to indemnify our policyholders.

Moreover, initial estimate of compensation for Ditwah victims included 4,100 claims worth Rs. 16.1 Bn in value, with Rs. 1.2 Bn in claims originating from the Gampola area



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– one of the worst hit cities from the cyclone. Ceylinco General Insurance became the first to settle all cyclone-related claims within record time.

During FY2025, Ceylinco General Insurance remained financially stable and compliant with regulatory requisites. Our solvency position remained strong with a capital adequacy ratio (CAR) of 183%. Importantly, we focused on financial health and reinforced public accountability, remaining focused on enhancing stakeholder value regardless of market fluctuations and unexpected events.

We celebrated a family milestone in 2025 with the 25th anniversary of our most loved and recognised brand, Ceylinco VIP. The momentous occasion was celebrated with an unprecedented distribution of 25,000 gifts to loyal customers at 25 locations across the country.

Financial Performance and Discipline

As an industry leader, our focus not only veered towards growth, but we also directed organisational attention towards being a defining insurer within the sector. This was achieved by securing the highest GWP to date and one of the highest recorded overall earnings in the history of Ceylinco General Insurance (CGI).

Shattering our previous financial records, the Company delivered an unprecedented 14% revenue growth, resulting in Rs. 28 Bn. This is a Rs. 3.5 Bn increase from the previous year, which underscores our strongest financial performance to date. Two factors enabled this outcome: a 25% uptick in motor insurance earnings and a 5% growth rate in non-motor insurance.

Our motor insurance segment remained a pillar of great stability to

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

CGI despite complexities in the local automotive market. The resumption of vehicle imports favoured the segment considerably, while superior claims management and relentless customer convenience enabled us to achieve greater financial ripple through the motor segment.

Similarly, our non-motor portfolio also emerged as a profitable growth engine with a collective 5% growth across all segments. This rational growth in the collective fire, marine, medical and miscellaneous insurance portfolios reflects success in penetrating corporate and SME sectors, signalling a growing demand for institutional risk mitigation solutions. The Company continued to diversify offerings as we launched 'Loan Shield', which is a specialised product integrated within the banking channel, signalling a move towards more bancassurance penetration.

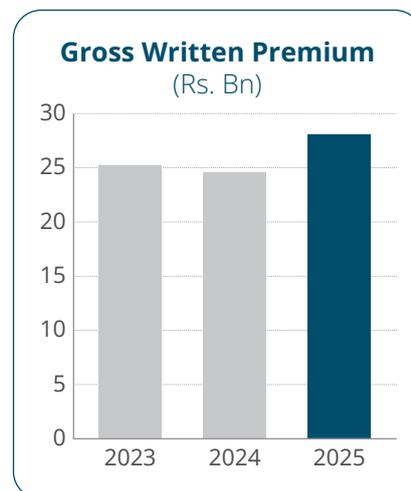
As a leader in insurance, we have a bigger responsibility to secure the financial interests of our parent company, policyholders (customers) and partners in line with Government regulations and those stipulated by the IRCSL, our main regulatory authority. With this in clear focus, the Company has achieved a profit after tax of Rs. 804 Mn amidst the highest gross claims in our history.

Our growth was met with a focus on disciplined regulatory compliance, cost rationalisations and optimisations. As we navigated regulatory limitations, such as mobile insurance, we also remained vigilant of our expense ratio and rigorously monitored operational expense lines, aiming for leaner and sustainable cost structure.

People and Operational Agility

Our workforce has always been our operational backbone, and is a strong team of 2,912 staff members, spread throughout the island across 550

branches and locations. Through a more decentralised branch operation, we have shifted decision-making closer to the operational front lines and fostered a more responsive and agile service environment, with structural autonomy reinforced by employee growth and well-being. The decentralised operational model empowers our Regional Heads and Branch staff with greater responsibility, reducing bureaucratic delays in decision-making and turnaround times. It also provides the context to make them stakeholders of the company's mission.



Understanding that a sustainable business is powered by a culture of continuous learning, we carried out extensive training programs, focused on improving sales and underwriting. Additionally, training programs also focused on improving the knowledge and skills of automobile engineers and customer service personnel. We equipped our force with overseas training in Pune, India, providing high-level exposure to international best practices.

Furthermore, we maintained a commitment to ensuring their health and well-being by integrating comprehensive benefits to ensure physical and mental health. The

numbers on our balance sheet are a reflection of their ability to perform in a highly demanding industry and underscore the management's approach to incentivising their performance and empowering them through competitive rewards. These are not only financial, but also include various forms of recognition of their grit and passion towards the company and their work.

Sustainability and Community

At CGI, our efforts in sustainability have transcended environmental metrics. We have integrated social impact into our contributions with a focus on building community resilience. Our commitment to empowering the impoverished is channelled through the 'Ceylinco Pihita' initiative, which has thus far fulfilled a substantial service to thousands of individuals across various localities.

Through 'Ceylinco Pihita', we actively engage in community-empowerment projects that enhance ties with the needs of those who are vulnerable, transforming connections with communities into meaningful relationships.

Across the years, we have taken impactful steps to preserve the environment, with a special focus on safeguarding coastal land area, with an inadvertent impact on safeguarding marine life and oceanic aquatic resources. Our annual beach clean-up drive continued with the same vigour in the year under review, supported by over 1,350 staff members who dedicate time and effort towards environmental preservation by cleaning and clearing debris from shorelines. In total, we have organised over 3 beach clean-up sessions across the island over the past 3 years.

Another significant social initiative was the distribution of clothing items to individuals across multiple cities through our Ceylinco Pihita distribution

centres. This made a positive impact on vulnerable communities by providing access to clothing. In 2025 alone, we distributed over 20,000 washed and ironed clothing items, benefitting over 4,500 individuals.

Consistent Recognition

For nearly two decades, CGI has demonstrated an enduring bond with the country's population as we consistently gained recognition at the SLIM-Kantar People's Awards. In 2025, we once again secured this recognition for the 19th consecutive year, which is a testament to brand visibility that reflects trust, loyalty and dependability. This sustained recognition underscores our ability to align values with customer and public expectations, and the continuity of the recognition will place Ceylinco General Insurance strongly in the minds and hearts of younger generations.

In 2025, we were also once again recognised as the most loved General Insurance brand in Sri Lanka based on LMD's Brand Annual. The process of identifying the most loved brands includes extensive national research conducted by PepperCube Consultants, done using meticulous methodologies and data analysis.

Vision for the Future

At the time of penning this message, we are well into 2026 with our focus on responsible growth. We will continue to be a dependable safety net for our customers, approaching our duties with accountability and serious depth as the industry leader. We will continue to bridge our gaps in digital and technological infrastructure to empower customers and employees while ensuring more resilient living through innovative products. Moreover, strategic plans are underway to expand our distribution networks and strengthen market presence. Expansion of the branch network into high-density



areas and branch upgrades have been envisioned in the ensuing period.

Sustainability and social impact will be a greater point of interest in 2026, as we advance our CSR efforts through Pihita. Plans are underway to increase the number of schools that benefit from our meal program, to reach a higher number of students in rural schools. Plans are also being drawn to award scholarships to high-achieving students from financially challenged families with a long-term vision to absorb school leavers into the CGI cadre with due training and skilling for future careers.

As we look forward to a target of Rs. 30 Bn in revenue, we will also focus strongly on profitable scaling and financial discipline as primary levers to navigate rising operational expenditure. We will continue to monitor our expense ratio, ensuring administrative costs do not outpace premium growth and ensuring that costs associated with physical and digital infrastructure are managed and supported by a lean and effective management structure.

While our market reach is strongly established across the island, we will sharpen our focus on increasing customer retention, as the current customer renewal rate stands at 80%, which leaves room for optimisation. Securing the loyalty of the existing customer base is a strategy for long-term stability and to reach the Rs. 30 Bn growth trajectory. Moreover, we will continue to deepen our stronghold in third party motor vehicle sector – especially in the 3-wheeler and motorcycle categories, introducing more comprehensive value-added products to a broader demographic.

Compliments of Our Success

My sincere appreciation goes to my colleagues on the Board of Directors, chaired by Mr Prasad Kariyawasam, whose guidance enabled us to navigate the complex environment.

I am grateful to the Chairman, Mr Ajith Gunawardena, and the Board of Directors of Ceylinco Holdings PLC for their strategic insight and the invaluable guidance extended to us across every sphere of our operations.

My gratitude goes to our partners, including agents and brokers, as well as reinsurance companies. We withstood the financial year through your continued support and reliable services, which enabled us to share the rewards and manage the risks that are inherent in our line of work.

Most importantly, I place my confidence in our valued customers. Your continued faith in us is a consistent beacon that guides us towards long-term value creation throughout the insurance life cycle.

Above all, I deeply appreciate our dedicated employees and the entire Ceylinco General team. Our reputation and strong market position have been built on your trustworthiness and work ethic, which has allowed the Company to deliver our promises with utmost confidence and to swiftly expedite operations and processes to compensate those affected by the cyclone.

Together, we have surpassed a period that tested our resilience and resources, cementing 38 years of trust and confidence in our capabilities to provide timely financial protection.

Mr. R.A. Gunathilake

Director/Chief Executive Officer

BOARD OF DIRECTORS



Mr. Prasad Kariyawasam
Non-Executive Chairman



Mr. R.A. Gunathilake
Director/Chief Executive Officer



Mr. H.D.A.N. Perera
Director



Mr. Sathyajith Wijayapura
Director



Mr. Roshan Ranasinghe
Director



Mr. K. Sankaramoorthy
Director



Mr. Aendra Bandaranaike
Director



Dr. Nayana Dehigama
Director

BOARD OF DIRECTORS



Professor H. Janaka de Silva
Director



Mr. W J Shavindra Fernando
Director



Mr. Rienzie Fernando
Director



Mr. Takashi Kishi
Director



Mr. Anura Meddegoda
Director



Mr. Premalal Brahmanage
Director



Mr. Umesh Revankar
Director



Mr. Senaka Silva
Director

BOARD OF DIRECTORS

Mr. Prasad Kariyawasam

Non-Executive Chairman

A career diplomat with over three decades of experience in various diplomatic assignments. He was the Foreign Secretary at the Ministry of Foreign Affairs from August 2017 to October 2018 and the International Affairs Adviser to the Hon Speaker of the Parliament of Sri Lanka from 2019 to 2020. Currently, he is an elected member of the UN Committee on Migrant Workers, as an independent expert.

Educated at the University of Peradeniya, Kariyawasam obtained a B.Sc (Hons) Special degree in Mathematics. He joined the Sri Lankan Foreign Service in 1981. He has held resident diplomatic assignments in Geneva, Riyadh, Washington, New Delhi, and New York. He served as the Ambassador for Sri Lanka to the United States, concurrently Ambassador to Trinidad & Tobago, México, and High Commissioner for Sri Lanka to India, concurrently Ambassador to Bhutan and Afghanistan, as well as Ambassador/Permanent Representative of Sri Lanka to UN, both in Geneva and New York.

At the Ministry of Foreign Affairs, Kariyawasam held various positions in divisions such as the United Nations and Non-Aligned Movement, Political Affairs, Consular Affairs, Administration, and Economic Affairs. He also served as the Official Spokesperson of the Ministry. He has been recognised for his diplomatic service with awards such as the "Grand Cross of the Order of Saint Gregory the Great" bestowed by His Holiness Pope John Paul II.

He has had an extensive career in international organizations as well, serving in expert panels and positions within the United Nations. He was a member of the UN Panel of Experts on Small Arms, the UN Group of Governmental Experts on Disarmament and Development, and presided over the UN Ministerial Conference on Illicit Trade in Small Arms. He was also Vice-Chairperson of the UN Economic and

Social Council, Vice President of the 62nd General Assembly, and President of the Council of the International Organisation for Migration. Additionally, he has been involved in organisations such as the International Commission on Nuclear Non-Proliferation and Disarmament, the World Economic Forum, and the Global Development Network.

Mr. R.A. Gunathilake

Director/Chief Executive Officer

Mr. Rex Gunathilake joined Ceylinco Holdings PLC in August 1994 as a Regional Manager and, having been progressively promoted to several higher designations, held the post of General Manager (Branches) at the time that he was appointed to the Board of Ceylinco General Insurance Limited in April 2014.

He played a major role in expanding the branch network of the Company, now considered one of the largest distribution networks in the country.

Mr. Gunathilake started his career in the field of sales at Lever Brothers (Ceylon) Limited in 1985 and was the Area Manager in-charge of Kandy, Katugastota, Gampaha, Kegalle and Matale regions, before joining Ceylinco.

He holds a Master of Business Administration from the University of West London.

Mr. H.D.A.N. Perera

Director

Mr. Perera joined the Company on 16th September 1981 as a Trainee of Ceylinco Limited. He was appointed as the Manager of the Miscellaneous Department, of Ceylinco Holdings PLC in 1988. He was promoted to as the General Manager in 2010. He represents the Company at the General Insurance Forum of the Insurance Association of Sri Lanka to date and represented the Working Committee of the Strike, Riots, Civil Commotion and Terrorism Fund (SRCC & TR Fund) till 2016. He represents the Technical

Advisory Committee of the SRCC & TR Fund to-date of the National Insurance Trust Fund. Mr. Perera was invited to the Board of Ceylinco General Insurance Ltd. in January 2018.

He is a regular member representing the Company at the Singapore International Reinsurance Conference held annually. He has also represented the Company at many National/International Insurance & Reinsurance Forums and has been a Panellist and presented many papers. Presently, he serves on the boards of many subsidiaries of Ceylinco Holdings PLC as a Director, including Ceylinco Insurance Company (Pvt) Ltd., Maldives.

Mr. Sathyajith Wijayapura

Director

Mr. Sathyajith Wijayapura joined Ceylinco Holdings PLC in June 1990 to the Sales Division of the Company after working for Ceylon Cold Stores from 1982 to 1985 and joining Lever Brothers (Ceylon) Ltd from 1985 until 1990.

Having been promoted progressively to several higher designations and having held the post of General Manager at the time, he was appointed to the Board from 01st January 2023.

He was instrumental in setting up the operations of Ceylinco Insurance Company (Pvt.) Ltd, Maldives from the year 2000 year 2000 and currently functions as the Executive Director of this company.

During his Thirty Five years of service with Ceylinco Insurance, he held the record of continuously holding the highest sales achiever for 25 years and was the first member of the "Hall of Fame" category from 1996.

He was successful in affiliating worlds largest insurance companies, namely Chubb and AXA XL for Ceylinco Insurance Sri Lanka and the Maldives and acts as the country representative for both countries on behalf of Chubb and AXA XL.

Mr. Roshan Ranasinghe

Director

Mr. Ranasinghe joined Ceylinco Insurance in 1988 as a Marketing Executive and rapidly rose to the position of AGM of the Fire Department in 2000. He was subsequently promoted as General Manager of the City Office in 2010, a position he held until his appointment to the Board of Directors in January 2023. He is the first to join the prestigious "Hall of Fame" in the company's elite sales reward scheme, the 'Ten Million Circle' and has occupied the top slots since then. He also overlooked several City Office Departments providing much-needed guidance to a large team of Sales Personnel. He played a central role in introducing the first-ever mobile insurance scheme under the Micro Insurance category that benefits a large number of Sri Lankans. Before joining Ceylinco Insurance he was employed at Hatton National Bank and The Finance Co. Ltd. and counts over 40 years of experience in the corporate sector in Sri Lanka. He retains most of the customers he had since the beginning of his career, even up to date.

Mr. K. Sankaramoorthy

Executive Director

Mr. Kathiresan Sankaramoorthy is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and holds a Master of Business Administration (MBA). He is also an Associate Member of the Institute of Certified Management Accountants of Sri Lanka.

Mr. Sankaramoorthy currently serves as Executive Director/Principal Officer of Ceylinco General Insurance Limited. In this role, he contributes to the strategic management of the Company from both financial and operational perspectives and is responsible for ensuring regulatory compliance. He also contributes to the insurance industry as a member of the IASL Finance & Technical Sub-Committee and is a Past Chairman of the same Committee.

He serves as Chairman of the Investment Committee, and he participates in the Enterprise Risk Management Committee and Audit Committee of the Company. In addition, he holds the position of Non-Executive Chairman of Nestor Stock Brokers Ltd and serves as a Non-Executive Director of EGL Solar Galle (Pvt) Ltd and Alethea School (Pvt) Ltd.

He completed his articleship training at Rajan & Renganathan, Chartered Accountants, and KPMG Sri Lanka. He was attached to KPMG Singapore and Saudi Arabia from 1993 to 2002. Thereafter, he held the position of Assistant General Manager – Finance at Ceylinco Shriram Capital Management Services (Private) Limited from 2003 to 2008.

He possesses over 30 years of extensive experience in finance, audit, investment management, risk management, and corporate governance. He previously served as the Deputy General Manager – Financial Services of Ceylinco General Insurance Limited until December 2025, having joined the organisation as Chief Manager in January 2010 and subsequently progressing to the position of Deputy General Manager. In 2025, he was invited to join the Board of the Company.

Mr. Aendra Bandaranaike

Director

Mr. Aendra Bandaranaike has over 25 years of experience in the field of finance, management and marketing. He started his career at Sherman Sons Ltd and subsequently joined Delmege Forsyth and Company Ltd as Marketing Manager. He had been successful in introducing many specialist Interior products to the Sri Lankan market. He is currently the Deputy CEO of the Life Style cluster at Delmege Forsyth.

Mr. Bandaranaike is an Associate of the Chartered Institute of Management Accountants UK.

Having captained his school tennis team, he also represented the National

Team in Tennis during his playing days. He was also involved in the administration of tennis and was a National Selector. He held the post of President of the Sri Lanka Tennis Association (Playing Section) from 2019 to 2022.

Dr. Nayana Dehigama

Director

Dr. Nayana Dehigama is the visionary Founder and Executive Chairman of Epic Technology Group, steering the company to sustained excellence in Fintech, digital transformation and enterprise technology solutions across Sri Lanka and the Asia Pacific. Since inception, Dr. Nayana's strategic leadership and relentless commitment to innovation have driven Epic's evolution from a local technology pioneer into a global force in digital services, with operational footprints and strategic engagements across Malaysia, Singapore, Japan, Maldives Islands, Africa and beyond. Under his leadership, Epic has pioneered mission-critical solutions for Banking and Finance, Fintech and Public Sector enterprises, enabling new customer experiences and citizen services that meet the evolving demands of complex technology and policy environments.

Dr. Nayana holds a Doctoral Degree from the School of Management of the Asian Institute of Technology (AIT), Thailand. Having acquired professional qualifications in Electronics and Telecommunications Engineering, he also obtained a Postgraduate Diploma in Marketing Management and an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is also a Fellow-member of the Chartered Management Institute, United Kingdom.

He was adjudged the Sri Lankan Entrepreneur – Platinum Award Winner in 2012, and the most coveted Asia-Pacific Young Entrepreneur Award Winner in 2010 organized by the Confederation of Asia-Pacific Chambers of Commerce and Industry. Over the past years, more than 100 national

BOARD OF DIRECTORS

and international accolades have been bestowed on Nayana and his company for entrepreneurial and technology excellence.

Dr. Nayana is a past Chairman of Chamber of Young Lankan Entrepreneurs (COYLE). He also served in several technical committees of the National Science Foundation (NFS) and is currently a Faculty Board Member and a Visiting Lecturer of the Faculty of Business, University of Moratuwa.

Professor H. Janaka de Silva

Director

Prof. Janaka de Silva is a Specialist Physician. He is Professor Emeritus of Medicine at the University of Kelaniya. He was Chair Professor of Medicine and served as Dean of the Faculty of Medicine, University of Kelaniya. Prof. de Silva was also Director of the Postgraduate Institute of Medicine, University of Colombo, a member of the University Grants Commission, and Chairman of the National Research Council of Sri Lanka. He was President of the Ceylon College of Physicians in 2004. He is currently an elected member of the Sri Lanka Medical Council.

Prof. De Silva holds degrees from the Universities of Colombo and Oxford. He has wide research interests, and his name is listed in the world's top 2% of scientists compiled by Stanford University, USA. He has held several editorial appointments and served on committees in health and research organizations including the WHO, Wellcome Trust and National Institute of Health Research, UK. In addition to awards and fellowships from several academic and professional bodies, he was conferred an honorary DSc by his University, and the national titular honour Vidya Jyothi - Sri Lanka's highest honour for science.

Mr. W. J. Shavindra Fernando

Director

Mr. W J Shavindra Fernando, a distinguished legal professional, retired

in May 2016 as an Additional Solicitor General after nearly three decades of service at the Attorney General's Department. Currently, he is actively practising law. Prior to his legal career, Mr. Fernando also served in the Sri Lankan Navy as a Rear Admiral, holding positions such as Judge Advocate General and Director General of Legal Services. In recognition of his expertise, he was appointed as a President's Counsel in March 2014.

Mr. Fernando holds a Master's Degree from King's College London in Commercial and Corporate Law and from the University of Colombo in Public International Law. His vast experience includes serving as a Judge of the Court of Appeal of Fiji, Senior State Counsel of the Attorney General's Department in the Republic of Seychelles, Legal Advisor to the Ministry of Foreign Affairs, and Legal Consultant to the Securities and Exchange Commission. Additionally, he has provided legal counsel to the Sri Lanka delegation for the Human Rights Commission & Human Rights Council in Geneva from 2003 to 2014.

As a respected legal professional, Mr. Fernando has also shared his knowledge as a visiting lecturer in Military Law and Human Rights at the Kothalawela Defence University. His educational background includes attending St. Peter's College from 1965 to 1975 and Royal College Colombo from 1975 to 1979.

Mr. Rienzie Fernando

Director

Mr. Rienzie Fernando is a dynamic and results-driven professional with a strong background in the hospitality industry. As the Managing Director of Roots Global Pvt Ltd, he has successfully led the company to new heights, driving growth and delivering exceptional results.

With a degree in Hotel, Restaurant, and Motel Management, Rienzie brings a wealth of knowledge and expertise to his role. His passion for the industry is

evident in his ability to create innovative strategies that enhance customer experiences and maximise profitability. Throughout his career, Rienzie has demonstrated exceptional leadership skills, inspiring and motivating teams to achieve excellence. His strong business acumen, coupled with his ability to identify and capitalise on emerging trends, has consistently positioned Roots Global Pvt Ltd as a market leader.

Mr. Fernando's commitment to excellence extends beyond his professional life. He actively engages in community initiatives, promoting sustainable practices and giving back to society. His dedication to social responsibility has earned him recognition and respect within the industry.

In summary, Mr. Rienzie Fernando is a visionary leader with a proven track record of success. His strategic mindset, combined with his passion for the hospitality industry, makes him a valuable asset to any organisation.

Mr. Takashi Kishi

Director

Mr. Takashi Kishi joined Mitsui Sumitomo Insurance Company Limited in 1989 after graduating from Keio University in Japan.

In 1996, he spent half a year at "The College of Insurance" in NY, USA, and after returning to Japan, he was in charge of Business Management of the Asian operations in the International Business Department for 4 years.

After managing a global insurance program for major Japanese manufacturers for 4 years from 2001, he served as Deputy General Manager of the Thailand Branch of Mitsui Sumitomo Insurance from 2005 to 2009.

After returning to Japan, he was again in charge of Asian Business Management in the International Business Department.

In 2016, he was dispatched to Cholamandalam MS General Insurance Co., Ltd. in Chennai, India, a joint venture between Murugappa Group and Mitsui Sumitomo Insurance. He served as Executive Vice President for 3 years and a whole-time Director for 3 years.

In August 2022, Mr. Kishi was appointed as the second Non-Executive Director of Ceylinco General Insurance Limited from Mitsui Sumitomo Insurance and is working to strengthen the partnership, including the exchange of networks and technologies between the two companies.

Mr. Anura Meddegoda

Director

Mr. Meddegoda is a distinguished legal professional, possessing a wealth of experience in his field. At present, he is an Attorney-at-Law of the Supreme Court of Sri Lanka and Solicitor, Supreme Court of England and Wales. He was the Deputy President of the Bar Association of Sri Lanka from 2021-2023 and elected President of the Bar Association of Sri Lanka in August 2024.

His professional experience includes State Counsel/Senior State Counsel at the Department of the Attorney General, Sri Lanka (1982-1998) and his work as the Prosecuting Trial Attorney and Legal Adviser at the Office of the Prosecutor, United Nations International Criminal Tribunal, The Hague, The Netherlands (1995-2005).

From 2010 to 2015, he was a Member of the Executive Committee of the Bar Association of Sri Lanka (2010-2012 and 2013-2015). He was the Chairman of the Public Interest Litigation Committee of the Bar Association of Sri Lanka (2013-2015) and the Chairman of the Continuing Legal Education Committee, Bar Association of Sri Lanka (2013-14). Mr Meddegoda was also the Chairman of the National Law Conference Committee of the Bar Association of Sri Lanka (2014-15) and a Member of the Sri Lanka delegation to the Lawasia Conference, New Delhi, India (2009).

Furthermore, he led the 2015 delegation of the Bar Association of Sri Lanka (BASL) for mid-year sessions of the American Bar Association (ABA) and was the BASL signatory to the BASL-ABA Treaty of Co-operation for Mutual Legal Assistance. He was also Chairman of the Consumer Affairs Authority (2018-2019), a Member of the Committee for Approval of Credit Rating Agencies, GOSL (2015-2017) and a Director of the, Sri Lanka Insurance Corporation (2009-2010).

He was the Keynote Speaker at the ICRC 13th International Humanitarian Law Moot Competition in Hong Kong and was a Judge (Final Round) of the ICRC 13th International Humanitarian Law Moot Competition held in Hong Kong in March 2015.

In April 2017, he was appointed as a President's Counsel in April 2017 and was called to the Inner Bar. He is a Member of the Committee appointed by HE President of Sri Lanka to study and report on the US Department of State Report on incidents during the recent conflict in Sri Lanka and he is a Life Member of the Bar Association of Sri Lanka.

Mr. Meddegoda holds a Master of Laws (International Law) King's College, from the University of London and a Diploma in International Relations from the University of Colombo Sri Lanka.

Mr. Meddegoda was elected President of the Bar Association of Sri Lanka by the Bar Council in August 2024 and relinquished office at the end of March 2025.

Mr. Premalal Brahmanage

Director

Mr. Premalal Brahmanage is a distinguished entrepreneur and business strategist in Sri Lanka's real estate sector, bringing over 30 years of experience to the industry. As the Founder and Group Chairman of Prime Lands (Private) Limited, he has been instrumental in establishing the company as a market leader.

His extensive qualifications underscore his expertise and leadership. He is a Fellow Member of the Chartered Institute of Management Accountants (UK) and the Sri Lanka Institute of Marketing. He also holds the prestigious title of Chartered Business Administrator from Canada, a Master of Business Administration from the Open University of Malaysia, and a Postgraduate Diploma in Marketing from the University of Sri Jayawardenapura in 2011.

Mr. Brahmanage was honoured with the UCD Entrepreneur of the Year award, recognising his profound impact on Sri Lanka's real estate sector. In 2017, LMD also named him one of Asia's Greatest Brand Leaders, highlighting his success in expanding Prime Lands and building a world-class brand. His influence continued to be acknowledged when LMD included him in its prestigious A-List of 2018, ranking him among the top 50 businessmen in the country, a testament to his role in driving economic growth.

Recognised for his financial acumen and entrepreneurial excellence, he has earned multiple accolades, including the title of Most Outstanding Entrepreneur in Sri Lanka from the International Association of Lions Clubs. Under his leadership, Prime Lands Residencies PLC has received numerous accolades, including the Most Valuable Real Estate Brand award by Brand Finance in LMD's Brands Annual of April 2022, further cementing his industry leadership.

Mr. Brahmanage holds key positions in multiple companies. He serves as an Independent Non-Executive Director of HNB Finance PLC and also an Independent Non-Executive Director of Ceylinco General Insurance Ltd. His passion for the real estate sector is also reflected in his role as the past President of The Condominium Developers Association of Sri Lanka. With his strategic vision and dedication, Mr. Brahmanage continues to shape Sri Lanka's real estate landscape, solidifying

BOARD OF DIRECTORS

his reputation as one of the nation's most trusted and influential business leaders.

Mr. Umesh Revankar

Director

Mr. Umesh Revankar serves as the Executive Vice Chairman at Shriram Finance Ltd. (SFL). Under his astute guidance, SFL has not only diversified its product portfolios but also significantly expanded its market presence while strengthening existing footprints. Committed to preserving the brand's legacy, Mr. Revankar plays a pivotal role in driving the company's growth, emphasising strategic initiatives, robust corporate governance, and overall business performance. He spearheads efforts to enhance stakeholder engagement and leads the risk management committee, ensuring effective risk assessment and mitigation strategies to enhance operational resilience. His leadership has been instrumental in driving SFL's success and ensuring its sustained growth trajectory.

Integral to the Shriram Group since 1987, Mr. Revankar brings more than three decades of experience in financial services. Throughout his tenure, he has shouldered numerous responsibilities and held key roles in the business operations of various companies within the Shriram Group. He is tirelessly working towards leveraging the lending ecosystem's vast potential to drive the nation's growth.

Currently, Mr. Revankar serves as the President of the Finance Industry Development Council (FIDC), a prominent representative body of Non-Banking Finance Companies (NBFCs). He is also an active member of the Corporate Social Responsibility Committee of SFL and oversees multiple welfare projects, focusing on providing education, vocational training, and promoting healthcare facilities for economically weaker and underprivileged sections of society.

A distinguished alumnus, Mr. Revankar holds an MBA in finance from Mangalore University and has completed an Advanced Management Program at Harvard Business School.

Mr. Senaka Silva

Director

Educated at Trinity College, Kandy and Aquinas College, Colombo 8, Mr. Silva began his career 55 years ago at Ceylon Tobacco Company Ltd.

He was selected by the Government to visit and study in Japan for 4 months as the leader of a Youth delegation.

Headhunted by Ceylinco, he became the 2nd employee of its Blue Diamonds Ltd., a pioneering venture in Diamond polishing introduced to Sri Lanka. He studied Jewellery designing and gemology in the USA and specialized at the Top of the field.

With the opening of the economy in Sri Lanka, the opportunities expanded, including initiatives such as the Mahaweli Development scheme. Similarly, the war on terrorism brought forth various prospects for those who could focus on Sri Lanka. Every aspect of the military had to be modernized, and the demand in the telecommunication industry increased. With newer horizons in the Gem and jewellery industry, value addition to local export products became the theme of the government.

Focusing on seizing these opportunities and driven by a profound affection for Sri Lanka, he commenced companies to facilitate modernization of the military and telecommunication industry, representing over 40 international foreign companies as agents for services to Sri Lanka, including blue-chip companies. i.e. Fujitsu and Toyocom of Japan, Samsung of South Korea, Tait of New Zealand, GEC and Plessey from the UK, many others from South Africa, Spain, and Brazil and the UK, providing products, services, and maintenance to more than 380 Sri Lankan

companies spanning from government departments and corporations to large, medium and small private sector companies. Moreover, he pioneered the supply and successful engineering and installation of the Traffic Lights in Sri Lanka.

He commenced the In-town Duty-Free Industry as a pioneering venture under the leadership of Mr. Lalith Athulathmudali, the then Hon. Minister of Trade.

Mr. Silva was appointed as the Hon. Consul for New Zealand in Sri Lanka approximately 18 years ago and upon completing 14 years of service, he retired after establishing a permanent NZ High Commission in Sri Lanka.

He headed trade delegations to the EU, serving as President of the Sri Lanka, Australia, and New Zealand Business Council of the Chamber of Commerce for 2 years, when the first-ever trade delegation to New Zealand from Sri Lanka was organized.

As a committee member of the Sri Lanka Consuls Association, he played an active role with great success in the organizing committee for the 2nd FICAC South Asian Regional Conference in Colombo in August 2013, with over 160 delegates from around the world.

He was a member of the NCED in the export sector and of the EDB advisory committee in footwear and leather goods, and a director of IDB.

Mr. Silva also started the pioneering venture to market and sell National Lotteries online with software built in-house, commonly known as 811 NLB by CCWP.



My business was affected by the flood, but as a customer of Ceylinco Insurance for more than 10 years, I had complete confidence in their service. Their prompt support and guidance helped me move forward during a very challenging time.

Mr. Manoj Maduranga
Dummalasooriya

STAKEHOLDER CONNECTIONS

Our stakeholders, from policyholders (customers) to regulatory partners, are the pulse of our business. This empowers us to prioritise ongoing communication as a strategic necessity to identify what our stakeholders expect from the Company and to communicate and deliver value in line with their interests. Engaging with our shareholders, customers, employees, partners, reinsurers, and the IRCSL is pivotal for long-term viability and is inextricably linked with trust in the Company.

Stakeholders	AGM / EGM	Statutory Communication	Written Communication	In-person Meetings & Discussions	Online Meetings	Formal Agreements	Email	Corporate Website	Events & Projects	Tele and digital communications (Including Call Centre)	Rewards & Recognition	Promotional material
Shareholders	★	★	★					★				
Customers			★	★	★		★	★		★		★
Employees			★	★	★		★		★	★	★	
Strategic partners			★	★	★	★	★			★		
Banks and financial institutions			★	★		★	★			★		
Brokers and agents			★	★	★	★	★		★	★	★	★
Reinsurers			★		★	★	★			★		
Suppliers			★	★	★	★	★			★		
Regulators		★	★	★								
Government		★	★	★	★	★				★		
Community								★	★			★

Understanding and responding to Stakeholder Expectations

By focusing on mutual benefit and inclusive progress, we have built a foundation for success that ensured value to all our stakeholders, over time. Stakeholder expectations drive our entire spectrum of value creation. We have embedded their priorities into how we approach value creation, which in turn drives the outcomes that are favourable to stakeholders and in line with business expectations. Aligning our goals with their needs has established a cycle of trust that generates greater capacity to reinvest in the people and the society that sustains us.

Stakeholders	Capital	Expectations	Overall Approach	Value Created	Strategic Highlights
 Shareholders	 Financial Capital	Financial returns, future growth, viability, and robust risk management.	Pragmatic financial management led by industry experts to secure and grow investments.	<ul style="list-style-type: none"> Rs. 28 Bn in GWP Highest GWP recorded Highest motor premium recorded Profitability Higher capital adequacy – well-above the regulatory minimum 	<ul style="list-style-type: none"> Highest recorded revenue/GWP Profitability despite the highest claim payouts in history, due to the Ditwah cyclone
 Customers	 Social Capital  Intellectual Capital  Manufactured Capital	Personalised/innovative solutions, quick claim settlements, and intuitive service.	Leveraging the country's largest Sales force and digital touchpoints to provide accessible, varied insurance solutions.	<ul style="list-style-type: none"> Rs. 24.2 Bn gross claims Unmatched claim settlement speed Comprehensive solutions with affordable premiums Diversified accessibility and widespread touch points Digital accessibility Digital insurance cards and certificates for convenience 	<ul style="list-style-type: none"> 5,300 customers who were affected by the Ditwah cyclone were compensated for their losses. Rs. 16.1 Bn was estimated to pay for claimants/policyholders who were affected. This was done through a coordinated effort by various departments and technical and non-technical employees.
 Employees	 Human Capital  Manufactured Capital	Competitive remuneration, career growth, professional development, and a safe, inclusive (DEI) environment.	Performance incentives, targeted training programs, and fostering a culture of respect and mutual understanding.	<ul style="list-style-type: none"> Training programs for technical and non-technical staff with a special focus on sales, underwriting and automobile engineers Rewarding performance Career growth 	<ul style="list-style-type: none"> 180 training programs in 2025 with over 1,450 training hours. 69% permanent employees 1,498 recruits in 2025 (Employment) 265 staff promotions

STAKEHOLDER CONNECTIONS

Stakeholders	Capital	Expectations	Overall Approach	Value Created	Strategic Highlights
 <p>Strategic Partners</p>	 <p>Social and Relationship Capital</p>	Honoured agreements, mutual respect, and support for unique partner initiatives.	Delivering need-based services and unique products tailored to global markets and partner needs.	<ul style="list-style-type: none"> ✦ Risk management solutions that meet their unique requirements ✦ Diverse solutions for diverse customers 	<p>Strengthened long-term partnerships through customised insurance and risk solutions</p> <ul style="list-style-type: none"> ✦ Enhanced partner engagement through continuous knowledge sharing and joint initiatives
 <p>Banks and Financial Institutions</p>	 <p>Social and Relationship Capital</p>	Timely payments, transparency, ethical conduct, and stability through risk management.	Transparent disclosures, disciplined investment in financial instruments, and rigorous risk oversight.	<ul style="list-style-type: none"> ✦ Timely payments on borrowed sums ✦ Investments in financial assets 	<p>Maintained strong creditworthiness through disciplined financial management</p> <ul style="list-style-type: none"> ✦ Strengthened trust via consistent transparency and regulatory compliance
 <p>Brokers and Agents</p>	 <p>Social and Relationship Capital</p>	Commissions are adjusted for inflation, timely payments, and commitment to agreements.	Competitive commission schemes, dedicated agent support, and collaborative relationship building.	<ul style="list-style-type: none"> ✦ Economic value distributed with agents ✦ Economic value distributed to brokering companies ✦ Economic value provided to bancassurance 	<ul style="list-style-type: none"> ✦ Competitive and performance-based commission structures ✦ Strengthened engagement through transparent and mutually beneficial Business activities
 <p>Reinsurers</p>	 <p>Social and Relationship Capital</p>	Prudent underwriting, transparent business conduct, and commitment to reinsurance contracts.	Maintaining a strong reputation through regulatory compliance, clear communication, and honouring all contractual obligations.	<ul style="list-style-type: none"> ✦ Premium ceded to reinsurers Rs. 12.4 Bn 	<ul style="list-style-type: none"> ✦ Strengthened underwriting discipline aligned with international best practices ✦ Sustainability through consistent adherence to contractual and regulatory obligations

Stakeholders	Capital	Expectations	Overall Approach	Value Created	Strategic Highlights
 <p>Suppliers and Service Providers</p>	 <p>Social and Relationship Capital</p>	Timely payments, clear communication, and adherence to contractual terms.	Optimising savings through collaboration and ensuring shared benefits through ethical procurement.	<ul style="list-style-type: none"> Cooperation and collaboration in marketing products Training and awareness Market insights 	<ul style="list-style-type: none"> Built sustainable supplier relationships based on trust and ethical procurement practices Achieved cost efficiencies through strategic sourcing and collaborative partnerships
 <p>Regulators</p>	 <p>Social and Relationship Capital</p>	Compliance with laws, adequate capital buffers, timely tax payments, and consumer protection.	Periodic disclosures, support for revenue mobilisation, and maintaining high governance standards.	<ul style="list-style-type: none"> Regulatory adherence Solvency management Integration of risk management into processes 	<ul style="list-style-type: none"> Rs. 2,870 Mn in SRCC and Terrorism Premium (NITF) – Second highest in the industry
 <p>Government</p>	 <p>Social and Relationship Capital</p>	Support for social/economic progress and assistance for the underprivileged.	Providing affordable solutions and financial/non-financial support to economically burdened communities.	<ul style="list-style-type: none"> Tax submissions Investments in government financial instruments 	<ul style="list-style-type: none"> Rs. 281 Mn income tax payout
 <p>Community and the Environment</p>	 <p>Social and Relationship Capital</p>  <p>Natural Capital</p>	Competitive remuneration, career growth, professional development, and a safe, inclusive (DEI) environment.	Performance incentives, targeted training programs, and fostering a culture of respect and mutual understanding.	<ul style="list-style-type: none"> Communities and lives impacted through our CSR banner 'Ceylinco VIP Pihita' Preserving coastlines through beach-cleanups 	<ul style="list-style-type: none"> Rs. 15.2 Mn to provide over 2,000 meals daily to underprivileged students in rural schools Over 20,000 clothing items donated to over 4,500 individuals

VALUE CREATION MODEL

Capital Inputs



FINANCIAL CAPITAL

- ◆ Shareholder funds
- ◆ Retained earnings
- ◆ Premium income
- ◆ Investment income
- ◆ Solvency strength
- ◆ Capital reserves



HUMAN CAPITAL

- ◆ Talent pool
- ◆ Organisational culture
- ◆ Employee diversity
- ◆ Investment in training and welfare
- ◆ Vast field force



INTELLECTUAL CAPITAL

- ◆ Organisational knowledge
- ◆ Brand capital
- ◆ Culture and values
- ◆ Product and service development



SOCIAL AND RELATIONSHIP CAPITAL

- ◆ **Policyholders:** Policies and customised premiums
- ◆ **Partners:** Diverse and far-reaching networks
- ◆ **Suppliers:** Provide goods and services
- ◆ **Reinsurers:** Global capacity and strong financials
- ◆ **Regulators:** Rules and guidelines
- ◆ **Community:** Social license to operate



MANUFACTURED CAPITAL

- ◆ Capital investment
- ◆ Skilled workforce
- ◆ Technological resources
- ◆ Risk Management



NATURAL CAPITAL

- ◆ **Energy:** Electricity and fuel
- ◆ Water
- ◆ Paper
- ◆ Conservation efforts

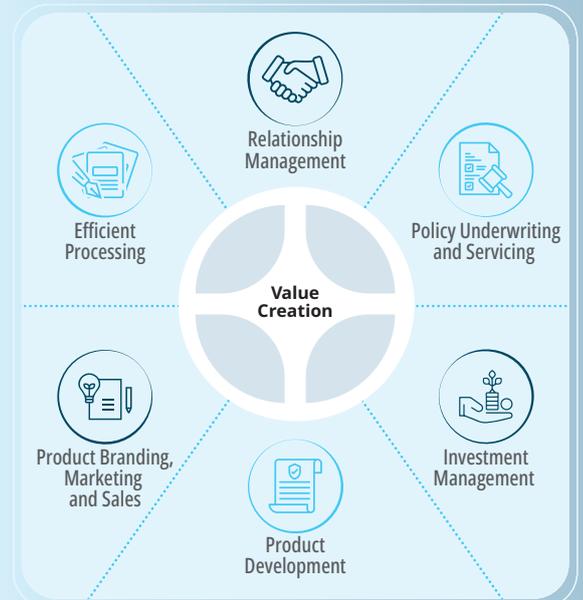
Value Creation Process

OUR MISSION

“Our Mission is to provide protection and financial security of the highest quality to society, whilst adding to shareholders’ wealth and recognising, rewarding and valuing the dignity of our staff.”

- ◆ Corporate Governance
- ◆ Managing Key Risks
- ◆ Prudent Corporate Strategy
- ◆ Regulatory Compliance

OUR STRATEGY



CAPITAL MANAGEMENT

What We Delivered

- ◆ **Gross Written Premium (GWP):** Consistent leadership (Rs. 28 Bn in 2025).
- ◆ **Claims Paid:** Billions of rupees injected back into the economy to help individuals and businesses recover from losses.
- ◆ **New Products and Portfolio Diversification:** Launch of innovative, need-based insurance based on a people-first approach.

Outcomes

FINANCIAL CAPITAL

- ✦ Profitability
- ✦ High solvency
- ✦ Continued shareholder value
- ✦ Maintained customer trust
- ✦ Enhanced competitiveness
- ✦ Economic contributions

HUMAN CAPITAL

- ✦ Skill enhancement
- ✦ Career growth
- ✦ Satisfactory Retention
- ✦ Personal wealth
- ✦ Increased premium income

INTELLECTUAL CAPITAL

- ✦ New products
- ✦ Digital service enhancements
- ✦ Brand recognitions and mass acceptance

SOCIAL AND RELATIONSHIP CAPITAL

- ✦ **Policyholders:** Steady revenue stream and trust base
- ✦ **Partners:** Diversified revenue and mutual economic rewards shared
- ✦ **Suppliers:** Reliable operations and innovation support
- ✦ **Reinsurers:** Enhanced resilience
- ✦ **Regulators:** Ensures operational continuity and good reputation
- ✦ **Community:** Reputation strength and long-term goodwill

MANUFACTURED CAPITAL

- ✦ Ability to meet evolving demands
- ✦ Business continuity
- ✦ Long-term value creation
- ✦ Meet customer / stakeholder expectations

NATURAL CAPITAL

- ✦ Resource optimisation and possible savings
- ✦ Marine protection

Value Created

For Our Customers (Policyholders)

Peace of Mind: Immediate financial relief during accidents or disasters.

Innovation: Access to "VIP" benefits and digital-first insurance experiences.

For Our Shareholders and Partners

Consistent Returns: Healthy Dividend Per Share (DPS) and growth in Net Asset Value.

Resilience: Maintaining a strong Capital Adequacy Ratio (CAR) even during economic volatility.

For Our People

Empowerment: Performance-based rewards and continuous professional development.

Job Security: Maintaining a stable workforce within a leading financial conglomerate.

For the Nation and the Environment

Economic Stability: Acting as a safety net for the national economy.

Social Impact: Community projects focusing on healthcare and education.

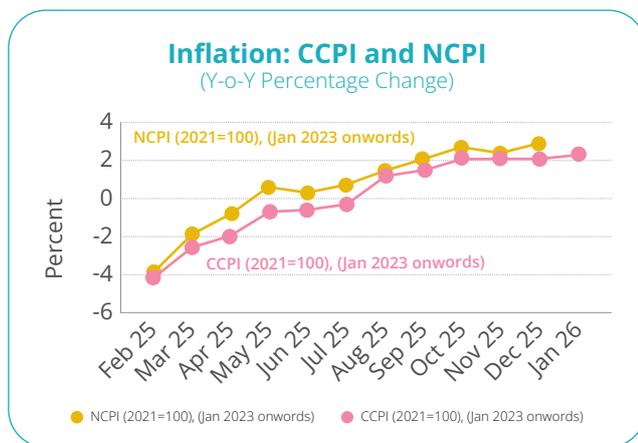
Environmental Stewardship: Reducing the carbon footprint through paperless policies, certificates and digital motor insurance cards

OPERATING ENVIRONMENT

Economic Context and the Insurance Sector

Sri Lanka's macroeconomic situation stabilised in 2025 as several aspects moved into the positive trajectory: GDP returned to stabilised digits, with GDP growth rate at 5.4% in the third quarter of 2025.

Inflation based on CCPI was at 2.1% in December, 2025. CCPI-based inflation commenced rising from negative digits in August 2025, rising gradually during the remainder of 2025 but remaining under 3%.



Sector	Q3 Growth 2024 (%)	Q3 Growth 2025 (%)
GDP	5.3	5.4
Agriculture	3.7	3.6
Industry	10.1	8.1
Services	2.6	3.5
Taxes Less Subsidies	13.6	13.9

Source: Department of Census and statistics (as cited in the CBSL National Accounts Estimates - Q3, 2025).

The country adopted economic restructuring shadowed by stringent fiscal discipline and an accommodative yet cautious monetary policy. For the insurance industry, the economic shifts acted as a stabiliser and a catalyst toward a time of expansion and modernisation. Moreover, the renewed focus on social safety nets has also given insurance importance in raising national economic resilience.

The local economy demonstrated a positive pattern with five consecutive quarters of growth. This acceleration resembles a broad-based recovery that exemplifies momentum across all major economic sectors.

Tax reforms had direct implications for insurers and policyholders. The taxable income of companies was subject to 30%. The threshold on personal income tax was increased, stimulating disposable income and providing relief to some extent.

Key Economic Performance Indicators

Key Economic Performance Indicators	2024	2025
Real GDP Growth (%)	5.0	5.4 (Q3)
Unemployment Rate (%)	4.4	3.8 (Q1)
Inflation (%)	(2.1)	2.1% (Nov)
Current Account Balance (USD Billion)	1.2	1.7
Gross Official Reserves (USD Billion)	6.1	6.8

Goods and service exports have surged during 2025 to USD 20.6 Bn, marking a 4.9% growth. This has been supported by a 6.3% rise in goods exports and a 2.3% rise in the trade in services. Goods imports have surged 14% to USD 21.5 Bn, surpassing the total value of exports. Moreover, tourism earnings reached USD 3.2 Bn and a rise in Workers' Remittances to USD 8.1 Bn in 2025. The exchange rate appreciated by 0.2% (year-to-date) by the end of January 2026, with the exchange rate standing at USD 309.99 by the end of 2025. (Information from the External Sector Performance, December 2025, CBSL)

The Industry Review

The insurance industry navigated the economy resiliently in 2025, having learnt crucial lessons from the economic crisis in 2022.

The industry remained composed of 29 companies, with 15 life insurance companies and 14 non-life insurance companies. In mid-2025, IRCSL commenced an awareness campaign titled 'Insurance for All'. The program was kicked-off in Matara and extended to the Northern Province. The campaign is aimed at increasing insurance penetration, promoting financial inclusion and creating public awareness on the importance of insurance as a risk management and protection tool.

Despite a reduction of capital adequacy in the general insurance segment, the overall industry demonstrated adequate capital buffers, assuring continued stability.

Despite growth in the sector’s asset base, insurance penetration remained low in the country; The low penetration is an indication of a gap in financial and risk literacy among the population. Nevertheless, it also underscores the remaining high potential for the sector to pursue further growth.

Insurance Industry Performance	2025 Value	2024 Value	Growth
	Rs. Bn	Rs. Bn	(%)
Long-Term (Life) GWP	227,120	183,342	24
General Insurance GWP	150,253	130,560	15
Total Industry GWP	377,373	313,902	20

Source: Insurance Association of Sri Lanka (IASL).

Key Understandings

Life insurance grew at 24% in 2025, showing strong demand, while general insurance grew modestly at 15%, reflecting gradual expansions in its segments. The total industry GWP rose by 20% in 2025.

Non-Life Insurance Claims

Across the non-life insurance sector, the number of claims related to Ditwah surged during the final two months of 2025, incurring higher claim costs, demonstrating the widespread destruction caused by the natural disaster.

Claims related to marine insurance also demonstrate a sector-wide increase, while medical and motor insurance claims have also surged across the non-life industry sector. Overall, claims ratios have demonstrated an increase among all non-life insurance companies.

IRCSL-mandated adoptions in 2025

During the year, insurance companies had to comply with several directions issued in 2024 and were faced with new regulations introduced in 2025. Apart from the following, insurers also received guidelines on: incorporating a framework to implement sustainability-related aspects, including SDGs and ESG principles; Guidelines on Anti Money Laundering and Countering the Financing of Terrorism Programme for Insurance Companies and Brokering Companies; and guidelines on market conduct of business.

- ✦ Compliance with verifying educational qualifications of insurance agents by insurers and insurance brokers.
- ✦ Direction on Principal Officers of insurance companies and brokering firms (Direction No. 1 of 2026, which substituted Direction No. 2 of 2023).
- ✦ Direction to improve policyholder confidence levels through clear standards and practices to enhance confidence in products and services (Direction No. 2 of 2025)
- ✦ Providing an Insurance Product Information Document (IPID), making insurance more transparent and for people to make informed decisions (Direction No. 4 of 2025)

- ✦ Direction to all General Insurance Companies to disclose all types of premium charges, any other policy charges separately, and comply with SRCC & T requirements.
- ✦ Direction to provide immediate measures to the insured public due to floods and cyclone Ditwa (Direction No. 6 of 2025)
- ✦ Companies also had to comply with several Directions from 2024:
 - No. 4 of 2004 – Terms and conditions on dividend declaration and distribution;
 - Sale of insurance products to customers of mobile network operators (MNOs) and Fixed Line Operators’ (FLOs) by using the data and platform of MNOs and FLOs.
 - Direction on advertisements issued by insurers, brokers and agents.

OPERATING ENVIRONMENT

Outlook

We are optimistic that the foundation for long-term growth is strong within the country due to the successful restructuring of sovereign debt and the growth in foreign exchange reserves. The low inflation environment and high growth context have restored industry optimism, providing confidence to create value in both life and general insurance.

The IRCSL strategic vision to promote the industry as a pillar of economic resilience provides renewed confidence in increasing penetration. However, challenges in counterbalancing rising claims and operational expenditure will require insurers to focus increasingly on integrating digitalisations and AI into workflows and front-end customer services. Moreover, the increasing frequency of climate-related disasters necessitates a more sophisticated approach to assessing and managing risks, including reinsurance.

Insurance Sector Outlook

Strengths

- ✦ Regulatory capital adequacy: IRCSL enforces Risk-Based Capital compliance, which ensures industry and insurers' solvency and stability
- ✦ Industry resilience: The Sri Lankan insurance sector has remained stable amidst several headwinds, supporting social stability and individual protection.
- ✦ Product diversifications: Rising demand for health, retirement and life insurance products.

Weaknesses

- ✦ High reinsurance costs due to climate risks.
- ✦ Legacy IT systems in older, established firms.
- ✦ Low financial and insurance literacy in rural demographics, hindering access to insurance penetration

Opportunities

- ✦ Improving awareness of insurance and risk-related tools
- ✦ Silver Economy: Pension and retirement products for the ageing population.
- ✦ Climate Insurance: Crop and parametric insurance for agriculture.
- ✦ Cyber Liability: Growing demand from the corporate sector.

Threats

- ✦ Increasing frequency and severity of climate-related catastrophes
- ✦ Regulations on the promotion of insurance
- ✦ Skilled labour migration (Brain Drain) of insurance's technical professionals
- ✦ Changing fiscal policies that impact profitability.



“ All my vehicles suffered significant damage due to the flood. I am truly grateful to Ceylinco Insurance for settling my claim promptly and for the support they extended to me during this difficult period.

Mr. Ali
Gampola

FINANCIAL CAPITAL

The following report is an analysis of our financial capital, which demonstrates the management of our dynamic pool of funds. The pool of capital sources is generated mainly through premium income, along with other sources of funding. The Company redirects financial capital to other forms of capital, including human capital, developing intangible intellectual assets, enhancing physical infrastructure, and towards community support.

RELATED MATERIALITY CODES:
CGI1, CGI2, CGI11, CGI12

Financial capital and value creation

For the Company, financial capital works as its lifeblood that enables a safety net for thousands of individuals and businesses. As the market leader in general insurance in Sri Lanka, this has a massive impact on all our stakeholders and from an integrated perspective, it carries a multiplier effect on all other capital resources, including natural capital and social and relationship capital.



Financial stability of the Company enables sustainable economic growth for all stakeholders.



We have the financial capacity to invest in modern systems and digital platforms, strengthening infrastructure.



Through affordable and tailored financial products, we extend protection to underserved groups.



We ensure that transactions are not driven by anti-money laundering and terrorism related purposes through monitoring of unusual behaviours.

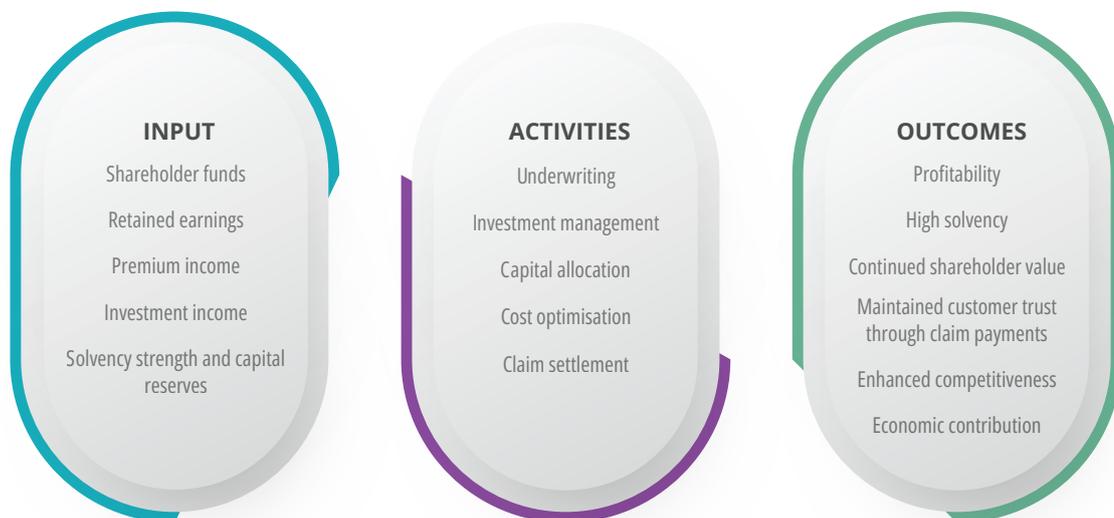


Through monitoring of unusual behaviours.





Overview of Value Creation for Financial Capital



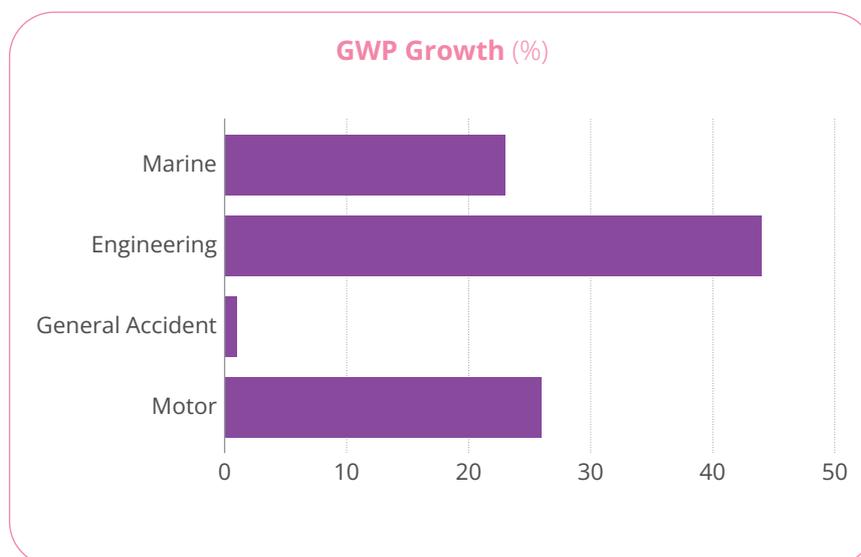
Value for the Company

Indicator	2025	2024	Change (%)	Outcome
Gross Written Premium	Rs. 28 Bn	Rs. 25 Bn	14	Market dominance and scale.
Profit After Tax	Rs. 804 Mn	Rs. 1 Bn	(24)	Profitability secured for future operations and growth.
Dividend Per Share	Rs. 319.93	Rs. 360.00	(11)	Dividend paid.
Earnings Per Share	Rs. 321.53	Rs. 423.26	(24)	Continued profitability and shareholder value creation amidst a high claims payout.

For the financial year 2025, the Company made a dividend payout of Rs. 319.93 per share, totalling Rs. 800 Mn value provided to shareholders. Moreover, indicating strong financial stability, our capital adequacy ratio stood at 183%.

Revenue Engine

The strategic focus of the Company is to maximise our financial capital primarily by focusing on the exponential increase in premium income through new business and renewed policy premiums. Therefore, our branches and agents perform a crucial role in ensuring the timely and full collection of premiums. This enables the Company to make strategic investments, thereby ensuring that funds remain above required levels to support policyholders in times of large-scale calamities and/or individual risk exposures.



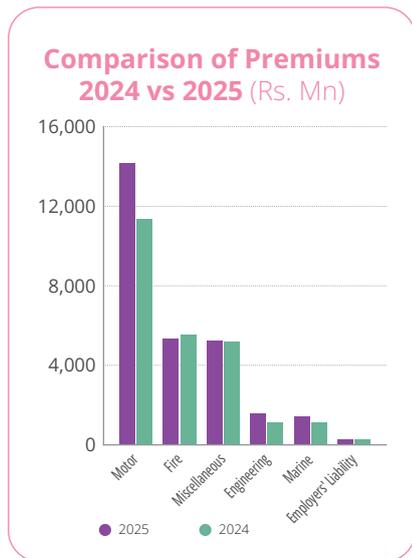
FINANCIAL CAPITAL

The financial capital of the company is derived from two primary sources:

- Premium Income: Premiums collected from policyholders (Gross Written Premium).
- Investment Income: Returns generated from the prudent management of the company's massive asset base.

Premium Income

Another record-breaking financial year for CGI, as business activities secured a premium income of Rs. 28 Bn, an increase from Rs. 24 Bn in the previous financial year. The GWP for 2025, which grew by 14%.



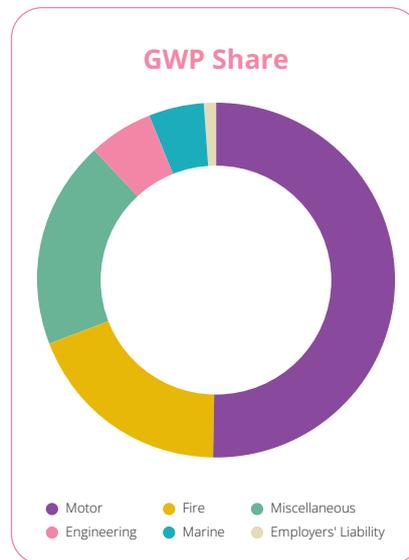
The primary reason for the GWP surge is a 25% rise in Motor Insurance GWP, which stood at Rs. 14.2 Bn for the year under review. The motor segment was a major driver of the GWP growth, with Rs. 2.8 Bn in new premiums, increasing the segment's total share within the company's portfolio (in terms of GWP) by 50.6%. The growth in Motor GWP was recorded as 25% and can be partially attributed to the removal of restrictions on vehicle import, which opened up opportunities for new business growth and renewed optimism within the motor insurance segment.

Non-motor gross written premium was Rs. 13.9 Bn as a collective, and has increased from Rs. 13.2 Bn reported in the previous fiscal year – a 4.9% jump.

The Engineering Insurance Segment witnessed the highest growth, followed by marine insurance. However, the shares of these two segments remained at 6% and 5%, respectively. Marine GWP surged by 23% while the Engineering policy-related GWP increased by 44%. Fire insurance, the second largest category in terms of GWP contracted in 2025, due to certain high risk locations have been restricted or excluded from underwriting.

GWP Composition and Growth

Category	2025 (Rs. '000)	2024 (Rs. '000)	Growth (%)	Share 2025 (%)
Motor	14,181,868	11,338,026	25.08	51
Fire	5,359,748	5,528,245	(3.05)	19
Miscellaneous	5,233,883	5,175,235	1.13	19
Engineering	1,600,127	1,108,437	44.36	6
Marine	1,410,237	1,143,918	23.28	5
Employers' Liability	251,820	254,922	(1.22)	1
Total	28,037,683	24,548,782	14.21	100



Net Written Premiums (NWP) surged by 6% to Rs. 15.6 Bn from Rs. 14.7 Bn, indicating a positive influence from the rise in gross written premiums and net income.

Other Revenue

Other revenue, which reached Rs. 3.9 Bn, was formed by Rs. 1.1 Bn in fees and commission income, apart from a massive increase in Investment Income by 63% to Rs. 2.3 Bn during the year.

Net Income

Net income for the year stood at Rs. 18.5 Bn, a result of an increase in the combined values of net earned premium and other revenue. Other revenue, which forms net income, increased to Rs. 3.9 Bn by 25.5% while Net Earned Premium dropped to Rs. 14.6 Bn, by a slight 1.5% in the financial year under review, despite the GWP surge.

Profitability

Indicator	2025 (Rs. '000)	2024 (Rs. '000)	Variance (%)
Profit Before Tax (PBT)	711,889	1,512,738	(53)
Profit After Tax (PAT)	804,136	1,058,562	(24)
Earnings Per Share (EPS)	321.53	423.26	(24)

Profitability diminished during the year, with profit after tax receding by 24% to Rs. 804 Mn. Despite seeing a 14% increase in revenue, operating expenses, including claims, have risen, impacting the bottom line.

ROE dropped sharply to 4% in the year under review and reflects the contraction in profitability. Similarly, ROA also slipped to 1%.

Underwriting Result

Underwriting result dropped to Rs. 4.4 Bn from Rs. 5.8 Bn, reflecting the increase in total benefits, claims and other expenses.

Benefits and Claims

Gross benefits and claims paid increased by 4% to Rs. 10 Bn from Rs. 9.6 Bn in 2024, while the gross change in contract liabilities also rose to Rs. 14 Bn from Rs. 879 Mn, indicating a massive increase. Net Benefits and Claims increased by 7.6%, Rs. 8.7 Bn from Rs. 8 Bn in the financial year.

Component	2025 (Rs. '000)	2024 (Rs. '000)	Variance (%)
Gross Claims Paid	10,036,204	9,612,420	4.4
Reinsurance Recovery	3,151,394	749,593	320

Claims and Benefits as a portion of net written premium (NWP) stood at 56%, which demonstrates the use of over half of our premium income to settle claims.

	2025	2024	Change (%)
Fire	1,520,538	1,142,705	33
Motor	5,131,990	4,912,252	4
Marine	191,103	155,850	23
Miscellaneous	1,436,014	1,420,952	1
Engineering	132,118	166,990	(21)
Employer's Liability	257,258	254,848	1
Net Claims and Benefits	8,669,021	8,053,597	8

The largest claims and benefits have emanated from Motor insurance related claims at Rs. 5.1 Bn, which is also an increase of 4% compared to the previous year. Miscellaneous claims and benefits totalled Rs. 1.4 Bn, indicating a marginal increase from the previous year. Moreover, fire-related claims reached Rs. 1.5 Bn during the year.

Expenses

Total expenses increased by 8%, with Net Benefits and Claims being the biggest drivers. Other operating and administrative expenses showed a 8% increase to Rs. 6.4 Bn from nearly Rs. 6 Bn reported in 2024; this was driven by several factors, of which the most impactful were

- ✦ Employee benefits expense - Rs. 3.3 Bn
- ✦ Other operating expenses - Rs. 1.8 Bn
- ✦ Selling expenses - Rs. 1 Bn

From employee benefits expenses, Rs. 2.9 Bn was attributed to wages and salaries, an increase from Rs. 2.7 Bn in 2024. Other staff-related costs, including training and development, exceeded Rs. 377 Mn in the year, from Rs. 330 Mn reported in 2024.

Premium Ceded

In 2025, Premium Ceded to Reinsurers rose by 26% to Rs. 12 Bn. Engineering demonstrated a strong growth of 74.8%, while Employers' Liability saw a dramatic surge of nearly 597%. Moreover, motor-related premiums ceded to reinsurers expanded by nearly 42%, followed by a modest expansion in premium payments by 3% in other miscellaneous categories.

FINANCIAL CAPITAL

Premium Ceded to Reinsurers			
Category	2025 Rs.'000	2024 Rs.'000	Change %
Fire	5,618,419	4,650,564	20.8
Motor	2,265,837	1,596,508	41.9
Marine	871,581	710,232	22.7
Miscellaneous	2,063,221	2,003,721	2.9
Engineering	1,492,785	853,978	74.8
Employers' Liability	109,815	15,747	597.4
Total	12,421,658	9,830,750	26.4

Financial Position

Assets

The balance sheet indicates strong growth amid a large expansion in the asset base, with total assets increasing from Rs. 48 Bn to Rs. 63 Bn in the financial year under review, a 30.6% increase. As at 31st December 2025, the Company's asset base is 1.5 times larger than its liabilities.

Reinsurance Receivables

A major driver of this growth is the increase in Reinsurance Receivables by around 153% during the financial year. This is the result of underwriting larger risks and significant insurance claims due to the damages from Cyclone Ditwah and floods in the latter part of 2025. Reinsurance Receivables skyrocketed from Rs. 8 Bn in 2024 to Rs. 20 Bn by the end of 2025.

Investment and property portfolio

The investment and property portfolio grew by Rs. 1.2 Bn, which underscored a stable real estate portfolio. Moreover, financial instruments, which include loans and receivables and available-for-sale assets, underwent a steady rise by 5% with a combined amount of over Rs. 23.8 Bn during the year under review. Together, these sources provided a steady and solid stream of dividend and interest income. It underscored the Company's strong investment strategy focused on brick and mortar and financial instruments-based investments.

Financial Assets and Liquidity

The Company's combination of financial assets includes a steady mix of bonds, repos, corporate bonds, fixed deposits, loans and other investments. Treasury bonds and bills form the largest share of investments at nearly Rs. 7 Bn.

Corporate bond investments expanded by 11% to Rs. 2.6 Bn while fixed deposit investments surged to Rs. 9.3 Bn. Investments in other financial instruments accumulated to Rs. 1.5 Bn, marking a 60% growth.

Financial Assets	2025	2024	Change %
Treasury Bills & Bonds	6,990,280	6,484,448	8
Repos	940,925	2,167,000	(57)
Corporate Bonds	2,562,203	2,309,583	11
Fixed Deposits	9,305,047	7,522,460	24
Staff Loans	415,955	419,547	(1)
Other	1,500,251	934,943	60%

The above investments are the company's primary sources of investments, with fixed deposits being the largest portfolio within the investment mix, enabling the Company to earn a stable stream of fixed income.

	2025	2024
Loans and Receivables	10,661,927	10,109,007
Available-For-Sale Financial Assets	10,218,072	9,728,974

Loans and receivables, including staff loans, repo investments and term deposits, increased by 5% to Rs. 10.7 Bn in the year under review. Staff loans and repo investments totalled Rs. 1.4 Bn during the year, declining considerably from Rs. 2.6 Bn reported in 2024.

Liquidity

Cash and cash equivalents increased by 26% to Rs. 1 Bn, indicating improved ability to meet short-term obligations.

Liabilities

Total liabilities stood at Rs. 43 Bn by the end of 2025 compared to Rs. 28 Bn in 2024, which marks a 52% increase. This is a direct result of a massive increase in Non-Life Insurance Contract Liabilities, which surged by 92% to Rs. 32 Bn due to higher claims obligations.

There is a decrease in reinsurance payables, indicating settlement with reinsurers. Moreover, other liabilities increased by 20%.

Equity

Total equity dipped slightly to Rs. 19.9 Bn during the year, indicating a drop in retained earnings. Revaluation reserves increased by over Rs. 270 Mn.

Key Ratios

Net Loss Ratio has increased from 54.4% to 59.4% indicating claim payments during the year 2025.

Net Expenses Ratio also increased from 47.1% to 54.7% due to increase in selling expenses which is in line with premium growth as well as decline on Net Earned Premium.

Net Combined Ratio has increased as a result of increase in Net Loss Ratio and Net Expense Ratio.

Ratio	2025	2024
Net Loss Ratio	59.4	54.4
Net Expense Ratio	54.7	47.1
Net Combined Ratio	114	101.4

Future Strategy

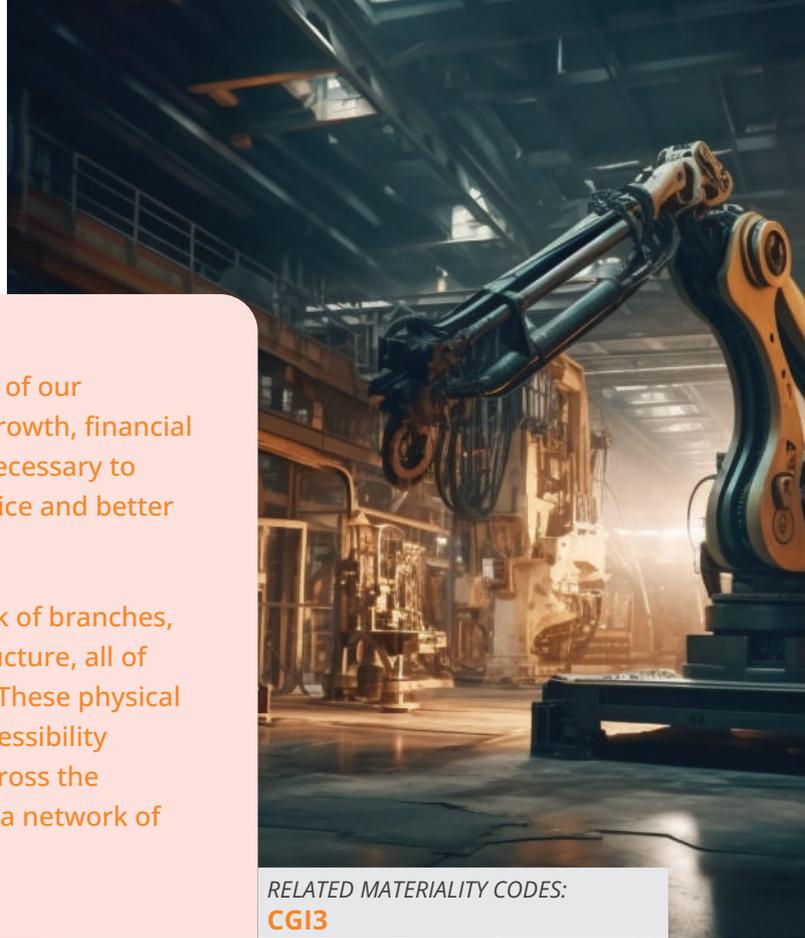
The Company is moving in the direction of cautious optimism and resilience, as we navigate an uncertain macroeconomic stance. While the present trends show positive momentum, any unprecedented scenarios, such as natural disasters and global events, could set off a domino effect that may impact operations and ultimately financial performance. However, our diversified product and investment portfolio will be managed effectively.

Higher targets for premium collection and renewals are expected to increase premium income. At the same time, a prudent mix of investments in properties and financial instruments will enable us to meet our revenue targets.

Securing stable returns will also enable us to maintain or enhance our capital adequacy/CAR, which is expected to reach 183% in 2026.

Priority	Strategy
Cost Efficiency	Enhancing digital workflows and services
Risk Mitigation	Prudent underwriting and reinsurance arrangements to safeguard profitability from rising claims and climate-related events.
Revenue Growth	Innovative policies in health and retirement policies to reach ageing demographics.
Capital Stability and asset-liability management	Maintaining above minimum CAR to meet long-term obligations and managing asset and liability portfolios to better meet short-term obligations

MANUFACTURED CAPITAL



The extent of CGI's manufactured assets is one of our strongest levers in achieving robust business growth, financial results; importantly, they provide the means necessary to continuously deliver our promise of faster service and better possibilities in insurance.

Our manufactured capital consists of a network of branches, physical locations and digital and tech infrastructure, all of which act as primary drivers of value creation. These physical and digital touchpoints provide convenient accessibility to customers and reliability to policyholders across the island, and enable employees to work through a network of decentralised locations.

RELATED MATERIALITY CODES:
CGI3

Key Highlights

- Slight increase in PPE – Rs. 4.6 Bn from Rs. 4.3 Bn
- Rs. 196 Mn in PPE additions in 2025
- 3 new VIP Counters were added, raising the total to 313

Property, Plant and Equipment (PPE)

PPE increased to Rs. 4.6 bn during the year under review from Rs. 4.3 Bn recorded in 2024. This is a 7% increase due to revaluation of land and buildings.

By the end of the financial year under review, freehold land value stood at Rs. 1.3 Bn, while building carrying amount stood at Rs. 1.7 Bn. Moreover, motor vehicles amounted to Rs. 1.3 Bn, contributing to the total PPE standing.

Asset Category	2025 (Rs. Bn)	2024 (Rs. Bn)	Description
Freehold Land	1.3	1.1	Strategically located plots across the island ensuring permanent presence.
Buildings	1.7	1.5	Modern office spaces are designed for customer comfort and operational efficiency. Spaces that enable storage and other operational purposes.
Motor Vehicles	1.3	1.3	An agile fleet enabling rapid response for "On The Spot" claim settlements, and supports operational activities.
Equipment	0.3	0.4	Various groups of equipment that support operations, including office functions, such as technological processes and data storage, provide comfortable office amenities, etc.
Total PPE (2025)	4.6	4.3	Vital to operations and long-term financial growth.



Enhanced digital and IT infrastructure and innovative insurance solutions and services.



By providing affordable insurance products, we extend financial protection to underserved communities.



Our insurance offerings safeguard homes, businesses, and public assets, contributing to resilient, safe, and sustainable communities.



Responsible resource use, minimizing environmental impact while delivering value.



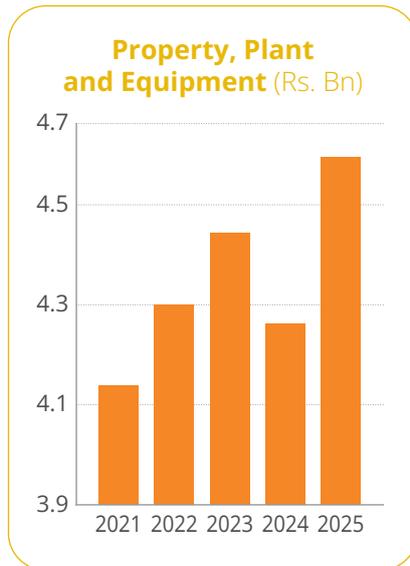
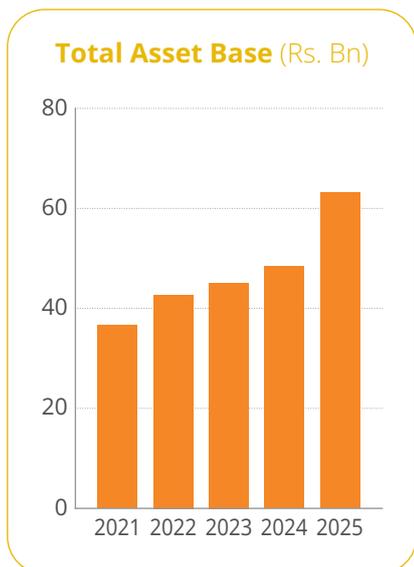
We collaborate with local communities, regulatory authorities and partners to build strong networks that drive mutually-rewarding value creation.



Overview of Value Creation for Manufactured Capital



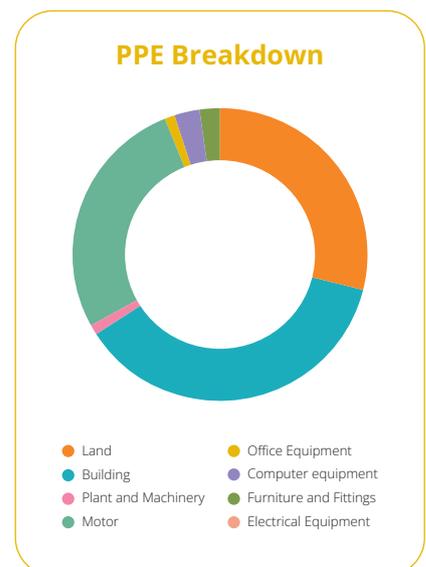
Total Assets, as reported in the financial capital report, totalled Rs. 63 Bn, up from Rs. 48 Bn in the previous financial year. This included Rs. 4.6 Bn in PPE, which has a direct impact on manufactured capital.



Out of the PPE value, Rs. 1.3 Bn belongs to the value of Land held by the Company, this is followed by Rs. 1.7 Bn in buildings owned by the Company. Moreover, Rs. 1.3 Bn is valued as Motor vehicles, with the rest distributed amongst various types of equipment.

New additions

During the FY 2025, the Company purchased Rs. 70 Mn in motor vehicles, apart from Rs. 40 Mn in equipment, Rs. 70 Mn in computer hardware and another Rs. 16 Mn in office furniture.

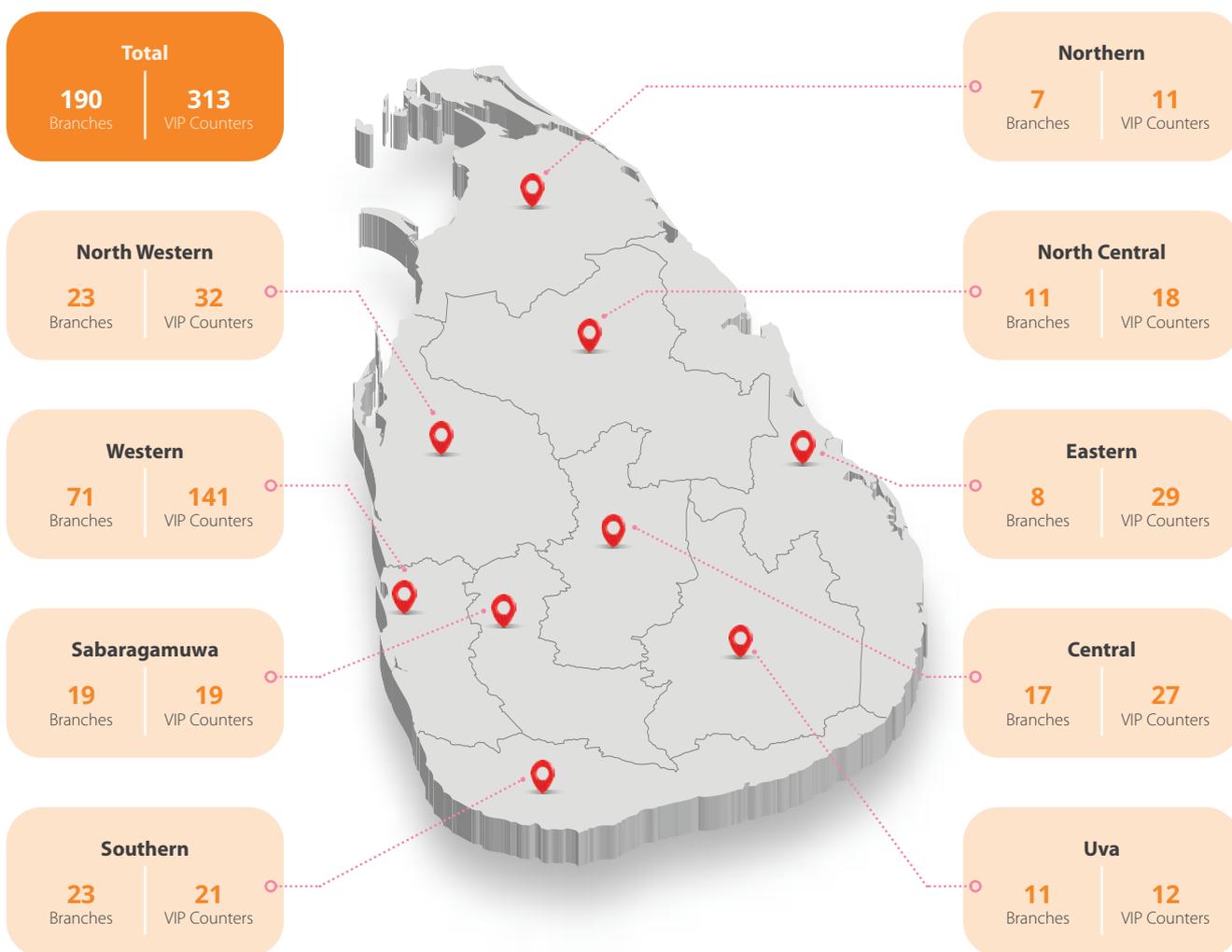


MANUFACTURED CAPITAL

Physical Presence

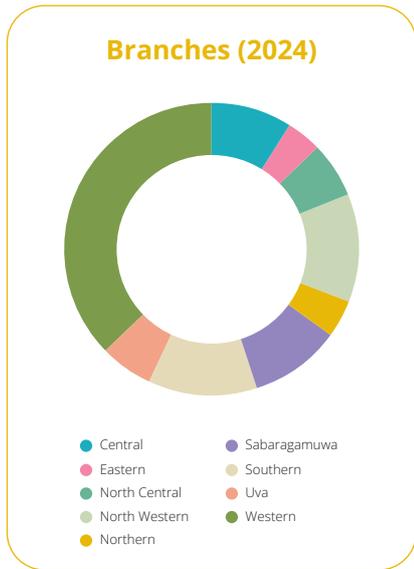
Our network of physical touchpoints is at the frontline of customer engagement and value creation. With over 550 locations, islandwide, we have created the country's largest general insurance-based branch network, serving thousands of customers through 2,912 staff members.

Our branches have reached the rural peripheries and urban hotspots, with decentralised operations that empower regional offices to take swift decisions and actions. This has reduced turnaround times in policy generation, issuance, and claim processing, enabling the Company to maintain its promise of Swift claim settlements.



Touchpoints	2025	2024
Number of branches	190	190
Number of VIP Counters	313	310
Mobile propaganda vans	13	13
Ceylinco VIP spots	5	5
Other Touchpoints		
Post offices for 3rd party insurance	4,256	4,256

The Company operates a total of 190 branches with several additions during the year. Moreover, VIP Counters and VIP Spots continue to be crucial to our customer-first approach and value beyond traditional insurance services.



Ceylinco VIP SPOTS



Upkeep and Upgrades

Our branches, VIP counters and Ceylinco VIP Spots undergo regular upkeep. Branches to ensure a premium environment for a positive and pleasing customer service, and through proper upkeep, renovations and upgrades, our branch employees experience the benefits of a well-equipped and modern work environment. All of our branches, with the exception of those located at Nawam Mawatha, Gampaha, Kurunegala, Kandy and the Head Office, have been acquired on a rent/lease basis.

Company maintenance teams and branch staff maintain a schedule of audits and regular improvements, prioritising a clean, safe and modern atmosphere to ensure that every branch experience is heightened and is met with professional care.

Providing comfort on the go and a value addition to all our policyholders, Ceylinco VIP Spots were well-maintained. These points are located along major travel routes and provide a comfortable environment for customers to rejuvenate during long journeys.



MANUFACTURED CAPITAL

Our Presence

Apart from our branches, VIP counters operate as critical touchpoints. During the year, we continued to prioritise accessibility by adding new locations and ensuring proper improvement across existing locations.

Strategically, we further expanded our third-party service integration by adding several new post offices to the network, which provides customers with the convenience of policy payments. It allows our policyholders to also renew policies and connect services to remote areas.

Digital Accessibility

Over recent years, we have transitioned from traditional insurance services to a leader in digital accessibility within the insurance industry. In 2025, our digital presence will have become an extension of the VIP on the Spot promise, blending automation with brand value – providing utmost convenience to prospective and existing policyholders.

The VIP Hub

<https://viphub.lk/> has now become the centre of our digital services and has achieved 57% growth in new policy purchases during the year under review.

Benefits of the platform include:

- Direct to consumer approach – The portal enables customers to purchase travel, motor and health insurance policies in a matter of minutes with no human intervention.
- Instant Issuance – Instant cover notes and digitised policy documents can be obtained when purchasing policies – enabling speed that matches the demands of modern life. Moreover, quick price estimations can be obtained through the portal.

Mobile Accessibility

The Ceylinco VIP app serves as a mobile service centre for policyholders, with the following key features enabling swift functionality.

- Accident Reporting: Policyholders can immediately report accidents, which enables rapid responses from our team.
- Self-Service Portfolio: Policyholders can conveniently track claim records, manage payment schedules, and access policy details, enhanced and secured with biometric security.
- Utility Integration: The app includes location services to help motorists locate the nearest Ceylinco VIP Spot, police station, or hospital during emergencies.

Technological Infrastructure

In previous years, the Company made significant investments to align tech infrastructure with agility and modern tools that enable seamless integration between our physical presence and services. Our approaches have future-proofed operations and have allowed rapid deployment of disruptive technologies to strengthen our competitive edge. In 2024, the transition from Oracle 12c to Oracle 19c was completed, which aligned the core architecture with the latest international standards.

Digital Billboards

Operating the largest outdoor digital network in the country, we utilise a set of 65 LED screens to display and advertise product information, promotional campaigns and key events. These have been placed strategically at prime locations for optimal visibility, covering all major towns on the island captivating a larger audience compared to traditional outdoor advertising.



Mobile Propaganda Vans

Ceylinco General Insurance operates 13 Mobile Propaganda vans to reach areas that we do not have a physical presence, reaching every nook and corner in the country.



Automation

Our move from legacy Oracle systems to modern APEX-driven architecture has enabled us to rapidly adopt automation and analytical solutions that provide agility and massive capabilities.

- ✦ Robotic Process Automation (RPA): Our IT team has integrated RPA when handling third-party underwriting and digital brokering channels, which eliminates manual data entries and related errors, while significantly reducing turnaround times during policy issuance.

Future Strategy

The Company is gearing towards additional branches in locations with enhanced digital services underway. These will enhance service delivery and product distribution, enabling further customer convenience and accelerated revenue growth. However, planned branch expansions may not be completed in the coming year.

INTELLECTUAL CAPITAL

Our success is not only about the number of policies or a higher bottom line, but it is also about the intangible assets that provide us with a competitive edge to drive long-term sustainability and value creation.

For Ceylinco General Insurance, intellectual capital is a strategic tool that provides a unique advantage over industry peers. As demonstrated in the past, our intellectual assets have been our strongest competitive edge, beginning with our flagship, industry-first claim settlement brand – Ceylinco VIP on the Spot. It has become an intangible engine, an exemplary tool that shows our potential for growth and ability to create groundbreaking innovations.

RELATED MATERIALITY CODES:
CGI4, CGI5

Organisational Knowledge

The explicit knowledge of the firm is also the documented and digitised data and information, which enables the staff to follow standards in service, process effectiveness and internal controls.

For staff: This includes underwriting manuals, standard operating procedures, and policy guidelines, enabling new staff members to acclimatise to the internal operating environment easily, at the same level as senior professionals – across branches and in the head office.

Customers: organisational knowledge also translates into tools that provide assistance and convenience to customers. These include transparent policy documents, website, digital claim tracking and mobile apps established by the Company for convenience and accessibility.

The pre-defined and explicit nature of records, policies and procedures provides the Company to scale operations, whereby operations can be replicated across the branch network, enabling new branches to operate with autonomy, supporting the Company's decentralised approach.

As a player in a high customer-centric industry, the nuanced understandings and insights of our employees are often the bedrock of customer loyalty. A personal asset that is tied with the explicit knowledge of each employee, explicit knowledge is forged through years of hands-on experiences and insights gathered through every relationship and every stakeholder interaction. Lived rather than written or codified, these experiences are difficult to transfer. Therefore, a change due to a resignation, termination or retirement of an employee could impact the company's granular competitive advantage with one or more consumers.



In enhancing organisational knowledge, we provide employees with access to latest knowledge and upskilling.



Through industry-first solutions, we continue to redefine the insurance sector.



Through fire and engineering insurance, we enable individuals, communities and cities, to safeguard infrastructure and property.

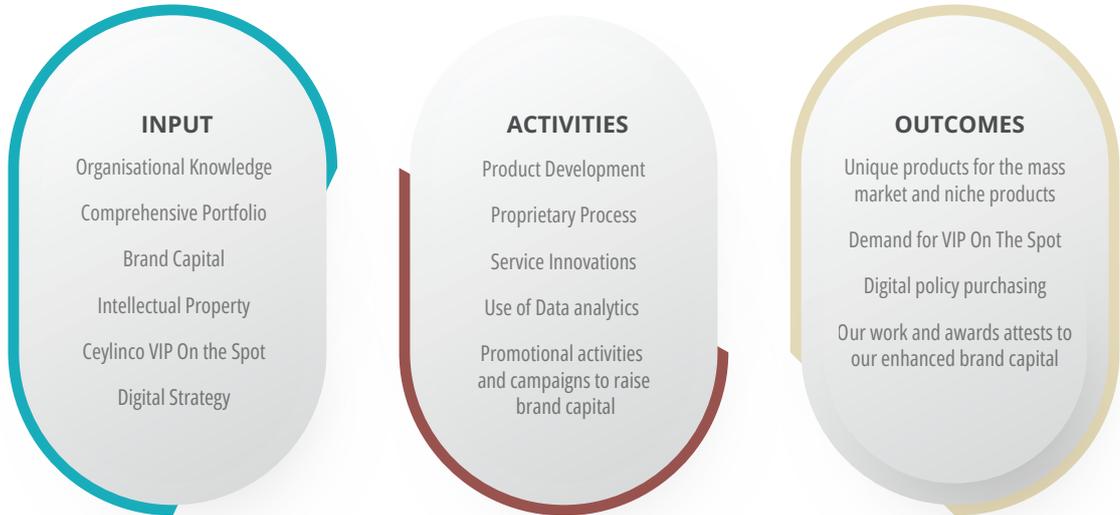


Through digital solutions, we have adopted responsible services and operations.



We work with service providers to develop services that also enables us to share mutual benefits.

Overview of Value Creation for Intellectual Capital



However, by converting tacit knowledge into explicit systems, the Company ensures that the company-policyholder relationship receives only minimal disruptions, should Sales personnel or a customer service person leave the organisation.

Product Development

We deploy employee insights, market trends and market research to maintain a competitive advantage. By understanding insights and gaps within the market, we continuously make an effort to develop products that are unique and novel within the tough insurance industry. Our vast network of branches and agents has become crucial in this regard as they provide insights unique to various demographics and communities of the country.

Comprehensive Portfolio

 <p>CEYLINCO VIP ON THE SPOT</p> <p>Ceylinco VIP On The Spot is the most comprehensive vehicle insurance policy available in Sri Lanka with a host exclusive benefits and value additions.</p>	 <p>Ceylinco VIP Double Cab Insurance</p> <p>Ceylinco VIP Double Cab Insurance offers enhanced benefits to double cab users, the insured and passengers.</p>	 <p>Ceylinco VIP Van Insurance</p> <p>Ceylinco VIP Van Insurance is a cover that offers a host of additional benefits to van users that cover passengers and provide security against legal obligations.</p>
 <p>Buddy Lorry</p> <p>Ceylinco VIP Buddy Lorry Cover is a product specially designed for small lorry owners with unique benefits.</p>	 <p>CEYLINCO VIP THREE WHEEL COVER</p> <p>Ceylinco VIP Three Wheel Cover is the only product with the widest coverage.</p>	 <p>CEYLINCO VIP MOTOR BIKE COVER</p> <p>Offers a host of benefits for Motorcycles Riders.</p>

INTELLECTUAL CAPITAL



CEYLINCO VIP 3RD PARTY COVER

Ceylinco VIP 3rd Party Motor Cycle Cover is the only 3rd Party insurance that offers benefits to the insured.



CEYLINCO CHP PLUS

The Ceylinco Children's Health Policy provides enhanced benefits to school-going children.



CEYLINCO SUWA SAMPATHA

The most popular Surgical and Hospitalization Insurance Scheme in Sri Lanka for corporates and individuals



CEYLINCO FAMILY GUARDIAN

Ceylinco Family Guardian Insurance is a unique plan which provides a comprehensive cover.



CEYLINCO HOME OWNER'S DISASTER RELIEF INSURANCE

The New Householders Policy protects the house and its contents with a total security plan



CEYLINCO TRADERS' DISASTER RELIEF INSURANCE

This packaged product provides a complete protection plan for businesses.



CEYLINCO ONE DAY COVER

This unique product covers an individual against road or home accidents.



CEYLINCO LIPS INSURANCE

This product was specially designed for women.



CEYLINCO DOO DARUWO RAKSHANAYA

Ceylinco Doo Daruwo Rakshanaya is for the entire family and provides cover for children to continue their education in case the breadwinner expires.



CEYLINCO LEASING COVER

The Ceylinco Leasing Cover relieves the Lessee from paying the monthly lease (up to a maximum of two instalments) when the vehicle is in a garage due to an accident.



CEYLINCO TRAVEL CLASSIC INSURANCE

This policy offers a great assurance to travellers and pays up to a maximum of US\$ 1,000,000.



CEYLINCO SUWA SAMPATHA INTERNATIONAL

Suwa Sampatha International is designed for the discerning to provide them with optimum medical facilities in case of a serious illness.



CEYLINCO GOVI PAWURA / CEYLINCO GURU PAWURA / CEYLINCO LIYA PAWURA

"Ceylinco Pawura" is a product specially designed to protect Farmers, Teachers and Housewives.



CEYLINCO DHEEWARA UDANA

This complete protection plan for fishermen and their families covers them for over Rs.580,000/- per annum.



CEYLINCO NUWANA

In an unfortunate event such as the demise or disablement of parents, "Ceylinco Nuwana" takes care of the child's education.



CEYLINCO HOME & YOU

This affordable product includes covers such as Fire and related perils, cover against natural disasters for the house and its contents.



CEYLINCO TWENTY FOUR SEVEN

This is the ideal product to protect the employees: the most valuable asset of an organization.



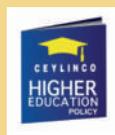
CEYLINCO WARRANTY INSURANCE

Warranty Insurance is a comprehensive cover which offers compensation for manufacturing defects.



Ceylinco Suwa Derana

Ceylinco Suwa Derana is designed as a mass-market health and accident cover offering hospitalisation coverage, accidental death and permanent disablement benefits for individuals at an easily affordable premium.



CEYLINCO HIGHER EDUCATION POLICY

A comprehensive cover for students wanting to pursue higher education.



CEYLINCO SERIOUS ILLNESS COVER

A cover of up to Rs.500,000 per annum that will reimburse medical costs incurred in the treatment of diagnosed serious illnesses.



CEYLINCO ONE AND ONLY

Every time a customer purchases goods from any outlet of partner supermarket chains, the customer is entitled to an insurance cover.



CEYLINCO "A+" INTERNATIONAL STUDENTS' INSURANCE

Another unique policy, which provides cover for Sri Lankan students who have gone overseas for studies.



CEYLINCO CROP AND LIVESTOCK INSURANCE

The only insurance policy available to the farming community where they can cover their crops, livestock and farming equipment.



Ceylinco Suwa Divi

Ceylinco Suwa Divi is a medical cover offering daily hospitalisation cash and coverage for twenty serious illnesses for families and individuals under two standard schemes.



CEYLINCO GEDARA

Yet another unique benefit for all Sri Lankan Home Owners for an affordable premium.



CEYLINCO SUPPORT LINE

Ceylinco Support Line offers a total protection plan to small and medium enterprises.



CEYLINCO NO WORRIES

This is yet another unique insurance solution offered to Corporates to safeguard their valuable employees against loss of income.



Ceylinco Ananthaya

'Ananthaya' is a unique product that addresses a compelling need for affordable health insurance coverage for serious illnesses and accidents at a minimal premium. It's offered as a value addition to customers of corporate entities such as banks, telcos etc...



CEYLINCO LOAN SHIELD

A product designed for finance companies and banks to safeguard their customers against unforeseen events that may impact their ability to repay loans. These events include loss of income due to retrenchment, organizational closure for economic reasons, or natural disasters. Likewise, sudden serious illnesses or permanent disabilities resulting from accidents that can also affect a borrower's financial stability.

INTELLECTUAL CAPITAL

New Products promoted in 2025

Loan Shield is a specialised product introduced for the customers of Banks and Financial Service Institutions (BFSIs) in the country. It serves the purpose of safeguarding customers against unforeseen events, such as loss of income due to retrenching, business closures and due to natural disasters. Moreover, the product also insures policyholders against the inability of repaying loans due to serious illnesses and permanent disabilities from accidents.

Brand Capital and Intellectual Property

'Ceylinco General Insurance' and 'Ceylinco VIP On The Spot' brand names have gained the praise and loyalty of millions of Sri Lankans. Two household names, the brands have top of the mind recall and an emotional connection, as it's built on the promise of relief during crisis situations. Ceylinco General Insurance, as a brand and a company, became the financial bedrock of hundreds of customers during the Ditwah cyclone and floods of 2025, as we estimated Rs. 16.1 Bn in claims for fulfilling 100% of claims received.

Moreover, the Ceylinco VIP and On the Spot names and logos are legally protected trademarks, preventing competitors from exploiting similar phrasing that might confuse policy buyers.

Proprietary Process

Our 'On the Spot' claim settlement method is a unique business process, with a specific workflow and process, which is based on mobile integration for assessors/adjusters and a no-documentation approach.

Ceylinco VIP On the Spot

Our flagship brand, VIP On the Spot brand, is not only a product, but can be considered as a process and tool that has generated immense value to customers, especially when protection and assistance are needed the most. Up-to-date, the brand serves over 1.9 Mn customers across the motor insurance business segment, apart from VIP rest spots and roadside assistance, which has elevated the reputation and demand for the brand and our motor insurance products from various vehicle owners.

Known as the most comprehensive vehicle insurance policy in Sri Lanka, the product offers several benefits and assurances. All genuine claims are settled on the spot in cash, anywhere and anytime within the island. Other additional benefits, such as a serious illness cover of Rs. One Million to a similar replacement vehicle for two weeks in the event accident repairs exceed 4 days, a 10-year warranty for the vehicle against manufacturers' defects and Rs. 10 Mn accidental health insurance cover, etc. Moreover, the product also provides insurance while travelling overseas, including hospitalisations due to medical emergencies and accidents and a personal accident cover in case of permanent disability or death.

VIP Products Family



Awards

People’s General Insurance Brand of the Year’



The achievement of being recognised as the People’s General Insurance Brand of the Year for 19 successive years is a reflection of our intellectual capital in action. Awarded at the SLIM-Kantar People’s Awards, the recognition is based on an extensive island wide survey, which is data-driven and is based on the sentiments of the country’s public.

Another reflection of the power of our knowledge that is steeped into innovation and service is the recognition received as one of the top Outstanding Corporations by LMD. We are the only general insurer to fall within the list of 25 corporates, and this is due to the excellence in providing a swift service.

Sri Lanka’s Most Loved General Insurer

Ceylinco General Insurance was once again chosen as Sri Lanka’s most loved General Insurance Brand as announced in the 2025 edition of the LMD’s Brands Annual. The selection was based on extensive nationwide research conducted by PepperCube Consultants to unveil the most loved and emotionally connected brands among Sri Lankans, using meticulous research methodologies and data analysis technologies. LMD, in its latest Brands Annual, reaffirms the findings stating emotional connections that brands forge with consumers are a critical aspect of their importance. Successful brands cater to desires and aspirations, creating a sense of belonging and shared values, thereby fostering trust and credibility.

No 1 in Service Excellence

We were also chosen as the most popular insurer in terms of service excellence in the general insurance industry.



Service Innovations

In recent years, we have introduced several digitally-driven service innovations, bringing convenience to millions of policyholders. Moreover, through recent innovations, such as doorstep delivery, we have continued to redefine the service standards within the general insurance sector.

Initiated in 2024, the service ensures that physical policy documentation is delivered to the home or place of work within 24 hours, at no additional cost. Doorstep delivery has created a low turnaround time for policy generation and delivery, and is another extension of what we are known for – speed of service and utmost convenience.

In 2023, VIPHub.lk was launched as the digital brain that continues to provide customers with 24/7 access to policy purchases through an easy-to-navigate digital portal. The portal provides access to third-party motor insurance and health insurance, and several other products.

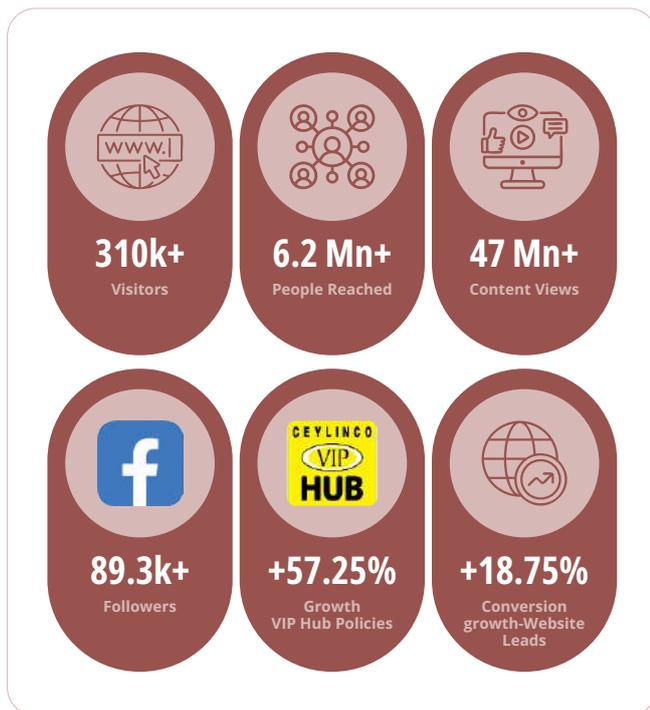
INTELLECTUAL CAPITAL

The Digital Footprint

Ceylinco General Insurance Limited continued to advance its digital strategy in 2025 by strengthening its digital ecosystem to enhance brand visibility, expand online insurance accessibility, and deliver seamless customer experiences across multiple platforms.

Our digital footprint continued to grow during the year, as our corporate website attracted over 310,000 visitors, reflecting increased customer engagement with our online insurance services and information accessibility. The official Facebook page reached over 89,300 followers, becoming the largest follower base among general insurance companies in Sri Lanka, while digital campaigns across social media platforms achieved over 5.7 million people reached during the year.

The Company's digital initiatives are anchored on enabling customers to access insurance services conveniently through technology-driven platforms. Digital channels such as VIP Hub and the FGXA platform continued to support fully integrated online policy purchases, allowing customers to obtain coverage efficiently through secure digital processes.



New Digital Offerings

In 2025, we expanded our digital offerings by providing the possibility of obtaining the Comprehensive Motor Policy through the online FGXA-developed platform, which has enhanced the reputation of our digital motor insurance portfolio. In addition, we also introduced the purchase of instant Third-Party Motor Policies through WhatsApp – enabling our existing and prospective policyholders with faster services through the convenience of their own mobile devices.

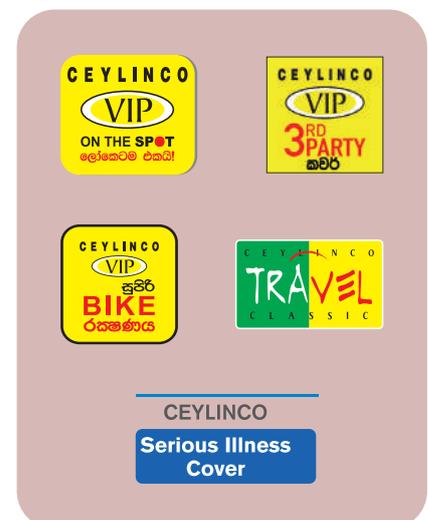
Customer acquisition through our digital platforms saw a marked increase over the year under review.

- ✦ **Online policy purchases via VIP Hub recorded a growth of 57.25%**
- ✦ **Website lead conversions increased by 18.75% compared to 2024**
- ✦ **Meta and Google platforms continued to be the primary digital lead generation channels.**

To further enhance the digital customer journey, we undertook a revamp of its corporate website, introducing an integrated policy payment portal with strengthened security features and expanded payment options. Customers can now purchase several insurance products without human intervention with absolute convenience.

Products available online

Travel insurance, third-party motor policies, comprehensive motor policies, and fixed premium policies.



Data Analytics

We continued to deploy the latest analytical tools to monitor digital performance and customer engagement; such tools include Google Analytics 4, Meta tracking tools and strategies such as conversion tracking, and campaign performance dashboards. Together, these have created a pool of digital resources to optimise the effectiveness of our digital marketing strategies and pursue effective customer acquisitions and conversions.

Data Privacy

In line with evolving regulatory requirements, we have adopted the new national data privacy framework. This is bolstered by strengthening our digital payment infrastructure through partnerships with globally recognised payment networks, including Mastercard, Visa, American Express and other payment providers, which deploy secure and reliable online transactions.

Technological Adoptions

During 2025, we continued to advance the company's strategic objectives through system innovation, digital integration, and the continuous enhancement of existing technology platforms.

Several new internal systems were developed during the year, while numerous existing applications were upgraded to align with evolving business requirements and operational strategies set by management. These improvements strengthened operational efficiency and further supported the company's ongoing digital transformation initiatives.

We also completed multiple API integrations with InsurTech platforms, brokering companies, and regulatory bodies, enabling secure and efficient data exchange. These integrations enhanced digital connectivity with

external stakeholders while ensuring seamless information sharing and regulatory compliance.

To improve collaboration between business units and the IT Department, an internal Issue Tracking System was developed and implemented. This platform allows branch users to report system bugs, operational issues, and enhancement requests directly to the implementation team, with structured escalation mechanisms to ensure faster resolution.

In addition, a centralised Assessor Management System was introduced to streamline the calculation of overtime and related payments for assessors. The system enables the direct submission of payment information to the Accounts Department, improving accuracy, transparency, and efficiency in the payment processing workflow.

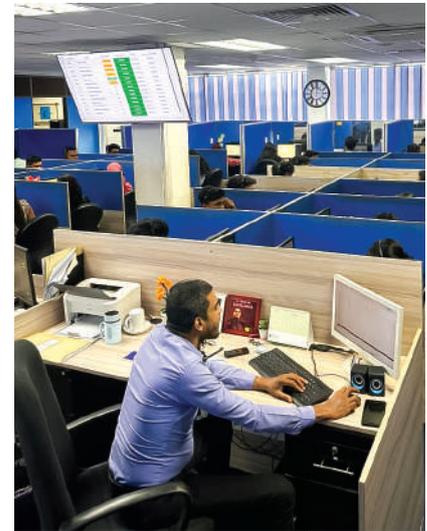
Recognising the importance of continuous skill development, several IT-related training programs were conducted throughout the year. Advanced technology sessions were provided for senior IT staff, while development-focused programs were organized for engineering-level team members to strengthen technical expertise and support future system development initiatives.

The Company remains committed to continuously enhancing technology capabilities, strengthening digital connectivity, and supporting business operations through innovative and reliable IT solutions.

The Future Strategy

Ceylinco General Insurance Limited will continue to strengthen its digital capabilities by expanding online policy purchase options, enhancing digital customer journeys, and integrating more advanced digital payment solutions to support convenient, secure, and technology-enabled insurance services.

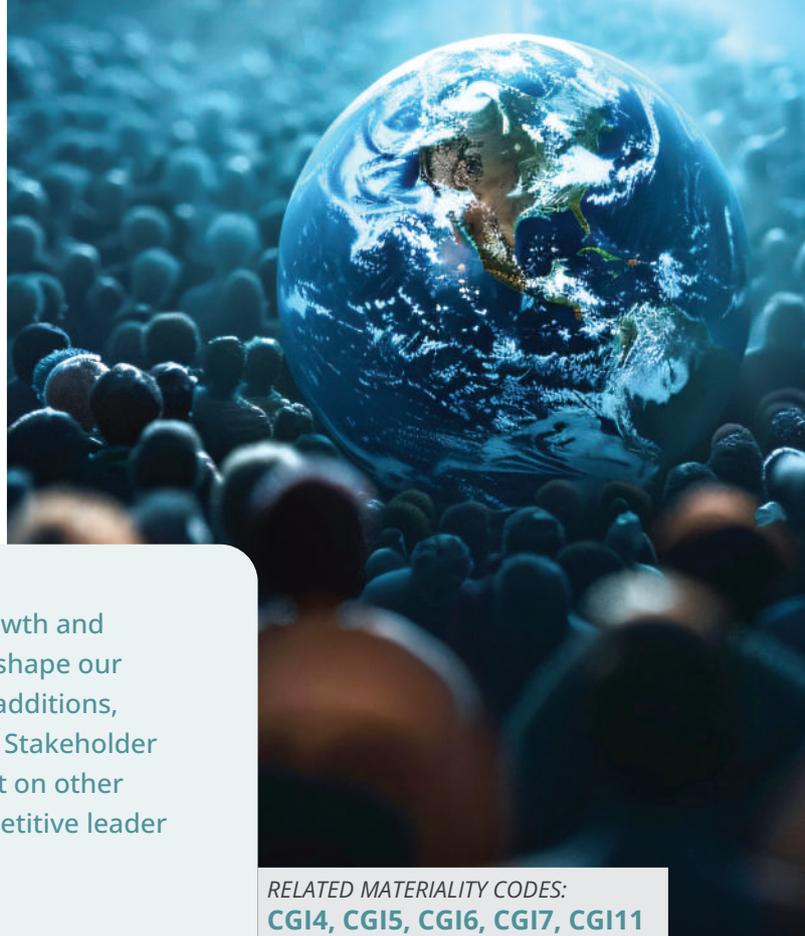
24/7 Call Centre (Operations Hub)



Moreover, the CGIL Call Centre operates throughout the day, throughout the year, providing multilingual over-the-phone support on policy-related matters, including claim intimations, payment updates, policy information, product benefits, and related services.

Staffed by 70 Customer Support Agents, the Call Centre is equipped to underwrite policies such as comprehensive motor, travel insurance, and third-party motor insurance on a 24 × 7 basis. It also has a dedicated telemarketing team, as well as a research team that conducts regular surveys to assess service levels and customer satisfaction.

SOCIAL AND RELATIONSHIP CAPITAL



Stakeholders are the primary engine of our growth and market leadership. Their expectations directly shape our approaches to economic value creation, value additions, product diversification, and service standards. Stakeholder insights and inputs also carry a multiplier effect on other capitals, enriching our ability to remain a competitive leader and innovator in insurance.

RELATED MATERIALITY CODES:
CGI4, CGI5, CGI6, CGI7, CGI11

Customers

CGI has a substantial base of policyholders, making us the leader in non-life insurance in Sri Lanka. At the centre of our strategies and operations, we are dedicated to fulfilling the insurance needs of over 3.4 Mn customers, which continues to grow day by day. With the recent removal of import controls on automobiles, we have capitalised on the opportunity, reaching more untapped market segments, including younger demographics and those with the need for unique solutions to match their needs and financial capacities.

A Powerful Testimony of Protection

In the aftermath of the floods that followed the Dithwah Cyclone on the 27th of November 2025, our customers turned to us with estimated claims exceeding Rs. 16.1 Bn — many of them having lost almost everything.

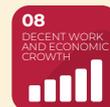
At a moment when thousands were facing uncertainty and devastation, we knew our response had to be immediate and unwavering. We paid them within the shortest possible time, ensuring that families and businesses had the support they desperately needed. Our focus was not just on settling claims, but on restoring hope, stability, and dignity to those who trusted us.

At one of the most critical moments for our nation, we stood firmly by our people. We acted swiftly, compassionately, and responsibly — because rebuilding lives is more than a duty to us; it is a promise.

This is who we are. This is what defines us. When disaster strikes, we do not hesitate — we deliver. Our strength lies not only in our financial resilience, but in our unwavering commitment to the people we serve. And as we move forward, we remain steadfast in our mission to protect, support, and rebuild — today, tomorrow, and always.



Expanding awareness and improving access to health insurance for all, physically and digitally – encouraging proactive testing and diagnosis to mitigate health risks.



Driving inclusive solutions that foster sustainable economic growth. E.g. Affordable comprehensive third party motor insurance.



Investing in digital platforms to ensure wider accessibility of services.

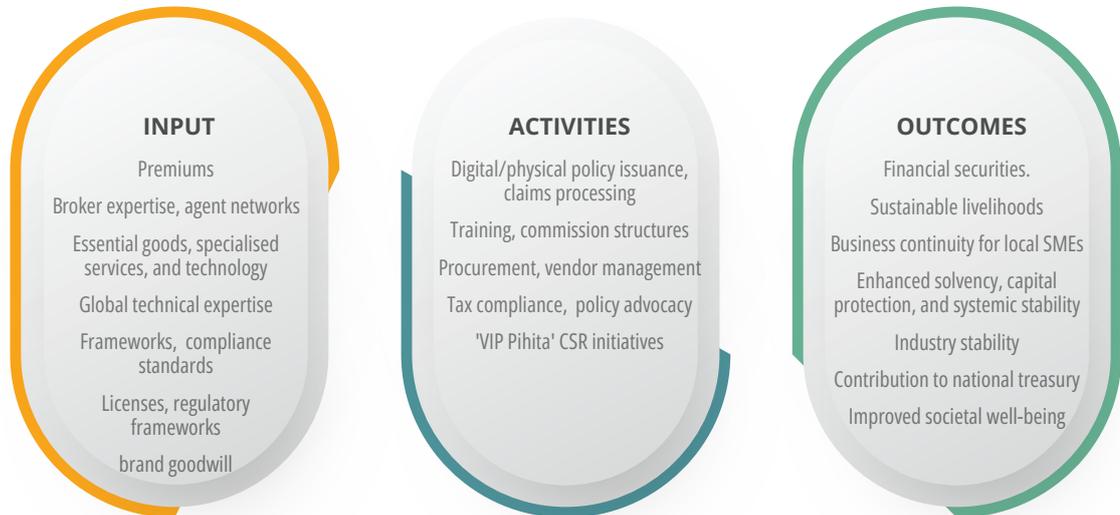


Building a strong, resilient organization that delivers lasting value to ALL stakeholders.



Strengthening collaborations with local communities to provide meaningful support.

Overview of Value Creation for Social and Relationship Capital



Insuring Risks through Enhanced Value

The Company is best-known and highly regarded for having one of the most extensive branch networks in Sri Lanka, which has a deep presence in rural areas with sparse competitive presence. While most insurance companies concentrate heavily on the Western Province and major suburban cities, we have leveraged our reputation for 'On-the-Spot' claim settlement to maintain offices in remote areas, including agricultural and trading hubs.

Key Touchpoints

Providing utmost convenience and the freedom to obtain services from any part of the island, we have established the following presence for our policyholders to fulfil their needs across the policy life cycle.

Category	Description	Number
Service Locations	Locations spread across the country, reaching all regions	550
Branches	Largest self-operated branch network in Sri Lanka	190
VIP Counters	Serving over 2 million Ceylinco VIP customers	313
Call Centre	One of the largest insurance call centres on the island	70 Customer care agents
Mobile Vans	Vans promoting Ceylinco insurance in various locations	13
Sales Force	Largest insurance industry sales force in the country	1,109
Ceylinco VIP Rest Spots	Locations for VIP customers to freshen-up during journeys	5

The above is complemented through a digital presence that has enhanced recognition and recall among millions of Sri Lankans. The following digital channels also enable our countless customers to obtain services instantly and from the comfort of their preferred space.

SOCIAL AND RELATIONSHIP CAPITAL

Digital Interaction Point	Description	Details
LED Screens	Displays promotions, company activities, and telecasts international events (e.g., Cricket World Cup)	Popular in outstations, showcasing CSR projects and cricket tournaments
Ceylinco VIP Mobile App	Allows customers to track coverage, view claim history, report accidents, make payments, and find branches	Updated with software improvements during the year
Website	Corporate website providing general insurance information, corporate news, and a branch locator	Enables online payments for customer convenience
Digital Payment Channels	Various platforms for customer payment convenience	Payable, eZCash, mCash
Ceylinco VIP Hub (viphub.lk)	Revived payment gateway offering online payment services	Provides easy access to payments

Rural Areas with a Strong Presence

Our customers spread from the urban cities to the rural peripheries, where we serve locations which are underserved by competitors or served through brokers. This is where our robust distribution network enables unmatched penetration through our 190 branches and 313 VIP counters.

Region	Rural/Underserved Towns with Ceylinco Branches
North Central	Galenbindunuwewa, Galnewa, Kekirawa (Deep agricultural heartlands where most competitors stay in Anuradhapura city).
Central	Galaha, Gampola, Galewela (Often overlooked in favour of Kandy or Matale hubs).
Sabaragamuwa	Kiriella, Kalawana, Godakawela (Remote areas often ignored due to difficult terrain).
North Western	Galgamuwa, Giriulla (Strategic agricultural junctions far from the Kurunegala main hub).

Region	Rural/Underserved Towns with Ceylinco Branches
Southern	Kamburupitiya, Karapitiya (Deep inland towns where local presence is preferred over regional offices in Matara).
Eastern	Kanthale, Kattankudy (Zones where specialised products such as <i>Dheewara Udana</i> for fishermen are relevant).

Uniquely Diverse Product Portfolio

Our highly diversified portfolio provides products to match the risk exposures and insurance needs of various cross sections of society. Our portfolio is a combination of individual and commercial solutions, with unique policies for the SME sector, including agricultural products, fisheries and livestock – serving the country's economic backbone to safeguard their business and personal interests.

Our dominance in rural areas can be attributed to the following unique products.

- Specialised Agricultural Products: Products such as Ceylinco GoviPawura (specifically for farmers) and Crop and Livestock Insurance are a stride away from the urban-focused policies of competitors. These products have become popular due to their availability in the farming belts of the North Central and North Western provinces through our branch network.
- Specialised fisheries product: Ceylinco Dheewara Udana has been established in the coastal areas of Sri Lanka, such as Kalpitiya/Norochcholai.

Our islandwide market leadership continues to be robust due to our most innovative and widely recognised product brand - Ceylinco VIP On The Spot.

- The "Spot Claim" Infrastructure

Built on our brand promise of paying claims immediately, anytime, anywhere, requires a web of branches to enable our assessors and engineers to reach even rural areas, swiftly.

Uniquely VIP Services to Customers

Ceylinco VIP provides specific product benefits, considered as competitive innovations, providing unmatched benefits to policyholders, unlike any other competing product.

- ✦ VIP Rest Spots: Physical infrastructure that acts as rest spots for policyholders during long journeys.
- ✦ Plastic Surgery Cover: A unique rider designed specifically for women drivers.
- ✦ 10-Year Warranty: A manufacturing defect cover, which is an industry first.
- ✦ Additional benefits include emergency roadside assistance, replacement vehicle for 14 days, cover extension free for 15 days if policy cannot be renewed on time and an accidental health cover with up to Rs. 4 Mn for local and international hospitalisations.

- ✦ Doorstep delivery: 24-hour doorstep delivery policy at no additional charge. By dialling 1332, policyholders can request deliveries for new policies or renewals. Payments can be made through cash or through the agent mobile app.
- ✦ Virtual assessor app: Policyholders can share digital images of vehicle damage after an accident, enabling hassle-free claims intimations. The feature enables remote assessments, which significantly reduce turnaround and processing times in submitting claims

Service Standards and Innovations

In 2025, we intensified value additions through improved service standards by rigorously monitoring and closing gaps. Moreover, our 24/7 call centre operations continued to improve their effectiveness while focusing on addressing remaining gaps in the future through targeted training programs and on-the-job exposure to service levels.

Metric	Standard achieved
Average Response Time	2 Rings
Abandoned Call Rate	Zero

Key Services

Apart from digital policy issuances, quotations and policy renewals through our digital portal to all our customers, we have expedited the following unique services.

Service standards

Standards	Standard achieved
Time taken for underwriting decisions	24 hours unless otherwise reinsurers are involved.
Time to formulate policies and reach customers	3 working days
Average time to resolve queries (web/ over the phone)	Within 24 hrs on most cases, unless otherwise more information/ investigation is required

Unique Programs

Entertaining Customers through Visual Performances

Creating memorable experiences beyond insurance, Ceylinco General Insurance treated its valued customers and their families to an evening of quality entertainment through a series of fully sponsored stage dramas held in key cities including Colombo, Kandy, Galle, and surrounding areas.

Each performance drew a full house, reflecting the overwhelming response and enthusiasm of our customers. The events not only provided wholesome family entertainment but also strengthened our bond with the communities we serve.

Through initiatives such as these, Ceylinco General Insurance continues to go beyond traditional customer engagement; fostering lasting relationships built on appreciation, trust, and shared experiences.



SOCIAL AND RELATIONSHIP CAPITAL

25th-anniversary celebration for Ceylinco VIP

As part of our Silver Jubilee (25 years), Ceylinco VIP gave away 25,000 gifts across 25 locations in Sri Lanka, including gold coins which were the “grand prizes” of the giveaway. The initiative was designed as a high-valued gesture of gratitude toward our loyal customer base and the general public, symbolizing the prosperity and “golden” milestone we reached since the inception of our pioneering brand “On-the-Spot” claim settlements in 2000. Visitors were provided with a coupon from one of 25 designated branches to be eligible for the gifts.



Partnerships

Our partnerships are vital to our business growth and in maintaining a robust distribution network, which extends to the outskirts of each city and township. As a result of our business relationships with various agents and brokering companies, we have a powerful and dynamic market presence, with a competitive edge through shared resources.

Distribution Network Partnerships: Agents and Brokers

Another critical pillar of our operational reach and growth, our network of agents and brokers has become a central focus of our business model, enabling us to drive consistent growth and to expand our market presence within the country. These partnerships create mutual economic and business value, while enabling CGI to maintain a leading market position and to ensure continued brand recognition.

By leveraging our islandwide agent and broker network, we have gained access to market segments and niche cross sections which are beyond our direct scope.

- ✦ Fiscal Impact: In the current year, agents and brokers secured Rs. 2.9 Bn in premium income.

- ✦ Scope: Contributions spanned all major insurance portfolios, reinforcing our position as a diversified market leader.

Bancassurance Network

By leveraging the extensive presence of our eight banking partners, we have successfully secured business among customers and market cross sections, from high net worth individuals to SMEs in rural peripheries.

Moreover, due to these unique partnerships, unique products have also emerged to cater to the customers of our banking partners, and now, with the addition of new partners, CGI continues to explore other product diversifications and diverse customer segments to redefine the insurance landscape.

Strategic Global Alliances

Driving growth and transcending local borders, we have created high-impact partnerships with some of the globe's leading institutions. These alliances have taken CGI beyond the subcontinent and have enabled our services to reach the far corners, including the USA, Japan and the Gulf region. These cross-border alliances have enabled us to secure substantial financial value while enabling us to absorb international best practices for local insurance operations.

Key International Collaborations:

- ✦ United States: Strategic engagement with industry titans Berkshire Hathaway and AIG.
- ✦ Japan: A specialised partnership with Mitsui Sumitomo Insurance to address niche market requirements.
- ✦ Gulf Region: Targeted joint insurance solutions developed with regional leaders to support and protect migrant workers.

International Affiliations

Ceylinco General Insurance has reached the far corners of the world through several strategic partnerships in the UAE, Bahrain, Kuwait, Oman and Qatar. We also operate as an associate company in Nepal and as a subsidiary in the Maldives.

We are also a member of the following associations and regional reinsurance pools

- ◆ Federation of Afro Asian Insurers and Re-insurers (FAIR)
- ◆ Association of Insurers and Re-insurers of Developing Countries (AIRDC)
- ◆ FAIR Non-Life Reinsurance Pool

Suppliers and service providers

Suppliers of goods and services are the backbone of our operational network, powering branch operations through various resources and technological services and a plethora of other services. These range from telecommunications to engineering and waste management, while goods procured through vetted vendors include hardware equipment, office and furniture equipment and other materials to ensure a comfortable and fully-equipped environment for staff and customers. We engage with experienced and known suppliers and service providers, as well as small and medium-scale businesses, to secure goods and services related to food and beverages.

Our collaborations with various private and state commercial banks, auditors and legal consultants are based on high recognition and high rankings within their respective industries. Our partnerships with various financial institutions enable us to ensure that our investment portfolio aligns with our investment strategies, geared towards maximum returns and equity, to support operations and future growth objectives.

Reinsurance Companies

Security for our policyholders and for the Company is backed by some of the world's leading reinsurers. We collaborate with top-tier partners with high credit ratings and stable operational indicators, which ensures that the business and our stakeholders are protected against financial risks and sudden stress events.

This strategic layer of protection enables us to undertake high-value individual and institutional risks while maintaining financial stability and preserving capital buffers and funds to achieve future objectives. Reinsurance partnerships ensure that our complex needs are managed with confidence, irrespective of local and global events, and that unforeseen events do not compromise our reputation and long-term stability.

This became immensely evident through the insurance payments, which backed claims from the natural catastrophes which unfolded due to the cyclone Ditwah in late 2025. Due to the strategic reinsurance arrangements, the net impact of Ditwah was recorded Rs. 0.88 Bn as at the balance sheet date.

Hot Cup of Coffee for Nuwara Eliya Holidaymakers

Bringing warmth and cheer to the April holiday season, the Ceylinco VIP team delighted travellers journeying to Nuwara Eliya by serving a refreshing hot cup of coffee at two popular stopover points near St. Clair in Thalawakele and at the Labukele Tea Centre on 11th April.

The initiative created a vibrant and engaging atmosphere, as holidaymakers were also invited to participate in a range of exciting, fun-filled games. Hundreds of visitors, including families with children, joined in the festivities for a chance to win attractive prizes, adding an extra touch of joy to their scenic journey.

Through this thoughtful gesture, Ceylinco once again demonstrated its commitment to enhancing customer experiences and spreading goodwill beyond insurance.



SOCIAL AND RELATIONSHIP CAPITAL

Community

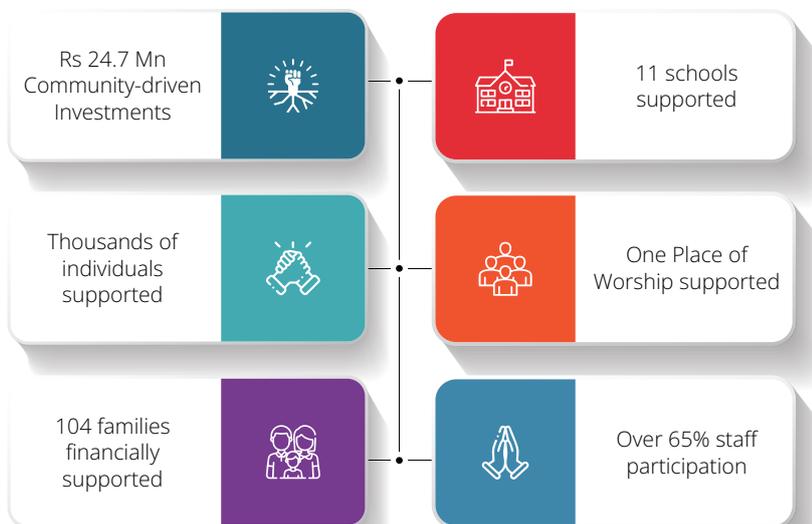


Community projects have become core contributions to sustainable development goals at Ceylinco General Insurance, fulfilling service to society's most vulnerable and upholding our duty to social empowerment as a corporate citizen. During the year, several projects took precedence, with more individuals served in comparison to previous years.

All Projects were carried out under the Umbrella of our Corporate CSR Brand 'Ceylinco VIP Pihita'.

The following projects were conducted in the year under review.

Project	Investment 2025 (Rs. Mn)	Investment 2024 (Rs. Mn)	Lives Changed
1. Living Assistance for 100 Families	5,950,000	5,730,000	Over 100 Families
2. Providing Meals for School Children	15,245,835	14,021,250	Over 2,000 students
3. Blood Donation	2,282,332	2,160,000	Over 280 pints of blood were collected.
4. Assistance to Passara Bus Victims	540,000	540,000	3 Families
5. Monthly assistance to a mother who was hit by a CTB Bus	300,000	25,000	1 Family
6. Theru Festival & Nallur Festival	310,000	309,000	Hundreds of Divotees
7. Donation to an orphanage	120,000	-	"Daya Niwasa" Kandy



Regulator (IRCSL)

As the statutory body which oversees the insurance industry and its players, the IRCSL takes centre stage when ensuring compliance with regulatory requirements. During the year, we have complied with mandatory requirements with no fines or violations of regulations, laws and guidelines. We have also not incurred any fines related to damages or issues from our services.

The Annual Theru Festival - Matale

The Annual Theru Festival of the Arulmihu Sri Muthumariamman Thevasthanam, Matale, was held in February 2025. The Matale Branch of Ceylinco General Insurance organized the Anna Thanam, which was attended by hundreds of devotees, continuing a tradition carried out for several years.



Value for Stakeholders

Across the year, we made substantial investments in serving our stakeholders from a substantial payout in claims to support our policyholders, to empowering the lives of thousands of economically vulnerable individuals. In 2025, we adopted a strong focus on people, with profit resulting from our relationships and the trust of our stakeholders.

Stakeholders	Economic Value in 2025
Policyholders	Rs. 10 Bn claims payout
Agents and brokers	Rs. 2.9 Bn in payments
Reinsurance companies	Rs. 12.4 Bn in premium ceded
Government	Rs. 281 Mn income tax payout

Blood Donation Drive



Demonstrating our continued commitment to community wellbeing, we successfully conducted our Annual Blood Donation Drive in February 2025 at our Head Office premises.

The initiative received an overwhelming response, resulting in the collection of nearly 300 pints of blood. The drive brought together not only our employees but also individuals from neighbouring offices in Fort and the World Trade Centre Colombo, reflecting a strong spirit of unity and social responsibility.

Through this life-saving initiative, we reaffirmed our dedication to supporting the national healthcare system and making a meaningful difference in the lives of those in need.

Distribution Of Clothing

In a heartfelt effort to support those in need, thousands of individuals benefited from our mega Clothing Distribution Programme. Each item was thoughtfully collected, sorted, washed, and ironed before reaching recipients, ensuring dignity and care in every donation.



In 2025 alone, over 20,000 clothing items were distributed, positively impacting the lives of more than 9,500 individuals. This initiative reflects our ongoing commitment to social responsibility, addressing immediate needs while fostering a culture of compassion and care.

Looking ahead, we aim to expand this programme with even greater reach and impact in 2026 and beyond, continuing to make a tangible difference in the communities we serve.

Food Distribution For Students



As part of our ongoing commitment to community development and child welfare, we continued our Food Distribution Programme, benefiting over 2,000 students throughout the year. The total investment in this initiative amounted to Rs. 17.2 million.

Under this programme, each student received a balanced and nutritious lunch three days a week — Monday, Wednesday, and Friday — helping to support their health, wellbeing, and ability to focus on their studies.

One objective of this endeavour is to bring students from impoverished families to school and to ensure continued attendance through a balanced and nutritious meal.

Through this initiative, we aim not only to address immediate nutritional needs but also to contribute meaningfully to the long-term educational development of the children we serve.

Economic Assistance

During the year, we supported 104 families with financial aid to ease their living conditions, including to 3 families affected by the Passara bus accident. Moreover, a modest donation to an orphanage was also fulfilled during the year, in addition to the financial support given to a mother with a newborn, due to the hardships faced after a road accident.

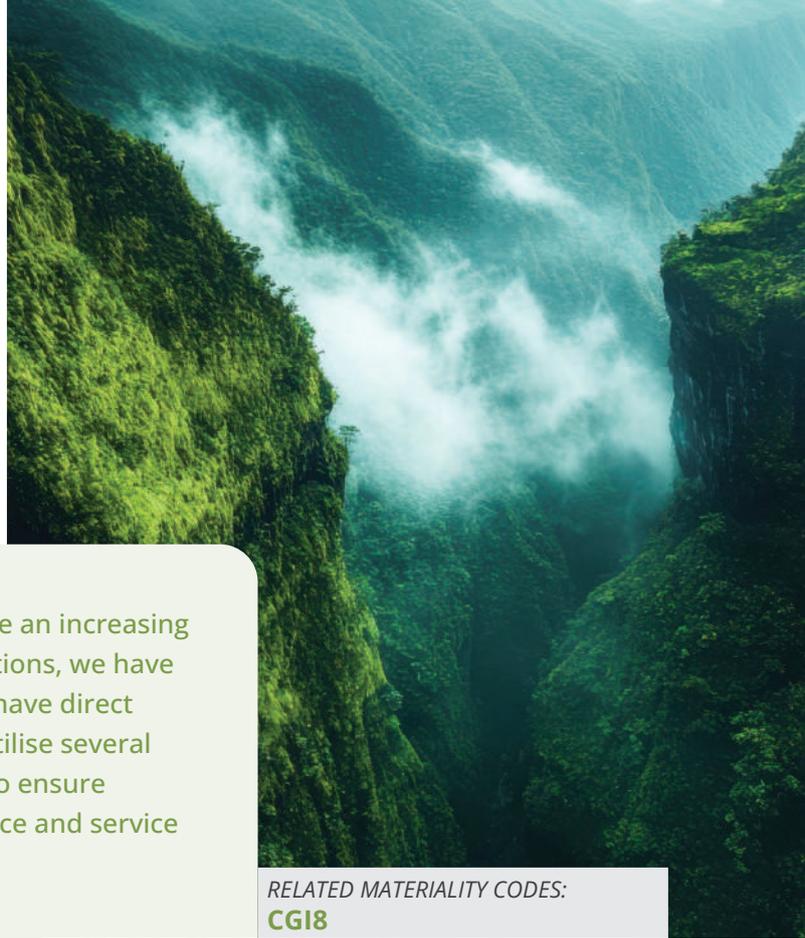
Future Approach

As a forward-looking insurer, we will continue to be dedicated to better value creation in the financial year under review. This will continue through better services, innovations and progressive solutions, prioritising customers through seamless digital touchpoints across the entire policy life cycle.

In depending partnership with our various business stakeholders, we will better align our approaches towards achieving shared objectives and sharing training, resources and necessary means of support. As part of this, we will recognise and reward the contributions of our agents and brokers, empowering them towards long-term loyalty and continued partnerships.

Further, the social well-being of vulnerable individuals will continue to be a priority in our social capital agenda, as we increase the scope and scale of projects done through our CSR Brand, Pihita. We will continue to lean on the support of our staff to execute these programs and to make a wider and noticeable impact on the community, which is our duty and our collective pledge.

NATURAL CAPITAL



The focus on sustainable footprints has become an increasing focus of the Company. In relation to our operations, we have a duty to preserve all natural resources which have direct and indirect impact from our operations. We utilise several sources of power and energy, water and land to ensure smooth operational capacities at our Head Office and service locations, including branches.

RELATED MATERIALITY CODES:
CGI8

Key Highlights

Beach cleanup

- ★ Third year
- ★ Over 250 kms covered in total
- ★ 100 kms covered in 2025



Resources

- ★ Energy consumption optimised
- ★ Water consumption done consciously



Responsible Services

- ★ Use of digitised motor cards
- ★ Digital claim approvals
- ★ Digital policies and e-certificates
- ★ Online policy purchasing and renewals



Through digital insurance policies and certificates, and digital motor insurance cards, we contribute to reducing plastic waste and responsible production and consumption.

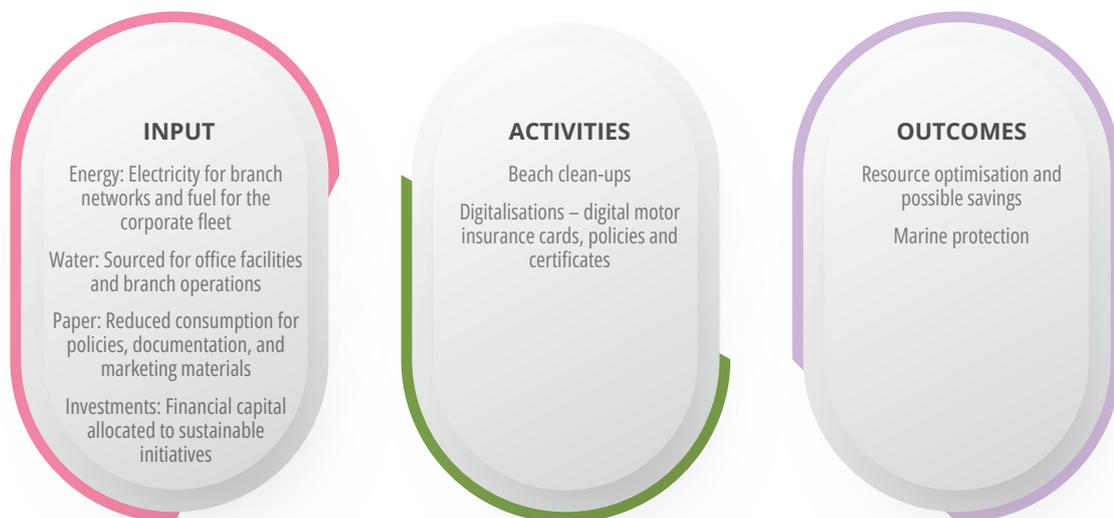


Annual beach clean-up projects have enabled us to clean and preserve 6.25% from the total coastline. This has a direct impact on both life under water and land on life.





Overview of Value Creation for Natural Capital



Resource Management

Across our physical touchpoints, we have deployed conscious and prudent measures to ensure that resource consumption is at an optimum level in relation to our physical presence while balancing practical concerns.

Energy

At CGI, we remain cognisant of our duty towards conserving energy sources, including fossil fuel-derived electricity consumption, fuel and gas consumption across our physical network.

During the year, we optimised electricity consumption across the branch network and at the head office as part of our measures to reduce our impact on the environment. LED lighting continues to be the preferred choice when replacing light fixtures or illuminating new spaces.

Moreover, the Company has standardised air conditioning to optimum levels with temperature setting controls and inverter A/C units. Further to this, we have deployed a 'switch off' protocol to eliminate unwanted usage of electronics and lights, especially after office hours.

Water

The Company has adopted prudent measures to conserve water, as we utilise piped water, which is a shared resource. Across our service channels, we have deployed preventive maintenance measures and repairs to fix faulty water distribution systems, adopting prudent measures to address any underlying issues. Our branches and head office also ensure that waste disposed of does not contaminate any waterway or water source.

Land

As a business, we own 14 properties and have ensured that our ownership of these lands do not encroach on surrounding communities and particularly the environment.

Digitalisations for Sustainability

The use of digital technologies and the provision of services via digital portals have reduced our reliance on several resources, including paper and related materials, due to reduced printing and physical documentation.

This has been accelerated by the adoption of digital insurance policies and certificates, which have curbed paper consumption to a satisfactory level. Moreover, the use of digital insurance cards has commenced replacing the need for plastic cards, which is expected to increase in the coming years, due to a regulatory push from IRCSL.

Motor Insurance Digitalisation

With approval and guidance from the insurance regulatory, the industry has commenced the issuance of digital motor insurance cards, which serve the primary purpose of creating a national Motor Insurance Repository, a centralised motor insurance database, which will greatly reduce fraudulent policies and provide swift compensation for victims of accidents.

NATURAL CAPITAL

This initiative also aligns with the government's 'Go Green' policy and serves the underlying benefit of drastically cutting down plastic card consumption in the near future. With its implementation already carried out by insurers, including our Company, we are optimistic that there will be notable statistics in the number of digital motor insurance card owners in the near future.

Other digitalisation Efforts

The Company utilises digital claim approvals, which contributes to minimising paper consumption and has eliminated the need for maintaining conventional claims files for approval.

Coastal Preservation and Waste Management



With marine pollution posing an escalating threat to Sri Lanka's beaches and ocean ecosystems, the company reaffirmed its belief that safeguarding the environment is a shared responsibility — one that calls for meaningful action from both individuals and corporate citizens alike.

Now in its third consecutive year, the annual beach clean-up project is vital to the environment and the company's sense of environmental consciousness. Through the dedication of our staff members, the clean-up covered 100 Kms of coastline in 2025.

- ✦ Coverage: the project expanded to several new areas during the year, A total of over 300 Kms have been cleared and cleaned in the last three years, targeting tourist hotspots and densely populated coastlines. These are also at times areas prone to pollution due to increased human activities.
- ✦ Volunteer force: In 2025, over 1,250 employees from the head office and service locations participated in the project, rallying support from peers across the company.
- ✦ Waste management: Our teams systematically segregated debris, with thousands of kilograms of plastics, polythene and non-biodegradable waste collected. These were systematically sorted and handed over to the local municipal councils and Pradeshiya Sabhas for safe disposal.

Beyond restoring the coastline to a cleaner and more pristine state, the initiative contributes towards protecting marine biodiversity, enhancing the country's appeal as a world-class tourist destination, and fostering a culture of environmental accountability within communities.



Through sustained action and collective commitment, Ceylinco General Insurance continues to lead by example in building a cleaner, greener, and more sustainable Sri Lanka.

Future Approach

Adopting measures to reduce our carbon footprint will be a cornerstone of our future endeavours, which will require our teams to develop more resilient and sustainable approaches to operations and services. This will include providing more insurance policy options digitally and pushing towards more widespread adoption of digital motor insurance cards.

We will also be exploring avenues to optimise centralised data collection for energy, water and resource consumption, while our long-term goal is to also measure emissions, in order to take corrective action.

Our Agenda of Empowerment

In the risk-driven world of insurance, managing employee growth and expectations is the key to ensuring operational efficiency and trust from policyholders. Going beyond timely payroll management, we have gathered and cultivated a workforce that is highly capable of navigating the complexities of the insurance industry and its nuances.

We have ensured that our staff across all departments and job categories have received adequate training to enhance their technical and soft skills, apart from providing them with competitive and comprehensive benefits and remuneration.



RELATED MATERIALITY CODES:
CGI7, CGI9, CGI10

Key Highlights

Total Strength

Over 2900 employees – the largest in the non-life insurance sector

Sales Force

An extensive network of Sales Staff and Regional Area / Sales Managers

Development

Continuous internal and external training programs (180 programs in 2025)

Value Metric

Steady growth in revenue per employee (Rs. 9.7 Mn in 2025)



Through medical coverage, we provide staff the opportunity to be proactive in identifying health issues and take measures to counter health risks.



Training programs build knowledge and empower staff to be relevant and skilled.



Inclusive workplace practices, including equal opportunities for professional growth to both men and women.



As an industry leader and responsible employer we provide job safety and economic growth.



Staff from all corners of the country is part of our team and we continue to increase the recruitment of female sales personnel.

Overview of Value Creation for Human Capital



Workforce Insights

By the end of the financial year under review, our team included 2912 employees, showing a 4% growth relative to the number of employees that remained by the end of 2024. Over the past several years, the Company has seen slight variations in the total number of employees, with a drop in the number of people employed at the Company in 2023.

Permanent employment remains the largest in terms of employment type, with nearly 70% being permanent employees. This number has also grown steadily since 2023. This is followed by 20% of contractually-recruited employees and another 11% are employees on probation, with only a marginal number representing trainees.

	2025		2024		2023		2022		2021	
	Male	Female								
Permanent	1,446	563	1,404	481	1,476	475	1,618	459	1,694	463
Probationary	164	142	166	133	165	91	102	86	126	78
Contract	353	232	370	240	389	225	370	204	328	184
Trainee	1	11	1	2	3	5	2	1	2	1

Diversity of gender and age

The workforce at CGI is defined by a robust, countrywide presence bolstered by an extensive sales network that operates across the largest non-life insurance branch network in Sri Lanka. Our workforce includes a sales force of 1,109 personnel, which represents 38% of the total workforce.

	2025		2024	
	Male	Female	Male	Female
Total (gender-wise)	1,964	948	1,941	856

Of the total employees reported in 2025, male gender representation stood at 67%. Males outnumber females by more than 2:1. This gap in representation reflects low female labour force participation not only in the industry but from a national

workforce perspective. Females in management roles are also less, relative to their male peers.

Nevertheless, female representation has grown steadily over the past five years, even amid a decline in staff in 2022-2023, when compared with 2025's staff base, reflecting a growth in the number of female employees being absorbed into the cadre. This is evident in the number of female recruits over the years, showing a steady increase in the past five years.

HUMAN CAPITAL

By age, a majority of our 2,912 employees are below 30 years, while 16% are within 30 to 50 years of age, and another 7% are above the age of 50.

	2025		2024		2023		2022		2021	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	790	579	731	530	732	475	741	452	747	458
30-50	935	305	1,014	271	1,103	271	1,162	254	1,239	228
Over 50	238	53	195	53	195	45	187	43	162	39

Workforce demographics (skills, tenure)

From staff members employed at present, more than 57% of staff have remained with the Company for less than five years. 15% have remained between 5 and 10 years, while another 10% have remained for nearly 20 years. Another 9% has tenure of 11 to 15 years, while 5% have achieved a service level of 20 to 25 years. Another 4% have remained with CGI for more than 26 years, some 27 employees (nearly 1%) having more than 30 years of experience.

	2025		2024		2023		2022		2021	
	Male	Female								
Less than five years	983	684	889	588	920	516	929	474	965	469
5 to 10 years	295	132	340	142	344	145	389	147	412	133
11 to 15 years	206	44	236	40	302	43	324	43	368	42
16 to 20 years	258	32	267	34	270	37	269	36	236	34
21 to 25 years	134	21	128	27	118	24	106	24	104	21
26 to 30 years	65	17	66	16	65	21	64	24	56	24
Above 30 years	22	7	14	7	11	5	9	1	7	2

When analysing the company's managerial positions, 80% are Senior Managers, Managers and Sales Managers, followed by a 9% of Senior AGMs and AGMs, while another 8% are Chief Managers. 2% of the management includes the General Managers and Deputy General Managers.

	2025		2024		2023		2022		2021	
	Male	Female								
GMs / DGMs	9	-	8	-	10	-	10	-	11	-
Snr AGM / AGM	34	4	38	5	37	4	29	4	29	2
Regional Managers	4	-	4	-	5	-	9	-	9	-
Chief Manager	31	4	24	3	19	2	19	2	24	4
Senior Managers / Managers & Sales Managers	329	17	370	14	302	11	354	14	339	15

Talent Lifecycle

The Company follows a robust recruitment process in line with its recruitment needs, fulfilling internal vacancies, constantly balancing the need for motivated and dynamic personnel within our formidable sales team.

Recruitment and Onboarding

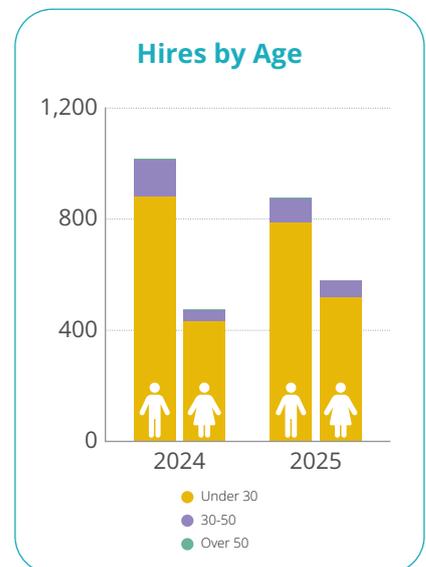
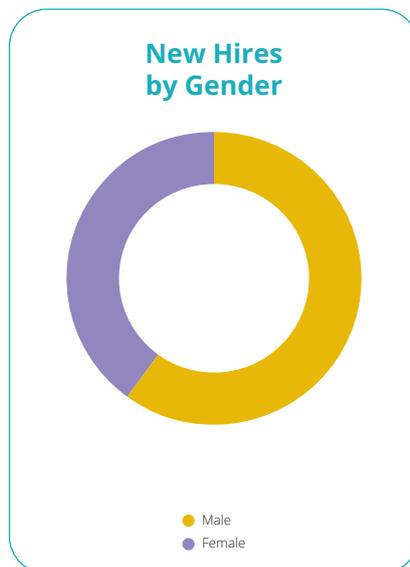
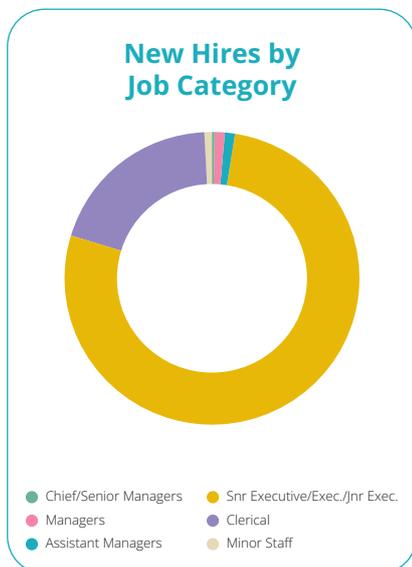
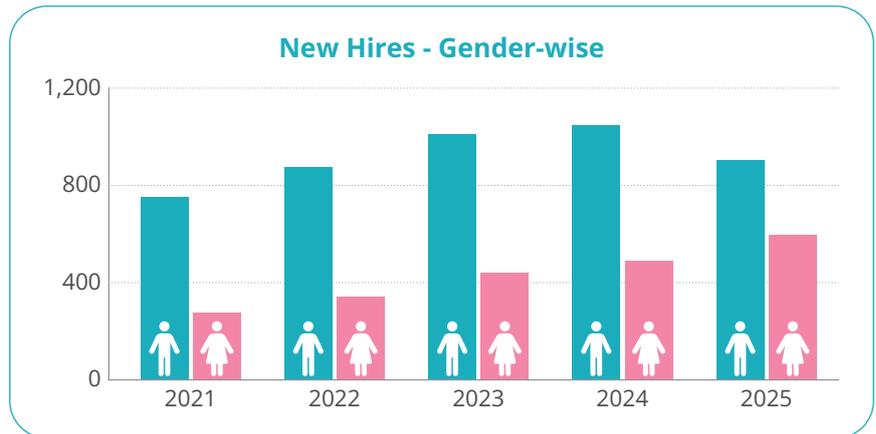
During the year, new staff have been acquired through a formal recruitment process, which commenced with vacancy advertisements (online, press and social media), by scouting professional associations, through job fair participations and by targeting school leavers who have completed advanced level exams.

During 2025, 1,498 individuals have been recruited to fulfil vacancies across several job categories. The majority of recruits joined CGI for executive-track roles, ranging from junior to senior levels. Recruitment efforts focused on filling positions within the executive functions, which resulted in 1161 recruitments during 2025.

	2025		2024		2023		2022		2021	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	903	595	1,047	489	1,011	439	874	344	753	278

Diversity in recruitment

60% of recruits were male, while the remainder 40% were female hires. The number of male recruits has demonstrated a decline over the past three years, and an increase in female recruits. Moreover, 90% of recruits are below the age of 30.



HUMAN CAPITAL

Retention

In the year under review, 10.9% of the total workforce exited the Company, which is 318 in total. This demonstrates 89% retention, organisation-wide (out of the total workforce). A majority of those who exited the Company were in the 30-50 year bracket, with over 52% of those who left being male.

The number of exited employees also includes 29 retirees, 24 male and 5 female tenured staff members.

As of the end of 2025, there were 143 employees with extended retirement limits.

Professional Growth

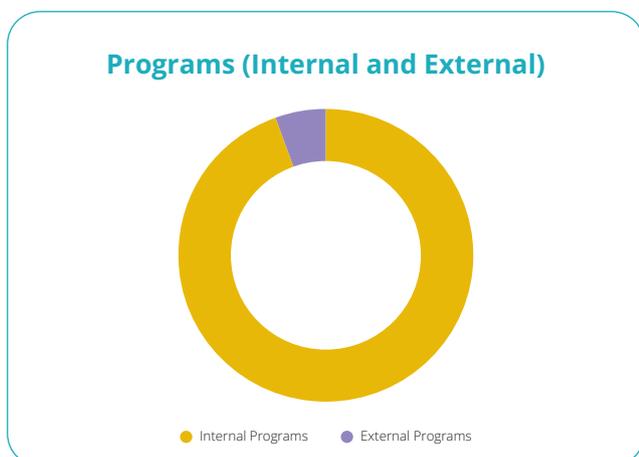
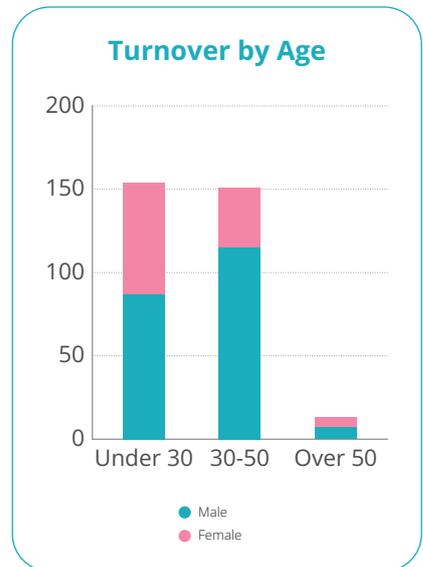
We focus on the professional growth of our staff through inclusive and comprehensive training strategies while providing opportunities for career growth through performance.

Training and Development

At CGI, our training and development programs rely on a mix of learning tools to enhance knowledge and enable upskilling. Using a blend of on-the-job, workshops, online learning and experiential learning methods, training and development programs covered the following areas:

- ✦ Management development
- ✦ Sales
- ✦ Technical
- ✦ Customer care
- ✦ Personal development

During the year, 180 programs were organised, of which 170 were internal programs, and 10 were external training initiatives. Each employee experienced 18 hours of training on average, with the number of employees trained in various aspects exceeding that of 2024. Training programs differed in scale, audience and focus.





- ✦ Salesmanship training programs had the largest number of participants, with 1200 sales personnel. This demonstrates substantial investment in enhancing the sales capabilities of our 1200+ sales team.
- ✦ Technical training programs witnessed 800 personnel being trained, including underwriting expertise.
- ✦ Programs on Management Development (105 participants), Customer Care (200 attendees) and Personal Development (200 attendees) were more targeted and specialised.

The number of training hours exceeded 1,400, of this, nearly 50% were sales related, 31% was underwriting and 7% related to automobile-focused technical training.

Performance Management Culture

At CGI, we follow a comprehensive approach that balances short-term performance incentives with long-term career recognition through a combination of financial, experiential and career-based rewards to motivate our staff.

Recognition of Long-term Staff

Tenured staff are a highly valued asset at CGI. Their experiences, knowledge and ability to mentor subordinates are invaluable to our competitiveness and strategic advantage. Long-term staff are recognised and retained in several ways. Those who have excelled in senior and higher management positions are appointed to Directorships in subsidiary forms. They are also empowered with overseas training and other forms of recognition for loyalty and continued contributions.

Career Growth

During FY 2025, 265 employees were promoted, which is 9.10% from the total workforce, and this number remained by the end of the financial year. Of this, 75% were male employees and 25% female.

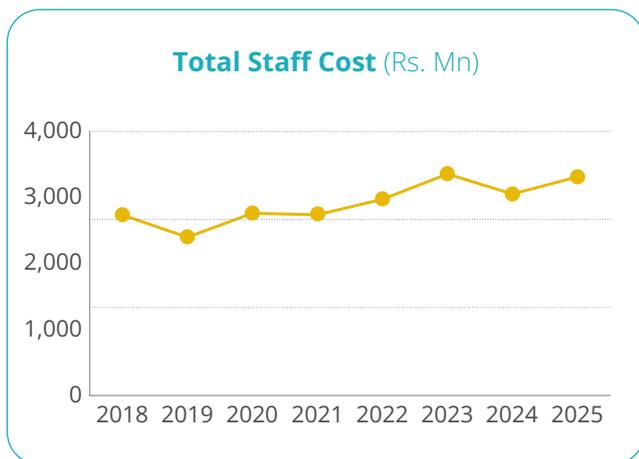


HUMAN CAPITAL

Reward Programs for Sales Staff

Our sales force is our biggest competitive advantage within the rough-cut insurance industry. Their talents and abilities have enabled us to retain our commanding position in the non-life insurance sector for decades.

At CGI, we honour our staff members through the Ten Million Circle reward program, which categorises staff into six segments based on their performance. Each level is recognised with specific rewards, including world tours and gifts.



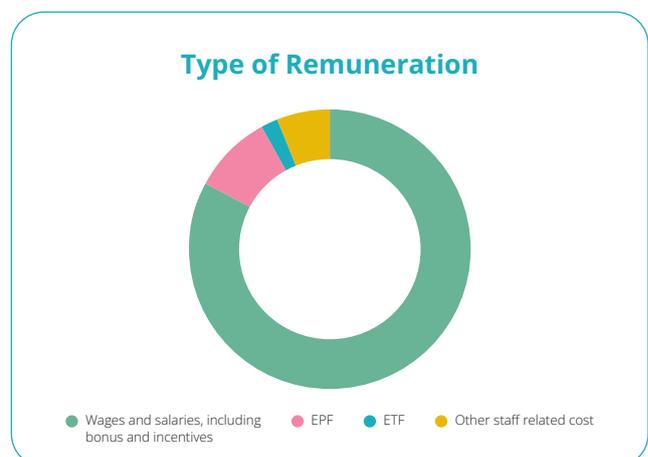
Compensation Strategy

Our primary duty towards our employees is to provide timely and comprehensive remuneration, ensuring that we provide economic growth for their service and commitment to their jobs. During the year, total investment in employees amounted to Rs. 3.3 Bn.

The reduction in overall costs does not reflect a reduction in wages, salaries, including bonuses and incentives, or in EPF and ETF allocations, but rather in other staff-related costs. Nevertheless, training programs have increased in the year, with higher participation, compared to 2024.

Wages, salaries and other financial remuneration amounted to Rs. 2.9 Bn, which is a 5.5% increase in comparison to the wages and salaries provided in 2024. This growth highlights CGI's ongoing commitment to rewarding its workforce for their committed work ethic.

During the year, 87% of staff remuneration was allocated to wages and salaries, including bonuses and incentives.



Annual Overseas Tour

The annual overseas tour was organised, much to the delight of our employees, for the 19th consecutive year. A group of over 175 deserving staff members embarked on a journey to Bangkok, Thailand, for a five-day holiday, which also included a half-day brainstorming session held in Bangkok. The staff members were accommodated in luxurious five-star facilities at Hotel Montien, located in the heart of Bangkok.



This initiative by the company serves as a token of appreciation for the exceptional contributions made by our staff and has proven to be a significant motivational factor for both sales and non-sales teams. The opportunity to be part of this all-expenses-paid overseas holiday has become a highly coveted experience among staff members.

Employee Well-being and Engagement

While monetary benefits empower them to work towards organisational and professional goals and enhance their economic conditions, we also ensure the physical and psychological well-being of staff through various approaches. Being employees of a highly competitive industry requires us to ensure that our employees are rewarded and taken care of beyond their pay grades.

Grievance Handling

We have in place a process for managing the grievances and concerns of staff, with swift resolution of issues confidentially and impartially.

Work-life Integration

Our staff engages in various work-life integration activities to balance their mental well-being and physical health. During the year, our staff participated in the following sporting events and recreational programs.

Cricket – Mercantile D Division Munchee Trophy Champions



Organized by the Mercantile Cricket Association of Sri Lanka, Ceylinco General emerged as the D Division Munchee Trophy Champions. In a historic first-ever final played under floodlights at CCC Grounds, Ceylinco clinched the championship after a 17-year wait.

Rugby – 53rd Mercantile Bowl Runner-Up



Our Rugby Team emerged as the Bowl Runner-Up at the 53rd Mercantile Rugby Tournament after an impressive campaign.

The team secured strong victories against Hatton National Bank and Cargills Bank, before finishing as Runner-Up in the final against Seylan Bank.

This marks the third consecutive year the team has reached the finals and earned promotion to the Bowl Category, a proud achievement reflecting their dedication and teamwork.

Future Readiness

Anticipating skills of the future, we will be crafting relevant training and development programs to bolster the knowledge, skills and capabilities of our employees. In 2026, we will focus on additional training programs geared towards technology-based skill enhancements, ensuring that our staff's knowledge aligns with the rapid adoption of AI and other insurance-related technologies to enhance efficiency.

CORPORATE MANAGEMENT TEAM



J.D.S.N. Piyadasa
Chief Financial Officer



C. Kotigalage
Head of Legal



S. Thilakeshwaran
General Manager



S.H. Panangala Liyanage
General Manager



V.D.C. Wickramaratne
General Manager



Senaka Rajapakse
Deputy General Manager
(Marketing)



C.E. Wimalasuriya
Deputy General Manager
(Technical)



R.S. Arulanandan
Deputy General Manager



K.K.V.K Priyasad
Deputy General Manager



S.K. Jayasundara
Senior Assistant General Manager
(Miscellaneous Insurance)



R.S. Joseph
Senior Assistant General Manager



H.A.R. Dharmaratne
Senior Assistant General Manager
(Information Technology)



K.J.N. Perera
Senior Assistant General Manager



A.A.U.S.S. Wijeratne
Senior Assistant General Manager
(Internal Audit)



S.L.D.C. Sisira
Senior Assistant General Manager
(Reinsurance)



L.P.C. Madhavila
Senior Assistant General Manager
(Legal)



W.R.S. Fernando
Senior Assistant General Manager
(Marine Insurance)



K.S.D. Fernando
Assistant General Manager
(Risk Management)



W.P.S. Pemachandra
Assistant General Manager



A.A. Nandana
Assistant General Manager
(Technical)



J.M.A.R.P. Jayakody
Assistant General Manager
(Financial Services - Branches)



W.A.M. Susantha
Assistant General Manager
(Training)



A.R. Pietersz
Assistant General Manager
(Automobile)



Mrs. Nilika Abhayawardhana
Company Secretary
Assistant General Manager

CORPORATE MANAGEMENT TEAM



B.C.P. Kumara
Assistant General Manager
(Financial Services - City)



Mrs. S.H.S.D. Sumanathilaka
Assistant General Manager
Head of Technical/Compliance



A.K.M. Wickramasinghe
Assistant General Manager
(Financial Services - Head Office)



Mrs. W.P.S. Jayasinghe
Assistant General Manager
(Financial Services - Branches)



B.S.B. Jayasekara
Assistant General Manager
(Automobile)



K.M.C.S. Perera
Assistant General Manager
(Technical)



M.D.R.D. Gunathilaka
Assistant General Manager
(Technical)



H.M.T. Herath
Assistant General Manager
(Technical)



Mrs. H.M. Pethiyagoda
Assistant General Manager
(Legal)



S.T. Lamabadusooriya
Assistant General Manager
(Legal)



V. Nissanka
Assistant General Manager



M.A.L. Ravindra
Assistant General Manager



R.B.R. Wijeratne
Assistant General Manager



D.S. Karunaratne
Assistant General Manager



L.A.I.A. Jayasena
Assistant General Manager



V.K. Gunathilaka
Assistant General Manager



L.P.D. Dharmasooriya
Regional Manager



J.S. Rajapaksha
Regional Manager



L.H.M.L. Dayananda
Regional Manager

MANAGEMENT STAFF

CORPORATE SALES



B.N.T. Rupasinghe
Senior Assistant General Manager
(Corporate Accounts)



W.P.N. De Alwis
Senior Assistant General Manager
(Corporate Accounts)



D.J. Gunewardene
Senior Assistant General Manager
(Corporate Accounts)



L.M.R.S. Lansakara
Assistant General Manager
(Corporate Accounts)



W.M.A.C. Sanjana
Assistant General Manager
(Suwa Sampatha)



M.A.S. Rupathunga
Assistant General Manager
(Corporate Accounts)



U.A.R.S. Udawela
Assistant General Manager
(Corporate Accounts)



I.M.N. Jayathilake
Assistant General Manager
(Corporate Accounts)



H.C.S. Hemantha
(Consultant w.e.f. 25.06.2023)



L.M.M.B. Karaliyadde
(Consultant w.e.f. 7/03/2019)



S.A. Priyantha
Senior Manager
(Corporate Accounts)



V.S.D. De Mel
Senior Manager
(Corporate Accounts)



K. Alikhan
Senior Manager
(Corporate Accounts)



B.D.C. Perera
Senior Manager
(Corporate Accounts)



M.A.V. Priyadarshana
Senior Manager
(Corporate Accounts)



M.D.S.R.L. Jayasekara
(Consultant w.e.f. 18/12/2022)



W. George
(Consultant w.e.f. 13/4/2022)



N. Hettiarachchi
Senior Manager
(Corporate Accounts)



T.M.R.K. Kurukula
(Consultant w.e.f. 31/12/2018)



M.A.S. Priyadarshana
Senior Manager
(Corporate Accounts)



P.C.N. Dias
Senior Manager
(Corporate Accounts)



W.M.C.J. Bandara
Senior Manager
(Corporate Accounts)



T.S.R. Peiris
Senior Manager
(Corporate Accounts)



W.A.M.L. Soloman
Senior Manager
(Corporate Accounts)



B.G.S. Mendis
Senior Manager
(Corporate Accounts)



M.D.J. Thilina
Senior Manager
(Corporate Accounts)



V. Sivakumar
Senior Manager
(Corporate Accounts)



S.A.D.L. Sural
Senior Manager
(Corporate Accounts)



M.C.A. Fernando
Senior Manager
(Corporate Accounts)



J.K.C. Jayawardana
Senior Manager
(Corporate Accounts)



N.P. Wadugodapitiya
(Consultant w.e.f. 26.02.2024)



C.N. Weerasuriya
Manager
(Corporate Accounts)



W.P.G.S.D. De Silva
Manager
(Corporate Accounts)



M.H.M. Rizwan
Senior Manager
(Corporate Accounts)



W.A.C.R. Weerasinge
Senior Manager
(Corporate Accounts)



K.M.S.N. Kumara
Senior Manager
(Corporate Accounts)



R.U. Sampath
Senior Manager
(Corporate Accounts)



H.P.V.U. Mahindaratne
Manager
(Corporate Accounts)



Y.M.N.A.S. Yapa
Manager
(Corporate Accounts)



S.H.N.D. Kumara
Manager
(Corporate Accounts)

MANAGEMENT STAFF

CORPORATE SALES



A.K.H.M. Somasiri
Manager
(Corporate Accounts)



A.H. Lalith
(Consultant w.e.f. 17/11/2024)



A.M.W.J. Adhikari
Manager
(Corporate Accounts)



D.A.H. Prasad
Manager
(Corporate Accounts)



W.L.D.K. Weerasuriya
Manager
(Corporate Accounts)



T.N.P. Jayarathna
Manager
(Corporate Accounts)



T. Athithan
Manager (Corporate Sales)
(Resigned w.e.f. 31.05.2025)



V.P.S. Jayamanna
Manager
(Corporate Accounts)



R.V.N.S. Rajapaksha
Manager
(Corporate Accounts)



H.R.T. Perera
Manager
(Corporate Accounts)



D.G.P.N. Wimalaratne
Manager
(Corporate Accounts)



M.S.S. Rodrigo
Manager
(Corporate Accounts)



R.T. Ranathunga
Manager
(Corporate Accounts)



I.M. Kalansuriya
Manager
(Corporate Accounts)



H.M.S.B. Herath
Manager
(Corporate Accounts)



M.G.S. Kumara
Manager
(Corporate Accounts)

MANAGEMENT STAFF

REGIONAL/AREA SALES MANAGERS



S.K. De Alwis
(Consultant w.e.f. 12/01/2021)



K.P.L.A. Balawardena
Area Sales Manager (Branches)



P.S.M. Rerukana
Senior Manager
(Corporate Accounts)



T.A. Nanayakkara
Area Sales Manager
(Branches)



S. Gurusinghe
Area Sales Manager
(Branches)



K.M.R. Ranasinghe
(Consultant w.e.f. 13/07/2025)



C.S. Mahalekamgedara
Area Sales Manager
(Branches)



P.L.N.C. Sampath
Area Sales Manager (Branches)
(Resigned w.e.f. 08.05.2025)



H.K.M. Priyanka
Regional Sales Manager



R.P.S.R. Randunu
Regional Sales Manager



T.I. Lanthra
Area Sales Manager
(Branches)



N.G.C. Gunarathna
Area Sales Manager
(Branches)



K.C.S. Fernando
Area Sales Manager
(Branches)



S.A.L. Samarasinghe
Area Sales Manager
(Branches)



M.G.A. Jayanath
Area Sales Manager
(Branches)



D.D.S.S. Kumara
Area Sales Manager (Branches)
(Resigned w.e.f. 30.05.2025)

MANAGEMENT STAFF

REGIONAL/AREA SALES MANAGERS



M.S. Kosgallana
Area Sales Manager
(Branches)



B.A.S. Priyadarshana
Area Sales Manager
(Branches)



A.D.W.I. Anushan
Area Sales Manager
(Branches)



M.S.R.M Fernando
Area Sales Manager
(Branches)



I.I. Attanayaka
Area Sales Manager
(Branches)



P.S.S. Peiris
Area Sales Manager
(Branches)



C.H. Vitharana
Area Sales Manager
(Branches)



C. Pratheepan
Area Sales Manager
(Branches)

MANAGEMENT STAFF

Chief Financial Officer

J.D.S.N. Piyadasa *BSc (Pub. Admin)*
(Hons), FCA, MBA (Sri J.)

Head of Legal

C. Kotigalage *Attorney-at-Law/Notary Public Barrister and Solicitor Former Judge of the High Court of Fiji Islands*

General Managers

S. Thilakeshwaran
S.H. Panangala Liyanage *MBA (UK)*
V.D.C. Wickramaratne *MBA (UK)*

Deputy General Manager

(Marketing)

N.S. Rajapakse *Pg DipM (UK), FCPM, MBA (Wales, UK)*

Deputy General Manager

(Technical)

C.E. Wimalasuriya *ACIC*

Deputy General Managers

(VIP Centre)

R.S. Arulanandan
K.K.V.K. Priyasad

Senior Assistant General Manager

R.S. Joseph *Dip. Mkt (UK)*
K.J.N. Perera

Senior Assistant General Manager

(Miscellaneous Insurance)

S.K. Jayasundara

Senior Assistant General Managers

(Corporate Accounts)

B.N.T. Rupasinghe
W.P.N. De Alwis
D.J. Gunewardene *DipM (UK), ACIM (UK), MBA (Aust.)*

Senior Assistant General Manager

(Information Technology)

H.A.R. Dharmaratne *BIT, Dip. Comp. System Design, MBA (USA)*

Senior Assistant General Manager

(Marine Insurance)

W.R.S. Fernando

Senior Assistant General Managers

(Legal)

L.P.C. Madhavila *Attorney-at-Law & Notary Public, Commissioner for Oath*

Senior Assistant General Manager

(Reinsurance)

S.L.D.C. Sisira *B.Com (Hons)*

Senior Assistant General Manager

(Internal Audit)

A.A.U.S.S. Wijeratne *ACA, ACMA, MBA (Col.)*

Assistant General Manager

(Suwa Sampatha)

W.M.A.C. Sanjana

Assistant General Managers

(Legal)

Mrs. H.M. Pethiyagoda *LLB, Attorney-at-Law & Notary Public, Commissioner for Oath*
S.T. Lamabadusooriya *LLB, Attorney-at-Law & Notary Public, Commissioner for Oath, Regd. Co.Sec.*

Assistant General Managers

(Risk Management)

K.S.D. Fernando

Assistant General Managers

(Technical)

H.M.T. Herath *BSc (Mkt. Mgt.) (Special), ACII(UK), Dip SLII, LIII (India) Chartered Insurer*
A.A. Nandana
M.D.R.D. Gunathilaka
K.M.C.S. Perera *Dip.SLII*

Assistant General Managers

(Corporate Accounts)

L.M.R.S. Lansakara *B.Com (Special)*
U.A.R.S. Udawela
M.A.S. Rupathunga
I.M.N. Jayathilaka *MBA (Sri J.)*

Assistant General Managers

(Financial Services - Branches)

J.M.A.R.P. Jayakody *BSc (Busi. Admin) (Special), ACA, MBA (Col.)*
Mrs. W.P.S. Jayasinghe *BSc (Busi. Admin) (Special)*

Assistant General Manager

(Financial Services- City)

B.C.P. Kumara

Assistant General Manager

(Financial Services- H/O)

A.K.M. Wickramasinghe *BB Mgt (Sp) (Hons)*

Assistant General Manager

(Head of Technical/Compliance)

Mrs. S.H.S.D. Sumanathilake *ACA, ACMA, ACII (UK), MBA(Sri J.) Chartered Insurer*

Assistant General Managers

W.P.S. Pemachandra
M.A.L. Ravindra
V.Nissanka
D.S. Karunaratne
R.B.R. Wijayarathne
V.K. Gunathilaka
L.A.I.A. Jayasena

Assistant General Managers

(Automobile)

A.R. Pietersz *FIAE (SL)*
B.S.B. Jayasekara

Assistant General Manager

(Training)

W.A.M. Susantha *BSc (Busi. Admin) (Special), AMIPM, MSLITAD, MITD (SL), MBA, CMSLIM*

Company Secretary/Assistant General Manager

Mrs. Nilika Abhayawardhana *ACIS (UK) ACCS (SL)*

Regional Managers

L.P.D. Dharmasooriya
J.S. Rajapaksha
L.H.M.L. Dayananda

Chief Manager

(Legal)

Mrs. D.R. Wickramasinghe *Attorney-at-Law & Notary Public, Commissioner for Oath*

Senior Chief Risk Engineers

B.G.N.I.B. Basnayake *BSc (Eng.)*
E.M.N. Lasantha *BSc (Eng.)*
R.K. Wijeyasinghe *BSc (Eng.), AMIE (SL), PG Dip. Elect. Eng.(SL)*

MANAGEMENT STAFF

Chief Risk Engineer

N.S. Weerakoon

Chief Technical Manager

(Underwriting)

Mrs. N.D.D.J. Serasinghe

Chief Manager

(Claims)

I.M. Karunasena

Chief Manager

(Software Development)

H.A. Dikkumbura

D.A.L. Manchanayake *MBA, BSc (Hons) UK*

Chief Manager

(Information Technology (Operations))

P.O.N. Perera

Chief Manager

(Customer Services)

H.V.C. Dammike

Chief Manager

(Company Secretarial)

Mrs. A.L.D.E.H. De Silva

Chief Managers

(Financial Services)

R.M.A. Bandara *BSc (Busi. Admin)*

(Special)

D.R.N. Damsiri *BSc (Busi. Admin)*

(Special)

K.L.R.D. Silva

S.L.W. Fernando

Chief Managers

(Technical)

V.A.L.C. De Silva

M.A.G. Perera

A.K.I.K. Ariyaratne *ACII (UK), Dip. SLII, ANZIIF (Snr Assoc) CIP, Chartered Insurer, Certified in Technical Aspects of Reinsurance (IIRM-J.B. Boda)*

P.L. Sumanapala

W.R.N. Dep

Mrs. H.P.R. Dilrukshi

Mrs. I.D. Samarannayake

Chief Technical Managers

(Automobile)

R.B.W.A.M.D.B. Rajaguru

C.J. Amarakoon

K.P.U.D. Gunasekara

A.I. Gunawardana

M.S.V. Perera

R.G.C. Priyankara

H.C. Heenatigala

Chief Manager

(Implementation)

M.H.M. Sajeenra

Chief Manager

(Data Center Operation)

D.A.T. Dissanayaka *MscIT*

Senior Managers

(Corporate Accounts)

K. Alikhan

W.M.C.J. Bandara *(MBA) (Cardiff M.)*

M.C.A. Fernando

P.C.N. Dias

V.S.D. De Mel

W. George *(Consultant w.e.f.13/04/2022)*

H.C.S. Hemantha *(Consultant*

w.e.f.25/06/2023)

N. Hettiarachchi

M.D.S.R.L. Jayasekara *(Consultant w.e.f.*

18/12/2022)

J.K.C. Jayawardana

L.M.M.B. Karaliyadde *(Consultant w.e.f.*

7/03/2019)

B.G.S. Mendis

B.D.C. Perera

M.A.S. Priyadarshana

M.A.V. Priyadarshana

S.A. Priyantha

T.M.R.K. Kurukula *(Consultant*

w.e.f.31/12/2018)

T.S.R. Peiris

S.A.D.L. Sural *MBA(Wales), Pg. Dip Mkt*

(UK),MCIM

V. Sivakumar

W.A.M.L. Soloman

M.D.J. Thilina *MBA (Cardiff.M.)*

P.S.M. Rerukana

M.H.M. Rizwan

W.A.C.R. Weerasinghe

K.M.S.N. Kumara

R.U. Sampath

Senior Risk Engineers

H.D.J.K. Perera *BSc*

H.M.L.R. Jayasundara

S. Jeganesan

K.Hajananan *(Resigned w.e.f.*

13.01.2025)

W.M.A.W. Wickramanayake

D.M.S.A. Dassanayake

Senior Manager

(Internal Audit)

J.A.Handaragama

Senior Managers

(Financial Services)

H.L.N.C. Nanayakkara *(Resigned w.e.f. 27.03.2025)*

J.S. Liyanarachchi

W.A. Soysa

I.A.S.P. Fernando

S.M.A. Ranith

R.R.P. Bandara

S.H.M. Chandrasiri

M.P.C. Costa

L.P.S. Pemakumara

Mrs. B.S.P. Rajakaruna *Bsc. Finance*

(Special), ACA

D.R.D. Siriwansha

Senior Technical Managers

(Underwriting)

Mrs. M.W.S.N. Mangalie

G.E.S. Roshan

E.M.J.S. Ekanayake

A.S. Ranasinghe

Mrs. W.M.C. Saman Kumari

Senior Technical Managers

(Automobile)

H.A.K. Hemantha

B.I. Moses

E.M.P.B. Ekanayake

Senior Managers

(Technical)

R.P.I.P.T. Amarasekara

P.G.S. Chandrasiri

M.R.K. Makalandawa

N.G.P. Sampath

R.J. Rozairo

H.C.L. Kotigala

Senior Manager - Technical

(Crop and Live Stock Insurance)

D.D.N.T. Dematagoda *B.sc (Agri) Dip.in Agri.MCPM*

Senior Manager

(Automobile)

K.M.I. Rajawatta

Senior Manager

(Applications)

W.M.S.R. Seneviratne

Senior Manager Data Centre Operations

W.W.A.D.S. Sanjaya

Senior Applications Engineer

J.N.P. Wijerathna

Senior Managers

(IT Operations)

T.I.M.R. Hamid

S.M.N.L. Subasingha

Senior Managers

(Call Centre Operations)

R.J. Baptiste

M.S.S.S. Hassim

Senior Manager

(Marine Survey)

W.M.U. Shantha

Senior Manager

(Claims)

P.A.J.P. Jayawardena

Digital Marketing Specialist

B.K.G. Harshana B.B. Mgt. (Hons) in Marketing, AMSLIM (SLIM), PDDM (APIDM)

Manager

(Marine Survey)

M.V.M. Sirimewan

Managers

(Financial Services)

S.S.T. Pinnagaspiya

R.H.H. Priyankara (Resigned w.e.f 14.02.2026)

S.L.B. Girihagama

H.G.N.S. Gunathilaka

S.C. Mohotti

W.M.S.T. Widanage

Mrs. W.A.K.G. Perera B.B.A. (Finance)

Managers

(Internal Audit)

J.D.V. Malan

S.P.P. Sarath Kumara

S.A.P. Pradeep

S.R. Karunathilake

Technical Managers

(Automobile)

W.A.C. Wijesinghe

M.C. Manathunga

W.C.C.L. Kumara

Managers

(Technical)

B.K.M.T. Rodrigo (Resigned w.e.f 12.01.2026)

G.D.S.D. Thilakarathne

W.V.M.N. Udayarathna

M.Z.M. Muzammil

Mrs. K.H.M. Shamendri

M.R.S. Cooray

Miss. K.K.T. Wickramasinghe

M.S.S. Perera

Mrs. T.K.L.N. Perera

Mrs. K.S.S.K. Peiris

T.S.N. Wijesinghe

Mrs. G.S. Subodanie

T.S.S. Peiris

W.K.A. Samantha

O. Illiyas

T.M.P.I. Kumari

H.R.R. Kumara

W.A.T. Dananjaya

D.P.N. Jayathilake

S.R.D.N.N. Abeykoon

Technical Managers

(Underwriting)

Ms. H.R.N. Arunakanthi

R.M.I.B. Rathnayake

Mrs. H.M.T. Thalgaswatte

Mrs. M.O.D. Gunawardena

Mrs. S.N. Wijesooriya

Mrs. G.P.A. Perera

Area Automobile Engineers

M.E.V. Fernando

K.M.P.G.U.B. Bandara (Expired on 05.09.2025)

H.M.I. Pathmasiri

W.M.K. Wickramaraja

K.A. Talpage

Managers

(Customer Care)

M.N. Bawa

P.H. Gallassage

G.S.S. Botheju

Managers

(Customer Services)

A.K.N. Waidyasekara

K.S. Kalidasa

W.A.D.C. Weerasinghe

K.S. Kumar

Senior Software Engineer

L.R.I.D. Bandara BSc (Hons) IT

Manager

(Propaganda)

W.D.P. Sanjeewa

Manager

(Claims)

A.W.G.C.S. Wijethunga

Manager

(Title)

Mrs. D.C. Kalpani

Risk Engineers

R.M.V. Chathuranga

N.L.D.J. Nanayakkara

W.A.P.D. Wickramasinghe

N.D.R. Hemakumara

W.A.J.M. Weerasekara

H.P.M.A.P. Jayasundara

S.N.W. Gunarathna

S.R.J. Senaratna

A.K.B.J. Aththanagoda

D.G.G.V. Udayakumara

K.S. Kumarasiri (Resigned w.e.f 22.08.2025)

H.B. Abeywickrama

R.N.K. Kudagama

A.M.D.D. Alagiyawanna

S.A.M. Lakruwan

B.C.H. Kulathilaka

B.M.T.M. Basnayaka

D.A.A.L. Senadheera

G. Wickramaarachchi

R.M.S.V.B. Rathnayake

A.A.V. Yasas Sri

J.A.K. Anuranga

Senior Chief Claims Adjustors/ Accountant

C.M. Gunawardana

H.R. Kumarasiri

Chief Claims Adjustors/ Accountant

L.P.R. De Silva

D.M.A. Gunasekara

A.A.D.P. Dias

Chief Claims Adjustor

R.A.A. Prasad

MANAGEMENT STAFF

Senior Claims Adjustor/ Accountant

L.B.L. Premathilake

Regional Sales Managers

(Branches)

S.K. De Alwis (Consultant w.e.f. 12/01/2021)

R.P.S.R. Randunu

H.K.M. Priyanka

Area Sales Managers

(Branches)

K.P.L.A. Balawardana

S. Gurusinghe

C.S. Mahalekamgedara

P.L.N.C. Sampath (Resigned w.e.f. 08.05.2025)

K.M.R. Ranasinghe (Consultant w.e.f. 13.07.2025)

T.I. Lanthra

N.G.C. Gunarathna

K.C.S. Fernando

S.A.L. Samarasinghe

M.G.A. Jayanath

D.D.S.S. Kumara (Resigned w.e.f. 30.05.2025)

M.S. Kosgallana

B.A.S. Priyadarshana

A.D.W.I. Anushan

M.S.R.M. Fernando

I.I. Attanayaka

P.S.S. Peiris

C.H. Vitharana MBA (UK)

C. Pratheepan

Senior Sales Managers

(City)

K.T.G.N. De Silva

Miss. K.A.D. De Silva

L.A.S. Edirisinghe (Consultant w.e.f. 16/11/2019)

W.W.M.A.B.P. Fernando

P.A.L. Kumara (Consultant w.e.f. 13/07/2020)

K.D.D. Kumara

U.I. Kodagoda

S.I. Liyanage

N.K.P.R.C. Perera

K.S. Sanjeewa

S.U. Thalakumbura

R.T.D.W. Tilakaratne (Consultant w.e.f. 26/02/2021)

W.M.J. Weerasekara

K.D.K. Wijenayake

M.K. Dinesh

S.N.D.M.K.M. De Silva

D.C. Jayawardana

A.P.M. Perera

Senior Sales Managers

(Branches)

H.M.T. Hemantha

R.K.M.A.P. Jayasundara

P.P.B.W. Jayalath

M.H.M.S. Jayarathna

T.A.B. Peiris

W. Sanjaya

B.A. Perera

V.G.D.S. Priyadarshana

H.M. Pushpakumara

G.H.U. Roshan

A.M.C. Abeysingha

N.N.R. Diunugala

W.P.T. Udugama

Mrs. S.M.P.F. Warnakulasuriya (Resigned w.e.f. 10.05.2025)

R.S. Kaluarachchi

T.A.S.C. Kumara

S.T. Somatilake

W.M.T.K. Wijemanna

W.A.W. Perera

B.P.K.D. Pathirana

K.M.K.M.K. Abeyrathna

M.W.S.S. Piyarathna

H.R. Kumara

N.W.P.U. Deshapriya

S.J. Liyanage

Y.W.S.M. Jayarathna

P.K.A.K. Priyadarshana

T.S. Wickramasinghe

K.M.C.K. Balawardana

N.S.G. Kumara

M.L.S. Premathilaka

K.P.C.K. Namarathna

L.K. Wattedgedara

S.R.D.D. Abeykoon

B.H.F.A.M. Fernando

D.T. Jayathilaka

L.T.P. Perera

C.S.K. Wickramanayaka

N.C. Samarawickrama

Managers

(Corporate Accounts)

W.P.G.S.D. De Silva

C.N. Weerasuriya

Y.M.N.A.S. Yapa

H.P.V.U. Mahindrathna

A.K.H.M. Somasiri

A.H. Lalith (Consultant w.e.f. 17/11/2024)

A.M.W.J. Adikari

W.L.D.K. Weerasuriya

T.N.P. Jayarathna

S.H.N.D. Kumara

V.P.S. Jayamanna

H.R.T. Perera

R.V.N.S. Rajapaksha

D.A.H. Prasad

D.G.P.N. Wimalaratne

M.S.S. Rodrigo

R.T. Ranatunga

I.M. Kalansuriya

H.M.S.B. Herath

M.G.S. Kumara

P.V. Kumara

T.A. Nanayakkara

N.P. Wadugodapitiya (Consultant w.e.f. 26/02/2024)

T. Athithan (Resigned w.e.f. 31.05.2025)

Branch Managers

D.P. Amarasinghe

D.M.R.N. Dissanayake

D.P.R. Gunasiri

M.T.N.A. Kumara

W.M.R.B. Naranpanawa

D.J.K. Dadigamuwa

C.P. Abeysekera

L.H.R.C. Chandrasiri

R. Ingaran

M.A.D. Nishantha

K.A.H.K. Sirisoma

B.M.D.C.L. Ranasingha

D.G.R. Saliya MSC (Master of Science in Strategic Marketing)

D.R.S. Wijeyakulasuriya

E.G. Sirimal

C.I. Abenayaka

K.M.P. Rohan

N.M. Uduweralla

A.H.M.W.B. Agalakotuwa

A.S.J. De Alwis

M.R. Kannangara

L.S.A.M.J. Siriwardhana

D.M.R.N.U.B. Dissanayake

S. Navaneethan

W.M.D.C.B. Dissanayake



“ During the floods, our area was suddenly inundated, and we lost almost everything including the motorbike. However, Ceylinco Insurance promptly contacted us, assessed the situation, and paid the full amount required for the repairs of the bike. I truly appreciate their timely support during a very difficult time.

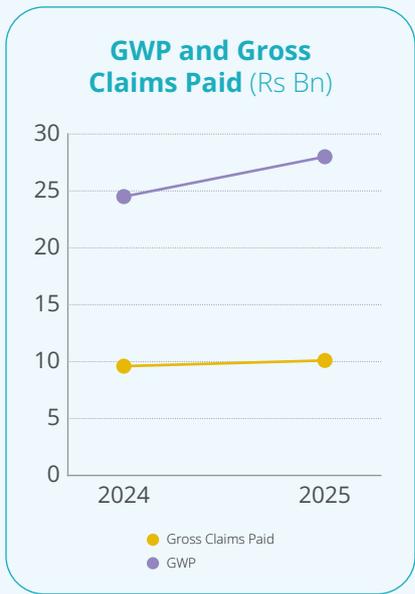
Ms Shanika Dilshani
Dummalasuriya

ENTERPRISE RISK MANAGEMENT

Being an insurance company, risk management is inherently embedded in the Company's core business operations. The Company has established a comprehensive risk management framework supported by structured policies, procedures, and monitoring mechanisms to ensure continuous identification, assessment, mitigation, and monitoring of risks across all functional areas.

In managing these risks, the table below outlines the key categories of risks faced by the Company, the policies and controls in place to manage those risks, and the strategies adopted for continuous improvement and enhancement of the risk management framework.

Risk	Definition	Impact on Business and Value Chain
Insurance Underwriting Risk	Risk that the Company may incur losses due to changes in economic conditions and incidence rates of insured events, etc. contrary to the forecasts made at the time of setting premium rates.	<ul style="list-style-type: none"> Underpricing of policies leads to higher claims ratios and underwriting losses. Unexpected claims outflows may create short-term liquidity pressures. Higher claims frequency increases operational workload and expenses. Fraud risk may increase if underwriting controls are weak.
Asset Management Risk	<p>Risk that the Company may incur losses due to fluctuations in the value of assets held (including off-balance sheet assets).</p> <p>It consists of these three risks :</p> <p>Market Risk: This is a risk where various market risk factors, such as interest rate, foreign exchange rate, and stock price cause fluctuation losses in the value of retained assets and liabilities.</p> <p>Credit Risk: This is a risk where a borrower's deteriorating financial condition leads to a decline or complete loss in the value of assets and, as a result, the Company suffers losses or credit concentration risk to individual borrowers.</p> <p>Real Estate Investment Risk: This is a risk where a fluctuation in the rent of real estate reduces the rental income, or where changes in market situation lead to a decline in the value of real estate itself.</p>	<ul style="list-style-type: none"> Decline in property market values reduces asset base and revaluation reserves. Rental income instability affects recurring investment returns. Illiquid property assets create cash flow challenges during high claim periods.

Management Policy	Time Horizon	Key Risk Indicators									
<p>Considering that insurance underwriting risks follow the Law of Large Numbers, the Company shall analyze the characteristics of its risk, set appropriate premium rate, set up retention policy, secure reserves for losses due to changes in such as socio-economic environment or natural catastrophe, and establish a stable and sound insurance-underwriting and claim-payment framework for the future.</p> <p>Continuous Improvement Strategy: Identification of high risk locations/vehicles, process improvements, regular training to staffs, IT system improvements, Detailed analysis of businesses, Improving on excesses, exclusions.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	 <table border="1"> <caption>GWP and Gross Claims Paid (Rs Bn)</caption> <thead> <tr> <th>Year</th> <th>Gross Claims Paid</th> <th>GWP</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>9.5</td> <td>24.5</td> </tr> <tr> <td>2025</td> <td>10</td> <td>28</td> </tr> </tbody> </table>	Year	Gross Claims Paid	GWP	2024	9.5	24.5	2025	10	28
Year	Gross Claims Paid	GWP									
2024	9.5	24.5									
2025	10	28									
<p>Considering that holding assets are reserves for paying insurance claims to policyholders, etc., the Company shall maintain sufficient assets, which have appropriate characteristics to perform future obligations from liabilities, analyzing the characteristics and risk of the assets and liabilities, and establish a system that ensures soundness and stability of the assets.</p> <p>Continuous Improvement Strategy: Compliance with investment guidelines, assessment of sufficient assets regularly especially during challenging times, make timely decisions, Diversifying portfolio, Shift strategies to suit macro economic environment.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<p>Disclosures on the risk can be found in Note 37(b).</p>									

ENTERPRISE RISK MANAGEMENT

Risk	Definition	Impact on Business and Value Chain
Liquidity Risk	<p>Liquidity Risk consists of these two risks:</p> <p>Cash Flow Risk: Risk that the group may incur losses due to being forced to sell assets at a price considerably lower than normal in order to maintain funds, owing to deteriorating cash flows.</p> <p>Market Liquidity Risk: Risk that the Company may incur losses due to the inability to trade on a market or being forced to trade at a price considerably less advantageous than normal owing to a market disruption, etc.</p>	<ul style="list-style-type: none"> ✦ Insufficient cash availability may delay claim payments, affecting policyholder trust and reputation. ✦ Difficulty in meeting expenses such as commissions, salaries, and reinsurance premiums may affect business continuity. ✦ The Company may need to arrange short-term borrowings, increasing finance costs and reducing profitability. ✦ Assets may need to be sold at a loss to generate cash. ✦ Discounted asset sales reduce net asset value and solvency margins. ✦ Market illiquidity increases valuation uncertainty. ✦ Illiquid long-term assets may not support short-term liabilities.
Operational Risk	<p>Risk that the Company may incur losses resulting from inadequate or failed internal processes, people and systems, or from external events.</p> <p>Operational Risk consists of below ten risks.</p>	
	<p>Clerical/Administrative Risk: Risk that the Company may incur losses due to the failure of its officers and employees, agent etc. to perform their administrative tasks correctly, or due to an accident or improper action, etc. they caused or committed.</p> <p>However, it is categorized as an individual risk in case of interlapping with other risk.</p>	<ul style="list-style-type: none"> ✦ Incorrect policy data entry may lead to undercharging or overcharging of premiums. ✦ Errors in claims processing can result in overpayments or duplicate payments. ✦ Incomplete documentation may lead to non-compliance with regulatory requirements. ✦ Inaccurate statutory reporting can result in penalties. ✦ Errors in policy documents or claim settlements reduce customer confidence.
	<p>Planning and Development Risk: Risk that business strategy, sales program, development ,revision and abolition of insurance product, designing of a new administrative schemes, development of new systems are inconsistent with company policies, or ;Risk that the Company may incur losses due to the outcome of its execution is far from initial plan and target.</p>	<ul style="list-style-type: none"> ✦ Incorrect assessment of market trends may lead to launching products with low demand. ✦ Poor strategic planning may result in entering unprofitable market segments ✦ Overestimation of premium growth may strain operational capacity. ✦ Slow product innovation reduces market share. ✦ Failure to adapt to regulatory or technological changes weakens industry position.

Management Policy	Time Horizon	Key Risk Indicators
<p>The Company shall prevent a lack of funds required for day-to-day operations and establish a framework for efficiently procuring funds for paying back a large amount of such as claims and refunds resulting from major earthquakes, etc., and analyze the characteristics of its risk.</p> <p>Continuous Improvement Strategy: Strict compliance with Regulatory requirements, Forecasting/Monitoring of cash flows business unit wise with higher supervision, arranging facilities/mechanisms to ensure liquidity ,make timely decisions.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<p>Disclosures on the risk can be found in Note 37(c).</p>
<p>By recognizing that administrative errors, accident or misconduct could occur in any operations, the Company shall establish a framework for preventing these.</p> <p>Continuous Improvement Strategy: Procedures/controls through manuals and updates, Detailed internal audit activities, Training, supervisory controls.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Staff Turnover Rate ✦ Training Hours per employee ✦ Employee Error Rates
<p>The Company shall establish a framework for recognizing risks and hindrance that is inherent to outcome of business strategy, sales program, planning tangible risk control measures.</p> <p>Continuous Improvement Strategy: Revisit outcomes of strategies and make improvements in planning activities, Aggressive monitoring of plans and make corrections regularly, Investment committee guidance.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Pricing Adequacy ratio (Premium Vs Claims) ✦ Customer Retention Rate

ENTERPRISE RISK MANAGEMENT

Risk	Definition	Impact on Business and Value Chain
	<p>Information Asset Risk (Security Policy): System for processing and managing information (information acquired or processed through operating our business) are collectively referred to as “information assets”, and consists of these two risks:</p> <ul style="list-style-type: none"> ✦ Risk due to damage, falsification, or leak of information. ✦ Risk due to an information system failure or malfunction, etc. or deficiencies, etc. as well as the risk that insurance companies may incur losses due to an unauthorized use of a computer. 	<ul style="list-style-type: none"> ✦ Data breaches may result in regulatory fines and legal claims. ✦ System failures may interrupt operations and delay premium collections or claims payments. ✦ IT system downtime may halt policy issuance and claims processing.
	<p>Legal Risk: Considering an increased diversity and complexity of business activities, the Company shall review and make necessary changes to the legal checking system for preventing unexpected legal liability arising from day-to-day operations, such as civil liability (e.g. liability for damage or breach of contract), criminal liability and administrative liability.</p> <p>The Company shall manage the liability for paying compensation to the third-party arises from an accident or a disaster as Accident /Disaster risk.</p>	<ul style="list-style-type: none"> ✦ Regulatory fines and penalties for non-compliance with insurance and data protection laws. ✦ Litigation costs arising from disputes with policyholders, intermediaries, reinsurers, or employees. ✦ Adverse court judgments leading to unexpected claim payouts. ✦ Regulatory investigations requiring management time and resources.
	<p>Accident/Disaster Risk: Risk that the Company may incur losses due to damage to the lives or health of officers/employees and the Company's assets, or which create liability for paying compensation to the third-party.</p>	<ul style="list-style-type: none"> ✦ Sudden increase in claims frequency and severity. ✦ High net retention losses if reinsurance coverage is inadequate. ✦ Deterioration of combined ratio and underwriting profitability. ✦ Large and immediate claim settlements create cash flow strain. ✦ Delay in reinsurance recoveries increases temporary funding gaps.
	<p>Human Resource Risk: Risk that the Company may incur losses due to loss and damage arising from complaints/ unfair and unjust treatment (issues related to pay, allowances dismissal, etc), discriminatory practices (sexual harassment and the like).</p>	<ul style="list-style-type: none"> ✦ Shortage of skilled underwriters or claims assessors delays service delivery. ✦ High staff turnover disrupts workflow continuity. ✦ Inadequate training increases error rates in policy processing and claims handling. ✦ Inefficient performance management reduces productivity. ✦ Employee misconduct or fraud may lead to financial losses. ✦ Weak segregation of duties increases risk of internal fraud.

Management Policy	Time Horizon	Key Risk Indicators
<p>The Company shall ensure confidentiality (protection against unauthorized access), integrity (maintaining in perfect condition) and availability (anytime accessibility) of information and a system for processing and managing "information assets". (Security Policy)</p> <p>Continuous Improvement Strategy: Regular updates/development of systems, Training staffs timely, Improve on disaster recovery plans.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Actual Number of Data Breaches ✦ Backup Success Rate ✦ Unauthorized access count
<p>The Company shall acknowledge the fact that there are possibilities to unexpected legal liability, therefore establish a legal checking system.</p> <p>Continuous Improvement Strategy: Timely addressing the issues by involvement of relevant senior management, Analyze any unexpected legal claims experiences and implement systems to recognize such claims, Make use of sufficient/relevant legal expertise timely.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ No of reported incidents of non-compliance- Nil ✦ Amount of fines charged- Nil ✦ Time to resolve legal issues
<p>The Company shall establish procedure for preventing and taking appropriate countermeasures against accidents and disasters.</p> <p>Continuous Improvement Strategy: Revisit disaster management strategies, Continuous update on possible risks, Allocate sufficient resources to prevent risks.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Injuries to Employees/customers ✦ Loss of business hours due to climate related incidents
<p>The Company shall acknowledge the fact that unfair and unjust treatment and discriminatory practices may cause obligations to pay reparations, therefore establish procedure for preventing and taking appropriate countermeasures.</p> <p>Continuous Improvement Strategy: Ensure culture of fair treatment is followed by regular audits, Comply with new legal requirements/established procedures, Timely inquiry and decisions.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Employee Turnover Ratio ✦ Time to Fill Vacancies ✦ Grievances filed

ENTERPRISE RISK MANAGEMENT

Risk	Definition	Impact on Business and Value Chain
	Reputational Risk: Risk that the Company may incur losses due to damage arising from deterioration in the institution's reputation and circulation of unfounded rumors.	<ul style="list-style-type: none"> ✦ Decline in new policy sales due to reduced public confidence. Inconsistent underwriting decisions create perception of unfair treatment. ✦ Weak internal controls or fraud incidents attract negative publicity.
	Outsourcing Risk: Risk that the Company may incur losses or detrimental to our customers due to damage arising from operation that is outsourced to the third parties(including re-outsourcing to the other parties).	<ul style="list-style-type: none"> ✦ Outsourced actuarial modelling errors may lead to incorrect pricing. ✦ Confidential product data may be exposed. ✦ Third-party system errors may result in incorrect policy issuance. ✦ Data entry mistakes affect underwriting accuracy. ✦ Outsourced claims assessment may increase settlement delays. ✦ Inconsistent claim decisions may create disputes.
	Political Risk: Risk that the Company may incur losses due to change in Political situation in the Country.	<ul style="list-style-type: none"> ✦ Regulatory changes may require redesign of insurance products. ✦ Inflation and currency volatility affect claims assumptions. ✦ Political instability may lead to economic slowdown, reducing disposable income and insurance demand. ✦ Currency depreciation affects foreign-denominated investments or reinsurance arrangements.

The ESG (Environment, Social and Governance) committee continue to focus on ESG aspects in order to achieve Sustainable Development Goals in the long run.

ESG Management Committee regularly monitors set goals for Medium-Term Sustainability.

The Company has processes in place to measure set quantified targets in respect of Paper usage, Fuel consumption for vehicles, Electricity usage from renewable energy sources and Plastic cards utilization to achieve by 2030. The progress in achieving targets will be evaluated and monitored quarterly.

In response to Climate Change:

1. We do not provide insurance for, nor make investments in new coal-fired power plants.
2. With new risk solutions, we support our customers to establish and roll out innovative technologies for a decarbonized society, including things like next-generation energy, such as renewables and hydrogen.

In respect of SDGs, please refer page 14.

Management Policy	Time Horizon	Key Risk Indicators
<p>The Company shall establish procedure for preventing and taking appropriate countermeasures against reputational risk.</p> <p>Continuous Improvement Strategy: Regular communication of offerings of services, Ensure customer promises are honored always, Timely actions on incidents which could impact reputation</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ No of Customer Complaints ✦ Claims Settlement Ratio ✦ Employee misconduct cases
<p>The Company shall establish a framework for management of outsourcing in order to secure soundness in business, to operate outsourced business appropriately, to be compliant and to protect customers.</p> <p>Continuous Improvement Strategy: Audits on outsourced activities are carried out, Guidelines are available to ensure consistency.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Outsourcing contracts disputes ✦ Vendor performance score
<p>The Company shall establish procedure for preventing and taking appropriate measures against Political risk.</p> <p>Continuous Improvement Strategy: Understanding of environment and make necessary plans.</p>	<p>Short Term: Low Risk</p> <p>Medium Term: Medium Risk</p> <p>Long Term: Medium Risk</p>	<ul style="list-style-type: none"> ✦ Policy changes impacting premiums ✦ Election Impact ✦ Budget Proposals

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

Corporate Governance

The global non-life insurance sector is experiencing moderated premium growth, strong capital positions, and improved profitability driven by easing inflation and higher interest rates. The industry is highly focused on digital innovation, particularly Artificial Intelligence (AI), and managing emerging risks like natural catastrophes and cyber threats.

Inflation continues to affect repair and replacement costs, forcing insurers to continuously adapt their pricing models to maintain profitability and manage customer price sensitivity. The rapidly evolving regulatory landscape, especially around AI usage, data protection, and climate risk management, creates a significant compliance burden for global non-life insurers. Geopolitical fragmentation and potential trade conflicts could disrupt supply chains, impact asset and liability management, and put pressure on claims costs. Insured losses from natural disasters continue to grow, necessitating new risk management approaches, higher reinsurance capacity, and rising premiums in high-risk areas.

In the aftermath of Cyclone Ditwah, Sri Lanka's non-life insurance sector faces exceptional challenges in risk exposure, claims management, and disaster readiness. Most of the insurance companies are expected to face negative pressure in the short to medium term, due to a surge in flood-related motor and property damage claims. Non-motor losses will be largely absorbed by reinsurance, but increased motor claims and reinsurance reinstatement premiums will weigh on underwriting performance.

Ditwah cyclone event will raise demand for non-motor insurance policies with low penetration levels as households and businesses recognize the value of property and business-disruption coverage. Equally, in the motor

segments, more customers will shift from third-party to comprehensive coverage, driven by intensified public awareness of risks related to floods and electric vehicles.

As a leading non-life insurance company, we at Ceylinco General Insurance Limited excel at managing risks during periods of volatility. Our customers will look to us to protect and guide them through these uncertain times. As a non-life insurance company, we are well prepared for such disaster situations, and we executed our own strategies to face Ditwah cyclone situation too. At Ceylinco General Insurance Limited, we have strong capital maintenance and reinsurance arrangements which are mainly based on the Company's risk desire and our risk transfer philosophy and strategy. Further our sound corporate governance frameworks, combined with better decision making, will ensure we remain a beacon of stability.

The Board of Directors of the Company remains as the highest governing body, oversees and anchors Company's governance framework, managing the appointment of subcommittee Chairmans, members and Key Management Personnel (KMP). The Board regularly reviews Company's governance framework to reflect necessary enhancements in alignment with its evolving growth strategy.

The Company's governance framework eternally confirms the acceleration of our strategy as well as ensures that we are well-positioned to deliver and secure sustainable, shared value in an increasingly complex and fast-changing world. Our governance structure is carefully designed to provide clear segregation of responsibilities, ensuring efficient decision-making that aligns with the principles of accountability, transparency, objectivity, and reliability.

As a regulated non-life insurance company and responsible corporate

citizen, Ceylinco General Insurance Limited acts in a manner that beneficial to all communities. Hence our approach to corporate governance empowers integrated thinking and rational decision-making, balancing the achievement of our strategic priorities over time and reconciling the interests of the various stakeholders and society by creating and protecting sustainable shared values.

The Board affirms that the Company is compliant with the requirements stipulated in the Code, the Rules on Corporate Governance contained in the Listing Rules of the CSE, and the requirements stipulated in the Companies Act, No. 7 of 2007. The Company's Corporate Governance structure is subject to continuing evaluation, assessment and development periodically to ensure that the internal governance procedures meet high standards and deliver up-to-date and appropriate information about the Company's financial performance.

The Company comprehensively adheres to the regulatory guidelines given by the Insurance Regulatory Commission of Sri Lanka (IRCSL), and other relevant regulatory authorities. The list of policies together with details regarding the corporate governance under section 9.2.1 of Listing Rules of the CSE are readily available on the Company website. This exhibits the Company's commitment towards financial stability, product trustworthiness, and fair play in the insurance industry.

The Board of Directors, Sub Committee members, Senior Management and all employees have acted in compliance with the applicable regulatory and statutory requirements and have discharged their fiduciary duties in accordance with the policies, procedures and standards set out under the Company's Corporate Governance Framework. It helps to adopt sound and prudent principles and practices for the governance

of the activities of the Company. The Board is dedicated to meeting stakeholders' expectations and strives hard to accomplish them while ensuring success within the regulatory frameworks and balancing stakeholder interests.

This report demonstrates how the Board of Directors has applied these principles to navigate the Company's strategic direction, approve adopting policies and plans, and ensure effective accountability and monitoring mechanisms are in place. It also provides the status of compliance of the Company with various laws and regulations applicable to the Company. Further it provides a synopsis of the functions of the various sub committees established for the purpose of Good Governance.

Board of Directors

The Board of Directors is the ultimate governing body of the Company, having the highest decision-making authority and overall responsibility for determining the strategic directions of the Company. In all actions taken, the Board of Directors is expected to exercise their business judgments considering the best interest of the Company. The Board of Directors gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board of Directors provides independent and objective judgement and constructive challenges and monitors executive management's delivery of strategy within the approved framework and risk appetite agreed by them.

This involves empowering our people, helping to serve the community and maintaining trust with customers. The purpose is held collectively responsible for the oversight and long-term success of the Company. It is aligned with our culture and our strategy, placed at the forefront of our decision-making and

strategy development. The Board of Directors considers how the initiatives progressed by senior management throughout the year have advanced our purpose. Further the Board of Directors' oversight ensures that continued product development realizes our ambition to connect with everyone.

The Board of Directors is committed to retaining a balanced composition that exhibits a diverse mix of skills, experience, tenure, and insights aligned with the Company's strategic direction and stakeholder expectations. The Board is held responsible under regulations for the strategic direction and management of the Company, it typically assigns the authority to the Chief Executive Officer (CEO) and the Senior Management to carry out day-to-day operations of the Company. Once the Board has delegated broad authority, its prime responsibility is to oversee management's performance and ensure compliance with the wide-ranging policies and established governance standards.

The Board of Directors acts proactively to strengthen and improve governance policies and practices in line with the latest regulatory requirements applicable to the insurance industry as well as best practices for good corporate governance.

Composition of the Board

The Company policy is to maintain a healthy balance between Executive, Non- Executive and Independent Non-Executive Directors, in keeping with the applicable rules and regulations, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Independent Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, while enhancing impartial mindedness.

As of 31st December 2025, the Board comprised sixteen Directors of whom five are Executive Directors, seven are Independent Non-Executive Directors and four are Non-Executive Directors, one being the Chairman of the Board. A brief profile of the members of the Board of Directors is given on pages 28-36.

As per the Listing Rule 9.8.3 (ix) of the CSE, Mr. S.A.W. Senaka Silva was appointed as Non-Executive Director w.e.f. 01.01.2025 due to being over 70 years of age. Since Chairman, Dr. W.C.J. Alwis has retired from the Board on 31.12.2024, Mr. Prasad Kariyawasam appointed as the Non – Executive Chairman of the Company w.e.f. 01.01.2025. Due to the retirement of Dr. W.C.J. Alwis, Mr. K. Shankaramoorthy was appointed to the Board as Executive Director w.e.f. 01.01.2025.

Separation of the Responsibilities of the Chairman and CEO

The roles of Chairman and CEO persist distinct, ensuring no individual holds unrestricted authority, maintaining balanced governance. The Chairman oversees Board efficiency while the CEO controls strategy execution and stakeholder engagement. This model allows a clear division of roles and responsibilities ensuring that none of the Directors have unfettered powers in the Board decision-making process. Thereby key roles of Chairman and CEO are separated for, strengthening the Board's effectiveness and ensuring objective decision making in the discharge of duties.

The Chairman leads the Board, facilitating effective meetings, clear communication, and productive discussions. In line with good governance and Listing Rule 9.6.1 of the CSE, Mr. Prasad Kariyawasam was appointed as the Non-Executive Chairman of the Company w.e.f. 01.01.2025. He is responsible for

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

chairing and managing the operations of the Board while ensuring effective participation of all Directors. The Chairman oversees the setting of the agenda of Board Meetings in consultation with the CEO to ensure that there are sufficient information and time to address all agenda items and promotes open discussions by all Directors at Board Meetings.

The CEO operates with authority assigned by the Board, managing daily operations in line with Board-approved strategies and procedures. Reporting directly to the Board, the CEO guides Key Management Personnel (KMP) and senior management, ensuring strategic alignment and effective stakeholder engagement. Mr. R.A. Gunathilake-Chief Executive Officer is responsible for the operation and day-to-day management of the Company in line with the direction of the Board and committees set up by the Board.

Board Appointments

Ceylinco General Insurance Limited has established formal methods on Board appointments and re-elections in compliance with Section 9 of the CSE Listing Rules. These procedures overseen by the Nomination and Governance Committee, carefully assess independence and appropriateness under stipulated “fit and proper” criteria along with Board balance criteria.

The Nominations and Governance Committee has an overall accountability for making recommendations to the Board on all new appointments or re-election and for ensuring that the Board has the appropriate balance of skills. The Board considers the proposals of the Nominations and Governance Committee for appointments or re-election by the Board and were sanctioned by the shareholders at the Annual General Meeting. The Company gets prior approval from Insurance

Regulatory Commission of Sri Lanka (IRCSL), when appointing new Directors to the Board.

Board Performance Evaluation

The Board collectively evaluates its performance and effectiveness on an annual basis. A formal process to evaluate Board effectiveness has been established in keeping with the CSE Listing Rules. This annual evaluation process is compulsory for all Board members and is designed to assess performance, composition and collective effectiveness.

All Directors dedicate adequate time and effort to the affairs of the Company. Further, the Board ensures the contributions of all Directors are made to achieve the corporate objectives. The evaluation process involves a self-assessment done by each Board member. The assessment records are to be handed over to the Nominations and Governance Committee by the Company Secretary. Finally, The Nominations and Governance Committee analyses the recorded information, and recommendations are being made to the Board of Directors.

Board Meetings and Attendance

The Board held six pre-scheduled Board meetings during the year under review. Board meetings may be held as physical, virtual or hybrid meetings in accordance with the Articles of Association. Participation is limited to Board members, with the Company Secretary in attendance to formally record the proceedings. However, Key Management Personnel (KMPs) and external experts may be invited to attend specific meetings or agenda items.

Board meetings are scheduled well in advance according to a pre-scheduled annual meeting calendar, prepared by the Company Secretary in consultation

with the Chairperson. The agenda for each meeting is set by the Chairperson, with assistance from the Company Secretary. The finalized agendas and comprehensive information containing all relevant documentation papers and proposals, which are relevant, for each Board meeting are circulated to Directors well in advance, to ensure healthy discussion.

The attendance at the Board meetings held during the year 2025 is given page on 131 this annual report.

Board of Sub Committees

Board Sub Committees are vital to assist the Board in executing its oversight responsibilities effectively. However, the Board of Directors retains the final evaluation rights of the decisions. While Board Sub Committees focus on oversight and strategic direction for delegated certain functions, the execution of policies, strategic initiatives, and operational risk management is delegated to a set of Management Committees consisting of senior management. The Board has established following Sub Committees for these purposes.

1. Board Audit Committee
2. Remuneration Committee
3. Nominations and Governance Committee
4. Related Party Transactions Review Committee
5. Enterprise Risk Management Committee
6. Investment Committee

The Board Sub Committees predominantly comprise Independent Non-Executive Directors.

Directors Remuneration

The Board of Directors manages remuneration structures and workplace policies, executed by the Remuneration Committee. Human Resource Policies ensure compliance, attract talent, and foster employee development in line with strategic goals.

Remuneration policies are fair, transparent, and aligned with strategic outcomes and risk management, ensuring sustainable value creation. Remuneration disclosures, including of Directors undergo shareholder review annually. No Director participates in determining his own remuneration thus eliminating conflict of interest.

The compensation for Non-Executive Directors was determined in reference to fees paid to other Non-Executive Directors of comparable Companies and service provided by them, and adjusted, where necessary, in keeping with the contributions made.

Aggregate remuneration paid for Directors for the year 2025 is given on page 210 in this annual report.

Statement of Compliance

This report shows the status of compliance of the Company in accordance with Section 9 of the Revised Listing Rules of the CSE on Corporate Governance, effective as at 1st April 2025.

CSE Rule		Compliance Status	Reference within the Annual Report
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	The Company is in compliance with the Corporate Governance Rules and has stated so within the Annual Report
9.2 Policies			
9.2.1	The Company has implemented policies, and which have been disclosed under Company website along with additional information	Yes	The Company is in compliance with implementation of policies
9.3 Board Committees			
9.3.1	Minimum required Board Committees	Yes	The required Committees are maintained, and are functioning effectively
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	The Company is in compliance with the requirements in respect of the Board Committees
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Records of all resolutions and the following information upon a resolution being considered at any General Meeting shall be maintained	Yes	The Company maintains all records and information regarding resolutions considered at General Meetings
9.4.2	Communication and relations with shareholders and investors	Yes	Refer Stakeholder Management and Effective Communication Section
9.5 Policy relating to the Board of directors			
9.5.1-9.5.2	The Company has adopted policies along with the information with regard to governing matters of Board of Directors	Yes	Refer Corporate Governance Report

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CSE Rule		Compliance Status	Reference within the Annual Report
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual.	Not Applicable	Chairman and CEO positions were held by separate directors.
9.7 Fitness of Directors and CEO			
9.7.1-9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE and related disclosures	Yes	Directors are required to provide general disclosures and declarations on fitness and propriety annually and are required to report any material changes to the information provided therein, including any changes to their professional responsibilities and business associations, to the Board. The Nominations and Governance Committee reviews and makes recommendations to the Board on the fitness and propriety of Directors. No non-compliances were reported during the year in this regard
9.8 Board Composition			
9.8.1-9.8.2	The Board consists of 16 Directors and 07 are Independent with effect from 01.01.25. Hence 1/3 of the number of Directors are independent	Yes	Details of the independence criteria are explained within the Corporate Governance Report
9.8.3	Requirements for meeting the criteria to be an Independent Director	Yes	Details of the independence criteria are explained within the Corporate Governance Report
9.8.5	The Board shall annually determine the independence or otherwise of IDs and name the Directors who are determined to be 'independent'	Yes	All NED/IDs have submitted declarations as to their independence, and a determination of their independence is evaluated
9.9 Alternate Directors			
	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association.	Yes	No Alternate Directors were appointed during the financial year.
9.10 Disclosures Relating to Directors			
9.10.2-9.10.3	Market announcement upon the appointment of a new director and any changes to the Board Committee composition	Yes	IRCSL informed.
9.10.4	Details in relation to the Board members	Yes	Refer Board of Directors section

CSE Rule		Compliance Status	Reference within the Annual Report
9.11 Nominations and Governance Committee			
9.11.1-9.11.3	The Company possesses a Nominations and Governance Committee and maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board. The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties.	Yes	Refer Nominations and Governance Committee Report
9.11.4	Composition of the Committee	Yes	Refer Nominations and Governance Committee Report
9.11.5	Functions of the Committee	Yes	Refer Nominations and Governance Committee Report
9.11.6	Disclosures of the Committee	Yes	Refer Nominations and Governance Committee Report
9.12 Remuneration Committee			
9.12.2-9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual Directors	Yes	Refer Remuneration Committee Report
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence	Yes	Refer Remuneration Committee Report
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Refer Remuneration Committee Report
9.12.6	Composition of the Committee	Yes	Refer Remuneration Committee Report
9.12.7	Functions of the Committee	Yes	Refer Remuneration Committee Report
9.12.8	Disclosures of the Committee	Yes	Refer Remuneration Committee Report
9.13 Audit Committee			
9.13.1	The Company has established a separate Board Sub Committee for risk management function. The Risk Management report has been provided.	Yes	Refer Risk Management Committee Report
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Yes	Refer Board Audit Committee Report

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CSE Rule		Compliance Status	Reference within the Annual Report
9.13.3	Composition of the Committee	Yes	Refer Board Audit Committee Report
9.13.4	Functions of the Committee	Yes	Refer Board Audit Committee Report
9.13.5	Disclosures of the Committee	Yes	Refer Board Audit Committee Report
9.14 Related Party Transactions Review Committee			
9.14.1 9.14.2	Related Party Transactions Review Committee shall comprise of a minimum of 3 members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	Yes	Refer Related Party Transactions Review Committee Report
9.14.3	Functions of the Committee	Yes	Refer Related Party Transactions Review Committee Report
9.14.4	General Requirements	Yes	Refer Related Party Transactions Review Committee Report
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Refer Related Party Transactions Review Committee Report
9.14.6	Shareholder Approval	Yes	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year
9.14.7	Disclosures of the Committee	Yes	Refer Related Party Transactions Review Committee Report
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements
9.14.8 (2)	Details pertaining to Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements
9.14.8 (3)	Report of the Related Party Transactions Review Committee	Yes	Refer Report of the Related Party Transactions Review Committee
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise	Yes	Refer Annual Report of the Board of Directors
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year
9.14.9 (4)/(5)/(6)	Competent independent advice on acquisition and disposal of substantial asset	Yes	The group has not acquired/disposed substantial assets from/to related parties

IRCSL Direction 02 of 2022 (revised) on Corporate Governance Framework for Insurers

The below statement represents the Company adherence to the Directions 02 of 2022 issued on 25th February 2022 (as amended) by the Insurance Regulatory Commission of Sri Lanka. (IRCSL)

Requirement under Direction 02 of 2022	Description	Status of Compliance
Code of Best Practice on Corporate Governance	Details each compliance is given under Corporate Governance report on pages 113 to 116.	Yes
Board Composition	The Board must be comprised a minimum of two Directors who are citizens as well as residents of Sri Lanka. The total period of service of a Director, other than Executive Director, shall not exceed nine years.	Yes Yes Yes
Age Limits	A Director having over 75 years of age shall cease to be a Director, subject to exemptions.	Yes
CSE Listing Rules 9	Adherence to the Listing Rules of CSE	Yes
Serving in other Boards	A Director of an insurance company cannot be a Director of more than 20 other companies including subsidiaries/associates of the insurance company. Out of such 20 companies, a Director cannot hold more than 10 companies classified under Specified Business Entities under the Sri Lanka Accounting and Auditing Standards Act. 15 of 1995.	Yes
Disclosure of Compliance status	Listing Rules of CSE on Corporate Governance and Related Party Transactions	Yes
Demonstration of level of compliance with disclosure requirements in Annual Report.	The Level of compliance with each direction is provided in the Annual Report will be available in the insurance company official website within 05 months after the Balance Sheet date.	Yes
Continuing in service by Director	If any Director wishes to serve beyond the age of 70 years, the company provides certification and written confirmation through the company secretary to IRCSL.	Yes

REINSURANCE ARRANGEMENTS

Retention of Risks Under Various Classes of Insurance

Class	Maximum Net Retention per Event Including Catastrophic Events
Fire including Consequential Loss & Engineering	Rs. 200,000,000/-
Personal Accident including Travel Insurance	Rs.10,000,000/-
All other Miscellaneous Classes	Rs. 15,000,000/-
Marine Cargo & Marine Hull	Rs. 15,000,000/-
Motor Insurance including Third Party Liabilities	Rs. 100,000,000/-
International Health	USD 100,000/- p.p.
Strike, Riots & Civil Commotion	Nil
Terrorism	Nil

Major Ten Reinsurers

Reinsurer	Credit Rating		Country of Origin
	AM Best	S&P	
Swiss Reinsurance Company	AA	AA-	Switzerland
Munich Reinsurance Company	AA	AA	Germany
Hannover Re	AA	AA-	Germany
Odyssey Reinsurance Corporation	AA-	AA-	USA
Lloyd's of London	AA-	AA-	United Kingdom
MS First Capital Insurance Ltd	AA-	-	Singapore
SCOR Reinsurance	A+	A+	France
HCC International Insurance Company PLC	-	A+	USA
Echo Reinsurance Ltd	-	A	Switzerland
China Reinsurance (Group) Corporation	A+	A	China

The security rating of all Reinsurers are in compliance with the minimum security guidelines issued by the Insurance Regulatory Commission of Sri Lanka dated 22.08.2014.

AUDIT COMMITTEE REPORT

Composition

The Board Audit Committee of Ceylinco General Insurance Limited was established for the purpose of assisting the Board in fulfilling their responsibilities related to financial reporting process, governance process, the Company's system of internal controls and compliance process. The Company operates as a non-listed limited liability subsidiary of Ceylinco Holdings PLC and in compliance with the applicable corporate governance standards.

The Audit Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, the investment community and other stakeholders in relation to the integrity of Financial Statements of the Company, that a good financial reporting system is in place and is well managed in order to give accurate, appropriate and timely information, that it is in accordance with the Companies Act and other legislative reporting requirements.

The Chairman of the committee is an associate member of the Chartered Institute of Management Accountants of United Kingdom. The members of the Audit Committee who have been drawn from and out of the Non-Executive Directors serving on the Board possess the required expertise and proficiency to perform their duties at the Audit Committee.

The Committee comprises the following Directors of the Company as at 31 December 2025.

- ✦ **Mr. N.A. Bandaranaike** (IND/NED) – Committee Chairman appointed w.e.f. 01.01.2024.
- ✦ **Dr. N.D.P. Dehigama** (IND/NED) - Appointed w.e.f. 18.05.2023.
- ✦ **Mr. T.R.T. Fernando** (IND/NED) - Appointed w.e.f. 18.05.2023.

- ✦ **Mr. Takashi Kishi (NED)** - Appointed w.e.f. 03.06.2022.

*NED – Non - Executive Director
IND/NED – Independent Non - Executive Director*

Audit Committee Charter

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter, which is approved and adopted by the Board. The terms of reference comply with the requirements of the Corporate Governance Rules as per section 9.13 of the Listing Rules of Colombo Stock Exchange (CSE).

Financial Reporting Requirements

The Committee has been authorized to ensure that a sound Financial Reporting System is established by, reviewing the appropriateness of procedures in place for the identification, evaluation and management of business risks, ensuring that internal controls relating to entire company operations.

During the year under review the Committee reviewed interim and annual Financial Statements prior to publication, checked and recommended changes in accounting policies, significant estimates and judgments made by the management, compliance with applicable accounting standards/ regulatory requirements.

Regulatory and Statutory Requirements

The committee reviewed quarterly reports on statutory and regulatory requirements. The Committee received reports on the status of statutory and regulatory compliance of the Company and the effectiveness of compliance monitoring programmes during the year and was satisfied with the monitoring process.

The compliance reports submitted on quarterly basis to the Committee, provides that the extent of Compliance with the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto, the Directions of the Insurance Regulatory Commission of Sri Lanka and any other regulatory and statutory requirements applicable to the Company.

Progress of Implementation of SLFRS

The Committee continuously monitored the implementation of the new accounting standard SLFRS 17. The Committee was kept informed on the progress of the implementation plan and received required training and knowledge improvement with respect to the effect and operation of the new standard.

Meeting and Attendance

Four Audit Committee meetings were held during the year under review and the CEO, the CFO and the Head of Internal Audit attended these meetings as permanent invitees. The external auditors are also present at meetings on a need basis. The proceedings of the Audit Committee meetings are reported to the Board of Directors on a regular basis. Other members of Senior Management attended as invitees as and when required.

The Board receives a copy of the minutes of each meeting of the Audit Committee.

Risk, Governance and Internal Control

Effectiveness of the Company's internal controls was evaluated through reports provided by the management, and by the Internal and External Auditors. The Audit Committee has reviewed the business risk management process and procedures adopted by the Company to manage and mitigate the effects of such

AUDIT COMMITTEE REPORT

risks and observed that the risk analysis exercise was conducted within the Company's operations. The Committee constantly reviewed the risks arising from the adverse economic and political situations of the Country and specific risk mitigating actions. The key risks that could impact operations have been identified and appropriate actions have been taken to mitigate their impact to the minimum extent.

During the year under review the Company maintained with its commitment to develop its risk management framework to align with the business requirements. The Committee is satisfied that the internal controls and procedures in place for evaluating and managing risks are effectively designed and operate efficiently and it is of the view that they deliver reasonable assurance that the Company's assets are safeguarded and that the Financial Statements of the Company are reliable.

Internal Audit

The Committee reviewed the internal audit reports to evaluate the efficiency of the internal controls that have been placed to provide reasonable assurance to the Board of Directors that assets are safeguarded, and that the financial reporting system be relied upon in preparation and presentation of Financial Statements.

Any control weaknesses highlighted in the internal audit reports were examined by the Committee and the follow-up action taken by the management on the audit recommendations were also reviewed. The committee reviewed the effectiveness of the internal audit function and the scope and procedures for internal audit during the ensuing year. The internal audit scope has been significantly enhanced to cover internal and regulatory/statutory control parameters.

The Committee has a standing agenda item to cover Internal Audit-related topics. Prior to the start of each financial year, the Committee reviews and approves the annual audit plan, assesses the adequacy of the budget and resources and reviews the strategic initiatives for the continuous improvement of the function's effectiveness.

The Committee receives constant updates on matters relating to the progress of the internal audit plan during the year. In addition, the Committee reviews the quarterly reports presented by the Internal Audit function regarding audit reports and progress of management actions in closing identified issues.

Based on the annual internal audit plan, during the year 2025, 253 audits were performed covering all sections of the Company. The committee obtained the significant findings of the internal auditors and reviewed the responses of the management. The recommendations made by the internal auditors for improvements were discussed at the audit committee meetings. The Committee evaluated the Internal Audit function covering key areas such as scope, quality of internal audits and resources. The Committee is satisfied with the independence of the Internal Auditor.

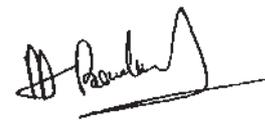
External Audit

The Audit Committee had meetings with the External Auditors to review the scope, timelines of the audit plan and approach for the audits. Further the Committee review actions taken by the management in response to the management letter while ensuring appropriate follow-up action is taken. Messrs. Ernst & Young has been the external auditors of the Company for more than 10 years and the rotation of Engagement Audit Partner takes place every five years.

The Audit Committee also reviewed the audit fees of the External Auditors of the Company and recommended its adoption by the Board. It also reviewed the other services provided by the External Auditors in ensuring that their independence as an Auditor was not compromised.

The Audit Committee has received a declaration from Messrs. Ernst & Young as required by the Companies Act, No. 07 of 2007, confirming that they do not have any relationship or interest in the Company, which may have a bearing on their independence within the meaning of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Audit Committee has proposed to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be recommended for reappointment as Statutory Auditors for the year ending 31st December 2026, subject to approval by the shareholders at the next Annual General Meeting.



Mr. N.A. Bandaranaike
Chairman – Audit Committee

06th March 2026

REPORT OF THE INVESTMENT COMMITTEE

Objective of the Committee

The investment portfolio of Ceylinco General Insurance Ltd plays a vital role in the company's overall business and growth strategy. It represents the wealth accumulated over the years and now serves as a key driver of income generation, liquidity management and most importantly, compliance with the regulatory requirements of the Insurance Regulatory Commission of Sri Lanka.

These three functions of the portfolio must align with the broader business strategy set by the board of directors. The Investment Committee ensures this alignment by integrating investment goals with corporate objectives. Expertise and market insights are contributed to the committee by professionals from the Treasury and Fund Management unit, strengthening the decision-making process.

The portfolios demand close attention due to the sensitivity of its assets to market and economic conditions. Asset prices are often influenced by market perceptions. This results in varying combinations of risk, return, and liquidity. It also directly impacts the ability of each asset class to meet regulatory requirements. Additionally, policy decisions of the Central Bank of Sri Lanka, along with global economic and political developments significantly affect the local financial markets and consequently, the company's asset portfolio.

Taking these external factors into account, and guided by the company's Enterprise Risk Management (ERM) framework, the Investment Committee formulates both long-term and short-term portfolio strategies. Within this framework, the management approach differs across asset categories such as government securities, bank deposits, debentures, equities, and real estate.

The committee also oversees the implementation of these strategies, ensuring that yield targets are met, structural adjustments are carried out, and the portfolio maintains a favourable outlook. Regular reviews are conducted to monitor performance and confirm that investment activities remain aligned with strategic objectives.

Functioning

The Investment Committee holds meetings on a periodic basis to review and guide the company's portfolio strategy. A central focus of these meetings is the assessment of the macroeconomic outlook of Sri Lanka, which provides the foundation for investment decisions. Key economic indicators such as inflation, interest rates, exchange rates, GDP growth, external trade balances, and reserve positions are carefully analysed. In addition, the committee evaluates other influential factors including government policies, major infrastructure and investment projects, and changes in tax regulations. Global economic and political developments are also considered, given their potential to influence domestic markets and the company's investment performance.

Building on these insights, the committee examines the current asset structure, market valuations, and yield performance of the portfolio. This analysis is conducted against the backdrop of the desired portfolio composition under prevailing macroeconomic conditions. When new financial instruments or fresh issues become available, the committee undertakes a thorough evaluation. This includes assessing:

- ✦ The impact of capital charges under the Risk-Based Capital (RBC) framework
- ✦ The balance between risk and yield potential

- ✦ Alignment with the overall risk appetite defined by the Board of Directors
- ✦ The company's existing exposure to the relevant asset class

All investment decisions are documented methodically, with approvals, concerns, and investment justifications recorded to ensure transparency, accountability, and procedural integrity. This practice provides a clear audit trail and facilitates informed decision-making in future reviews.

Another critical area of focus is the liquidity management of the company. The committee studies cash inflows from operating activities and their allocation across different uses, as well as the form in which assets are held. The objective is to ensure that an optimal portion of funds is directed toward income-generating assets, while liquidity requirements and other operational needs are adequately met. This balance is essential for maintaining short-term liquidity, safeguarding the health of the portfolio, and strengthening the company's long-term financial position.

To uphold asset security, the committee places strong emphasis on record accuracy and dual control mechanisms. Asset records are maintained both at the Finance Division (through ledgers and schedules) and at the Treasury and Investment Unit (through databases). Daily audits are conducted, supported by balance confirmations from live CDS accounts and physical verifications. This dual-record system ensures reliability, minimizes risk of discrepancies, and reinforces internal controls.

Finally, the committee reviews the portfolio yield and investment income year-to-date. Benchmarking performance against prevailing market yields and internally set targets. Any deviations are analysed in detail, and

REPORT OF THE INVESTMENT COMMITTEE

corrective measures are discussed and implemented where necessary. This disciplined approach has consistently enabled the company to meet or exceed its yield benchmarks, thereby contributing to the resilience and profitability of the investment portfolio.

Economy in 2025

The 2025 year was a year of continued economic recovery and consolidation. Improvements were seen in macro economic variables and Government revenue. The Central Bank had clearly indicated that they will be steering the economy with “inflation targeting” with a target of 5% inflation for the year.

The CCPI measured inflation for 2025 was 2.1 %. The figure is however lower compared to the 5% target inflation. One reason for this would be the stability of exchange rate that prevailed till the last two months of the year.

Interest rate of 01 year Treasury Bill which was at 9% at the beginning of the year reduced to 8% by mid year and then increased to 8.5% towards end of the year. This is a result of the combined effect of policy rate reduction by Central bank during the year by 0.75% (750 bps) and the liquidity improvements in the banking system due the rupee injections resulting in through USD net purchases of over USD 2.2bn from the market during the year. Further the increased government revenue over the budget also supported the interest rate drop. The Bank deposit rates also followed this interest rate pattern. The total government debt stood at Rs.29 Trillion where Rs.18 Trillion was domestic and Rs.11 Trillion was Foreign debt. The total debt had increased by approximately Rs.1 Trillion during the year.

The Gross Domestic Product (GDP) growth rate was above the 1.5% - 3.00% predictions by different entities. It was 5% for the 1st nine months and is expected to be around that for the year.

The growth was supported by industrial sector mainly with 8% growth. The employment was distributed as 49% in Services, 25% in Industry and 26% in agriculture. The economy grew by 5% in the previous year as well.

With the relaxed environment for imports and the allowing of vehicle imports, the country imported over USD 1.4 bn worth of vehicles for the year to November. It is estimated that the revenue was over Rs.900bn as import duties. This outflow along with the Central bank USD purchases and settling of some bi-lateral loans had kept the exchange rate buoyed during the year, but with a slight depreciation of the LKR towards the end of the year, despite the increased tourism income and worker remittances. The impact of vehicle imports were visible in the External trade. Trade account deficit widened for the year compared to last year from USD 5.2bn to USD 6.9bn. The deficit in merchandise was well setoff with the tourism income of USD 3.2 bn and the worker remittances of USD 8bn. The tourism income saw a 1.6% increase over the last year while the worker remittances were a 23% increase over previous year. The main imports by year to November were Fuel USD 3.7bn , textile inputs USD 2.7bn , machinery USD 2.3bn and vehicles USD 1.4bn. The main exports comprised Textiles USD 4.8 bn and Tea USD 1.4bn

The All Share Price Index increased during the year from 15,900 to 22,600 to end the year.

Investment Strategies and Returns

During the year, government securities and the overall interest rates witnessed a downward trend as highlighted. The rate gap between the government securities and bank fixed deposits narrowed during the year but widened towards the latter period of the year, this gave rationale for shifting assets to

bank fixed deposits. The market did not witness attractive debt capital issues and the company selectively invested in the medium term corporate debt. The overall strategy was to shift investments from government securities to other FIS which were within the regulatory framework and providing higher returns. The FIS portfolio durations for government securities and other corporate debt were kept at low to provide flexibility to adjust / adopt to market interest rates, as the view taken during the year was to experience an increasing interest rate trend, which started to witness towards the later period of the year.

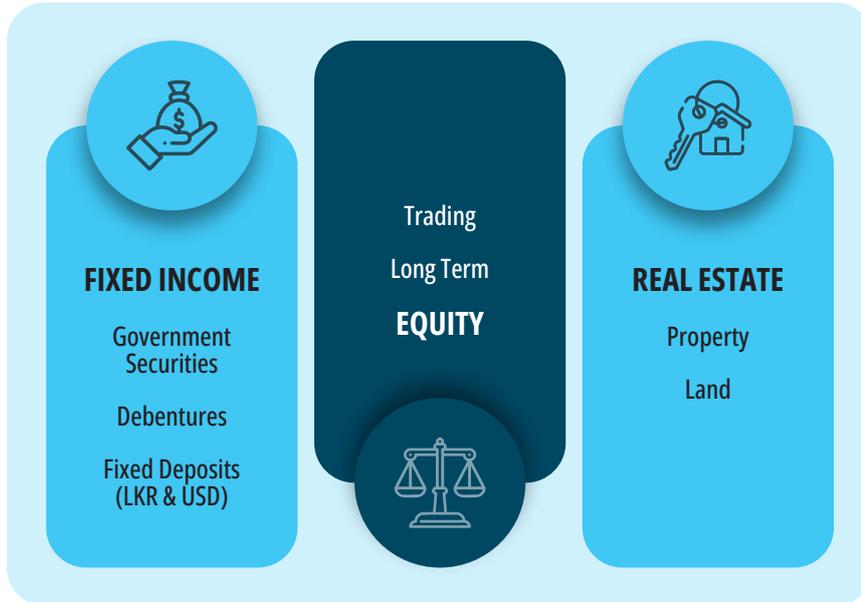
The equity market activities were done carefully, with the main objective of securing the values and realizing the gains in a market that performed well during the year.

The effective and constant communication with the finance department resulted efficient cash flow planning and daily cash management, which also assisted the smooth functioning of business activities as well as optimum use of funds.

The above approach and strategies provided yields in the government securities portfolio and total portfolio returns which were above that of the market average returns.

Portfolios

The investment committee directs the following portfolios



Meetings

The Investment Committee held meetings as scheduled throughout the year, adhering to a structured agenda designed to ensure comprehensive oversight of the company's investment activities. At the meetings, the emphasis was on :

- ✦ **Macroeconomic discussions** – reviewing the prevailing economic environment, including key indicators and policy developments.
- ✦ **Business cash flow analysis** – assessing inflows and outflows to ensure liquidity and optimal allocation of resources.
- ✦ **Portfolio performance review** – evaluating returns, asset composition, and alignment with strategic objectives.
- ✦ **Strategic deliberations** – discussing both short-term and long-term investment strategies in light of market conditions.
- ✦ **Approval processes** – considering and authorizing investment proposals that required committee endorsement.

In addition to scheduled meetings, the committee demonstrated flexibility in its governance approach. When a collective view was required on specific matters, ad hoc meetings were convened, or alternatively, the Investment Unit circulated relevant information among members for review and comment. This ensured that decisions were timely, collaborative, and well-informed, while maintaining transparency and accountability in the investment decision-making process.

The committee comprise of the following members,

Name	Office Held
Mr. K. Sankaramoorthy	Director / appointed as Investment Committee Chairman w.e.f. 01.01.2025
Mr. W. J. Shavindra Fernando	Director/Committee Member
Mr. Anura Bandara Meddegoda	Director/Committee Member
Mr. Neil Aendra Bandaranaike	Director/Committee Member
Mr. T.N.M. Peiris	Director Finance – Ceylinco Holdings PLC
Mr. U. Witharana	Director / CFO – Ceylinco Holdings PLC
Dr. W.C.J Alwis	Director – Ceylinco Holdings PLC (resigned as a Investment Committee Chairman w.e.f. 31.12.2024)
Mr. J.D.S.N. Piyadasa	Chief Financial Officer
Mr. A.K.M. Wickramasinghe	Assistant General Manager - Financial Services
Mr. K.C. Nanayakkara	Director / General Manager – Treasury and Investment Management Unit

K. Sankaramoorthy

Chairman of the Investment Committee

06th March 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (‘the Committee’) was primarily formed by the Board of Directors to comply with the related Listing Rules of the Colombo Stock Exchange (CSE) and to ensure that the interests of shareholders are considered by the Company when entering Related Party Transactions (RPTs). The Committee consists of three Non-Executive Directors, a majority of whom are independent.

The Committee is accountable for independent reviewing of transactions between the Company and its Related Parties, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction, save and except transactions exempted under the CSE Rules. The Committee comprised the following members:

Composition

The Committee, as at 31st December 2025, is comprised of the following members.

- ✦ **Dr. N.D.P. Dehigama** (IND/NED) – Committee Chairman appointed w.e.f. 18.05.2023.
- ✦ **Mr. T.R.T. Fernando** (IND/NED) - appointed w.e.f. 01.01.2025.
- ✦ **Mr. Takashi Kishi** (NED) - appointed w.e.f. 03.06.2022.

*NED - Non - Executive Director
IND/NED - Independent Non- Executive Director*

Mr. S.A.W. Senaka Silva, who served as a member of the Related Party Transactions Review Committee resigned from the committee w.e.f. 31.12.2024 due to being classified as non-independent being over 70 years of age and Mr. T.R.T. Fernando was appointed to the Committee to serve as a member w.e.f. 01.01.2025.

The Company Secretary functioned as the Secretary to the Committee during the year under review.

Policies and Procedures

The Company has adopted a Related Party Transactions Policy with a view to structuring the Company's policies and procedures to uphold good governance and in the best interests of the Company while ensuring that the interests of shareholders as defined by LKAS 24. The Board of Directors and General Managers of the Company have been identified as Key Management Personnel.

The Committee adopted policies and procedures for

- ✦ Reviewing the Related Party Transactions at each quarterly meeting,
- ✦ Identifying and reporting on recurrent and nonrecurrent transactions to be in line with the applicable CSE Rules.

In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them in any company where they hold office. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company.

The Committee will continue to assist the Board of Directors by reviewing all Related Party Transactions, to ensure,

- ✦ that there is accordance with the with Section 9 of the Listing Rules of the Colombo Stock Exchange.
- ✦ that the shareholder interests are safeguarded, and equality and transparency are maintained.

Meetings

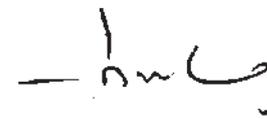
During the year under review, The Committee held four meetings. The attendance of the members at these meetings is given on page 131 of this Annual Report. The actions and observations of the Committee have been conveyed to the Board of Directors by submitting the minutes of the Committee's meetings.

Declaration

The Committee reviewed all related party transactions carried out during the year at its quarterly meetings. The observations of the Committee are communicated to the Board of Directors.

There were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules requiring disclosure in the Annual Report. Details of other related party transactions entered by the Company during the year are disclosed in Note 40 to the Financial Statements.

A declaration by the Board of Directors relating to compliance under the listing rules is given on page 132 of this Annual Report.



Dr. N.D.P. Dehigama

Chairman - Related Party Transactions Review Committee

06th March 2026

REPORT ON THE REMUNERATION COMMITTEE

The scope of the Remuneration Committee ("the Committee") covers the Company's remuneration and benefits, capability improvement of employees, especially the key drivers of the business, and succession planning. The Committee consists of exclusively four Independent Non-Executive Directors.

The Remuneration Committee was appointed by the Board of Directors of the Company. As at 31st December 2025, the Committee comprised following Directors.

Composition

The following Directors currently serve on the Committee.

- ✦ **Mr. A.B. Meddegoda** (IND/NED) - appointed as Committee Chairman w.e.f. 01.01.2025.
- ✦ **Dr. N.D.P. Dehigama** (IND/NED) - appointed w.e.f. 18.05.2023.
- ✦ **Mr. T.R.T. Fernando** (IND/NED) - appointed w.e.f. 18.05.2023.
- ✦ **Mr. W.J.S. Fernando** (IND/NED) - appointed w.e.f. 01.01.2025.

IND/NED - Independent Non - Executive Director

The Company Secretary functions as the Secretary to the Remuneration Committee.

The Board formed the Remuneration Committee in accordance with Rule 9.12.6 of the Colombo Stock Exchange's Listing Rules, and its composition and powers are in accordance with the Listing Rules.

The Committee determines the remuneration of the Chief Executive Officer and other members of the Board of the Company while ensuring that no Director is involved in setting his or her own compensation.

Committee Changes

Mr. S.A.W. Senaka Silva, who served as the Chairman of the Remuneration Committee resigned from the Committee w.e.f. 31.12.2024 due to being classified as non-independent being over 70 years of age. Mr. A.B. Meddegoda was appointed as Committee Chairman with effect from 01.01.2025.

Duties of Remuneration Committee

- ✦ Review and recommend a remuneration and incentive scheme, including terminal benefits for the Chief Executive Officer and other members of the Board.
- ✦ Review proposed increments and market adjustments to compensation to ensure appropriate rates in relation to market/industry and the compensation approach of the Company.
- ✦ Making recommendations to the Board of Directors from time to time on annual increments, bonuses, incentives and any other compensation changes for the Chief Executive Officer and the Senior Management team including Key Management Personnel.
- ✦ Ensure the remuneration and benefits are set on a fair and equitable basis.
- ✦ Ensure a proper mechanism is in place for management development and succession planning and periodic reviews of the same.
- ✦ Monitoring remuneration practices and policies to ensure that they are consistent with the Company's long-term goals and aligned to the interests of all stakeholders.
- ✦ Communication with shareholders on the remuneration policy and the Committee's work (on behalf of the Board) through a Remuneration Committee report.

Remuneration Policy

The remuneration policy is to attract and retain a highly qualified and experienced workforce, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for the Company and appropriate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder return.

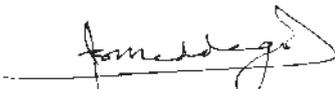
Meetings

The Committee held two meetings during the period under review.

The presence of the committee members at these meetings is given on page 131 of this Annual Report.

Directors' Remuneration

The aggregate remuneration of the Executive and Non-Executive Directors for the year is shown in note 40(a) of the Financial Statements.



Mr. A.B. Meddegoda
Chairman - Remuneration Committee

06th March 2026

BOARD NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The prime responsibility of the Board Nominations and Governance Committee is to proactively govern the composition of the Board which is under the delegated authority of the Board of Directors of the Company.

Composition

The Board Nominations and Governance Committee ("the Committee") consists of exclusively four Independent Non-Executive Directors.

The following Directors currently serve on the Committee.

- ✦ **Mr. A.B. Meddegoda** (IND/NED) – appointed as Chairman w.e.f. 01.01.2025.
- ✦ **Dr. N.D.P. Dehigama** (IND/NED) - appointed w.e.f. 18.05.2023.
- ✦ **Mr. T.R.T. Fernando** (IND/NED) - appointed w.e.f. 18.05.2023.
- ✦ **Mr. W.J.S. Fernando** (IND/NED) - appointed w.e.f. 01.01.2025.

IND/NED – Independent Non - Executive Director

The Committee ensure the compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and recommended best practices.

The Company Secretary serves as the secretary to the Committee.

The Terms of Reference

The purpose of the Committee, its composition, authority, scope and scheduling of meetings are clearly defined in the Terms of Reference. The Committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take relevant decisions, define and establish the nomination process for Non-Executive Directors, lead the process of Board appointments and

make recommendations to the Board on the appointment and re-election of Non-Executive Directors. The recommendation of the Committee on new appointments will cover areas such as qualifications, competencies, independence, relationships which have the potential to give rise to conflict of interest.

Main Objectives and Responsibilities of the Committee

- ✦ Review the composition of the Board and ensure that there is an appropriate balance between Executive and Non-Executive Directors.
- ✦ Assess the skills and knowledge required in the Board for the Board to discharge its duties effectively and tactically.
- ✦ Prepare a clear description of the role and capabilities required for appointments.
- ✦ Identify and recommend suitable candidates for appointments to the Board.
- ✦ Ensure that the appointment of the Chairperson and the Executive Directors is a collective decision by the Board.
- ✦ To recommend the appointment of new Directors to the Board of the Company.
- ✦ To consider and recommend the re-election of the Director/s eligible for re-election by considering their performance and the contribution made by them.
- ✦ To consider and recommend from time to time the succession planning arrangement for retiring Directors and Key Management Personnel.

Activities during the year 2025

- ✦ Recommended to re-elect Mr. H.D.A.N. Perera, Mr. T. Kishi, Mr.

A.R.S. Wijayapura and Mr. R.A. Ranasinghe, who retired by rotation in terms of Article 34(i) of the company's Articles of Association.

- ✦ Recommended to re-elect Mr. S.A.W.S. Silva and Mr. P. Kariyawasam, in terms of Sections 210 and 211 of the Companies Act No 07 of 2007 being over 70 years of age.
- ✦ Recommended re-appointment of Mr. K. Sankaramoorthy in terms of Article E.21 (ii) of the company's Articles of Association.
- ✦ Board performance evaluation questionnaire was discussed along with declarations submitted by directors in respect of fit and proper assessment criteria outlined in the CSE Listing rules and code of best practice on corporate governance issued by CA Sri Lanka.
- ✦ Determined the independence/non independence of Non-Executive Directors by reviewing declarations submitted by each director.
- ✦ Reviewed the company policy on Corporate Governance.

Disclosures

The Company has a documented policy in place for the nomination of Directors to the Board.

All Directors retire by rotation and offer themselves for re-election at regular intervals and at least once in every three years.

The Board is diversified with Directors in a wide range of experience and skills. The profiles of the Directors are published in pages 32-36 of the Annual report.

All directors have submitted their fit and proper status and Board performance evaluation has been carried out.

Meetings

The Committee held two meetings during the year under review.

The attendance of the Members for the Committee meetings during year 2025 is given in the page 131 of this annual report.

Activities in the Year Ahead

The Committee will continue to evaluate the skills and knowledge required by the Board, minimize the risk of key individual dependence and identify and groom appropriate candidates to key positions in the Company. The Committee will also ensure that the Company is following its stipulated framework and is in compliance with the regulations issued by the Colombo Stock Exchange on Board composition.

The Committee is satisfied that the representation of skills, knowledge and experience on the Board is suitable for the Company's current requirements at Board level.

The following Directors were re-elected at the Eleventh Annual General Meeting in terms of provision stipulated in the Articles of Association of Ceylinco General Insurance Limited and other applicable regulatory requirements.

Name of the Director	Board Sub Committees Membership	Date of First Appointment as a Director	Date of Last Re-election as a Director	Directorships in Other Listed Entities Commitments over the preceding three years	Material Relationships
Mr. Prasad Kariyawasam	Member - BERMC	01.04.2023	21.03.2025	None	None
Mr. Hettiarachchige Don Ajith Nandana Perera	None	08.01.2018	21.03.2025	None	None
Mr. Takashi Kishi	Chairman - BERMC Member - BAC, BRPTRC	03.06.2022	21.03.2025	Non-Executive Director Ceylinco Holdings PLC	None
Mr. Anananda Rihena Sathyajith Wijayapura	None	01.01.2023	21.03.2025	None	None
Mr. Roshan Aloysius Ranasinghe	None	01.01.2023	21.03.2025	None	None
Mr. Kathiresan Sankaramoorthy	Chairman - BIC	01.01.2025	21.03.2025	None	None
Mr. Sembukuti Arachchilage Wimalanath Senaka Silva	None	01.04.2023	21.03.2025	None	None

BARC – Board of Audit Committee

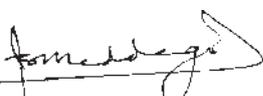
BRC – Board of Remuneration Committee

BNGC – Board of Nomination and Governance Committee

BRPTRC – Board of Related Party Transactions Review Committee

BERMC – Board of Enterprises Risk Management Committee

BIC – Board of Investment Committee



Mr. A.B. Meddegoda

Chairman – Nominations and Governance Committee

06th March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING

The responsibilities of the Directors in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in their report appearing on page 136.

The Companies Act No. 7 of 2007, requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for the financial year. In preparing the financial statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and for ensuring that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards, Regulation of Insurance Industry Act No. 43 of 2000 and provide the information required by the Companies Act No. 7 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and in that context to have a proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

The Directors continue to adopt the going concern basis in preparing Accounts. The Directors, after making enquiries and following a review of the Company's budget for 2026 including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

BY ORDER OF THE BOARD



Mrs. Nilika Abhayawardhana

Company Secretary

06th March 2026

Compliance Report

In respect of the Financial Year ended 31st December 2025 of Ceylinco General Insurance Limited:

All documents required by the Companies Act No. 7 of 2007 to be filed with the Registrar of Companies have been duly filed and compliance has been made with all other legal requirements in connection with the said Companies Act.

Regulatory Reporting requirements in terms of Insurance Regulatory Commission of Sri Lanka have been complied with.

All Dividend cheques have been dispatched by the due date.



Mrs. Nilika Abhayawardhana

Company Secretary

06th March 2026

FINANCIAL REPORTS

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REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors are pleased to submit their report together with the Audited Income Statement, Statements of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and the Statement of Financial Position of Ceylinco General Insurance for the year ended 31st December 2025, and the Report of the Auditors thereon.

Review of Operations

The Non-Executive Chairman's Review on pages 20 to 23 contain a detailed description of Insurance operations carried out in the year under review and projected developments.

Principal Activities of the Company

Results of the Financial Year

	2025	2024
	Rs. '000	Rs. '000
Profit After Taxation	804,136	1,058,562
Add : Balance Brought Forward	11,280,243	11,838,270
	12,084,380	12,896,832
Other Comprehensive Income for the year	(300,552)	(716,229)
Funds Available for Appropriation	11,783,828	12,180,603
Appropriation :		
Dividend Paid	(800,150)	(900,360)
Unappropriated Profit Carried Forward	10,983,678	11,280,243

Transfer to Reserves and Provisions

There were no transfers other than those mentioned above to or from reserves or provisions except for normal amounts set aside for items such as depreciation, outstanding claims and unexpired risks as shown in the accounts.

Share Capital

The Stated Capital of the Company as at 31st December 2025 was Rs. 500,200,000/- and is represented by issued and fully paid 2,501,000 voting ordinary shares.

Dividends

The Directors will recommend a final dividend subject to regulatory approval from the Insurance Regulatory Commission of Sri Lanka.

Report of Directors

Mr. Rex Abeyratne Gunathilake, Mr. Hettithantrige Don Ajith Nandana Perera, Mr. Anananda Rihena Sathyajith Wijayapura, Mr. Roshan Aloysius Ranasinghe, Mr. Kathiresan Sankaramoorthy, Mr. Takashi Kishi, Mr. Umesh Govind Revankar, Mr. Prasad Kariyawasam, Dr. Nayana Darshana Prasad Dehigama, Mr. Brahmanage Premalal, Mr. Wannakuwattewaduge Jude Shavindra Fernando, Mr. Thibiripolage Rienzie Tyrrel Fernando, Mr. Neil Aendra Bandaranaike, Mr. Sembukuti Arachchilage Wimalanath Senaka Silva, Mr. Anura Bandara Meddegoda and Prof. Hithanadura Janaka de Silva served as Directors of the company as at 31st December 2025.

In accordance with the Articles of Association of the Company, Mr. Umesh Govind Revankar, Prof. Hithanadura Janaka De Silva, Mr. Anura Bandara Meddegoda and Mr. Brahmanage Premalal are subjected to retire by rotation and would offer themselves for re-election.

Mr. Sembukuti Arachchilage Wimalanath Senaka Silva, Mr. Prasad Kariyawasam and Mr. Thibiripolage Rienzie Tyrrel Fernando being over 70 years of age by December 2026 would seek shareholder approval to be appointed to the Board as per section 211 of the Companies Act No. 07 of 2007. special notices have been received from the shareholder to move ordinary resolutions at the next Annual General Meeting that Mr. S. Silva, Mr. P. Kariyawasam and Mr. Thibiripolage Rienzie Tyrrel Fernando be appointed as Directors and that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to them.

As per the revised listing rules, the Nominations and Governance Committee has reviewed and recommended Mr. Thibiripolage Rienzie Tyrrel Fernando to continue as a nevertheless Independent Director despite attaining the age of 70 years in May 2026, since his independence is not compromised against any of the other criteria determining his independence as per listing rule 9.8.3. The Board of Directors has resolved to confirm this recommendation and present a resolution for shareholder approval in this regard at the forthcoming AGM.

Directors' Meetings

The number of Board Meetings held during the financial year under review were six meetings and the number of meetings attended by each Director of the Company were as follows;

Names of Directors	No. of Board Meetings attended
Mr. P. Kariyawasam	6/6
Mr. R.A. Gunathilake	5/6
Mr. H.D.A.N. Perera	6/6
Mr. A.R.S. Wijayapura	6/6
Mr. R.A. Ranasinghe	6/6
Mr. K. Sankaramoorthy	6/6
Mr. Takashi Kishi	6/6
Mr. W.J.S. Fernando	5/6
Mr. B. Premalal	2/6
Mr. S.A.W.S. Silva	5/6
Mr. T.R.T. Fernando	5/6
Mr. N.A. Bandaranaike	6/6
Dr. N.D.P. Dehigama	4/6
Mr. A.B. Meddegoda	6/6
Prof. H.J. de Silva	6/6
Mr. U.G. Revankar	3/6

Fit and Proper Assessment Criteria

All the Directors of the company have submitted declarations confirming their continuous compliance with the fit and proper assessment criteria set out in the amended corporate governance rules of the Colombo Stock Exchange during the financial year.

Board and Board Sub Committee Performance Evaluation

The board completed annual self assessment of its own performance. Outcome of such evaluations will be summarized and tabled at the next Nominations and Governance Committee meeting for discussion and review purposes prior to being presented at the subsequent Board meeting.

Each of Board sub committees also completed performance evaluation questionnaire and results of the evaluations will be tabled at respective sub committee meetings and presented to the board.

Directors' Interest in Contracts

The Directors of the Company have no direct or indirect interest in any contract or proposed contract with the Company except those specified in the annexed schedule, which have been disclosed and declared at meetings of Directors.

Directors' Interest in Shares

The Articles of Association of the Company do not stipulate the Directors to hold shares of the Company, as qualifying shares.

Company Secretary

Mrs. Nilika Abhayawardhana was the Company Secretary during the Financial Year ended 31st December 2025.

Corporate Governance

The Audit Committee held four meetings during the year 2025. The Remuneration Committee held two meetings during the year 2025. The Nomination Committee held two meetings during the year 2025. The Related Party Transaction Committee held four meetings during the year 2025.

The number of meetings attended by each Director (who are members of the committee) are as follows:

Names of Committee Members	Audit Committee	Remuneration Committee	Nominations and Governance Committee	Related Party Transaction Committee
Mr. N.A. Bandaranaike	4/4	Not a member	Not a member	Not a member
Mr. Takashi Kishi	4/4	Not a member	Not a member	4/4
Dr. N.D.P. Dehigama	4/4	2/2	2/2	4/4
Mr. T.R.T. Fernando	4/4	2/2	2/2	4/4
Mr. A.B. Meddegoda	Not a member	1/2	1/2	Not a member
Mr. W.J.S. Fernando	Not a member	2/2	0/2	Not a member

Donations

REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

During the year charitable donations amounting to Rs. 32.6 Mn were made by the Company.

Taxation

The Company is liable for income tax at 30%.

Capital Expenditure & Capital Commitments

The total expenditure on acquisition of Property, Plant and Equipment during the year amounted to Rs. 196 Mn.

Property, Plant & Equipment

The details of Property, Plant and Equipment of the Company are shown in the "Notes to Financial Statements" page 151.

The market value of Property, Plant and Equipment are considered not materially different to the book values as given in "Notes to the Financial Statements". Property, Plant and Equipment are carried in the books at Rs. 4.6 Bn.

Current Assets

The Directors of the Company have taken reasonable steps to ascertain that whatever current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realizable values or adequate provisions have been made for the differences between those values.

Post-Balance Sheet Events

Since the end of the financial year, no change in the assets of the Company have arisen which secures the liabilities of any other persons.

In the opinion of the Directors, no item, transaction or event of a material nature has arisen in the interval between the end of the financial year

and the date of this report which would affect substantially, the results of the operations of the Company for the current financial year.

Human Resources

It is a Company policy to provide equal opportunities in the recruitment and employment of staff. During the year under review, the Company has taken numerous measures to ensure staff contentment at all levels. As at December 2025, there were 2,912 employees in the service of the Company.

Actuarial Valuation - IBNR / IBNER

The Company has appointed M/s. K.A. Pandit, Consultant Actuaries to certify the IBNR/IBNER provisions made in the accounts as at 31.12.2025.

After reviewing the relevant information and Actuarial studies the Actuaries have recommended to make a net IBNR/IBNER provision of Rs. 32.2 Mn. The Company has already made this provision in the accounts as at 31.12.2025.

Auditors

The Accounts for the year have been audited by M/s. Ernst & Young (Chartered Accountants) who expressed their willingness to continue in office. In accordance with the Companies Act No. 7 of 2007, a resolution relating to their re-appointment and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 30 on page 196 to the

Financial Statements.

The Auditors of the Company, Messrs. Ernst & Young do not have any relationship with the Company other than that as the Auditors.

Related Party Transactions with the Company

The Company carried out transactions in the ordinary course of business at an arm's length basis with entities where a Director of the Company is the Chairman or a Director of such entities.

There were no non-recurrent related party transactions exceeding 10% of the equity or 5% of the total assets whichever is lower or recurrent related party transactions exceeding 10% of the gross revenue/income requiring disclosure in the Annual Report

BY ORDER OF THE BOARD



Mr. Prasad Kariyawasam
Non-Executive Chairman



Mr. R.A. Gunathilake
Director/Chief Executive Officer



Mrs. Nilika Abhayawardhana
Company Secretary

06th March 2026

Directors' Interests in Contracts

No Director of the Company is directly or indirectly interested in the contracts of the Company.

The following is a schedule where the Directors of this company held Directorships in other companies during the period 01.01.2025 to 31.12.2025 in which this company has had transactions during the year 2025.

Name of Company	Mr. P. Kariyawasam	Mr. R. A. Gunathilake	Mr. H.D.A.N. Perera	Mr. A.R.S. Wijayapura	Mr. R.A.Ranasinghe	Mr. K.Sankaramoorthy	Mr. Takashi Kishi	Mr. N.A. Bandaranaike	Mr. W.J.S. Fernando	Mr. A.B. Meddegoda	Dr. N.D.P. Dehigama	Prof. H.J. De Silva	Mr. T.R.T. Fernando	Mr. S.A.W.S. Silva	Mr. B Premalal	Mr. U.G. Revankar	Mr. J.D.S.N. Piyadasa	Mr. S. Thilakeshwaran	Mr. S.H.P. Liyanage	Mr. V.D.C. Wickramaratne
1 EGH Solar Galle (Pvt) Ltd			★	★																
2 Cey Power Cascades Pvt LTD																			★	★
3 Ceylinco Insurance Company (Pvt) Ltd-Maldives		★	★	★													★			
4 C E C Events Pvt Ltd				★																
5 Energy Generators Pvt Ltd		★	★																	
6 Ceyhydro Developers Pvt Ltd		★																★		
7 Ceylinco Investcorp Pvt Ltd			★	★	★												★			
8 Alethea School Pvt Ltd						★														
9 Amk Food Export (Pvt)Ltd												★								



K.A. PANDIT
& Actuarial Associates LLP
(LLPIN – ACD-5184)

Introduction

I, Suruchi Bhargava, as signing actuary to Ceylinco General Insurance Limited and as Partner of K. A. Pandit & Actuarial Associates LLP (KAP), have been appointed to estimate and certify the Incurred but Not Reported (IBNR) Reserves of the Company and assess the need to maintain a Premium Deficiency Reserve (PDR) by the Company. If PDR is required, recommend the appropriate amount for the same

The valuation date for the recommended reserves stated in this report is 31-12-2025.

IBNR Reserves

IBNR Claims Reserves estimate recommended includes a consideration for the below:

- A reserve for claims that have occurred but have not been reported to the insurer. This is referred to as Incurred But Not Yet Reported (IBNYR) Claims Reserve
- A reserve for possible future upward or downward development of reported claims and provided for as case estimates by the Company, referred as Incurred But Not Enough Reported (IBNER) Claims Reserve
- A reserve for claims that may re-open after they have been closed and a consideration for direct claims related expenses.

The IBNR recommended to be booked by Ceylinco General Insurance Limited as at 31-12-2025 is as under:

IBNR Reserves	Figures in LKR 000's
Gross IBNR	1,299,360
Net IBNR	753,522



PDR Reserves

For the Unexpired Risk Reserve (URR), an expected loss ratio is selected for each class of business based on a review of historical ULRs and the Appointed Actuary's expectations on the future loss ratios. The combined ratio calculated considering expected loss ratio, DAC and Claims Handling Expenses (CHE) is then applied to the Unearned Premium Reserve (UPR) that the Company currently holds to derive the URR. This URR amount is compared to the Unearned Premium Reserve (UPR) provided by the Company to check the need for maintenance of a Premium Deficiency Reserve (PDR). The summary of the premium reserves maintained by the Company is as under:

Premium Reserves	Figures in LKR 000's
Unearned Premium Reserve (UPR)	8,213,680
Premium Deficiency Reserve (PDR)	0

Overall Comments

The reserves recommended above are based on the data provided to me by the Company and take into consideration the existing claims and premium reserves, business profile, current claims reporting and settlement practices, local market practices, any major changes in underwriting and changes in reinsurance programme over the previous year.

In my opinion, subject to the above comments, the reserves recommended:

- are computed in accordance with the generally accepted actuarial principles
- are based on sound actuarial methods
- meet the requirements of the Liability Adequacy Test as required under SLFRS-4 satisfactorily
- make a reasonable provision for the IBNR of the Company as at 31-12-2025

Dated: 06-03-2026

Actuary: Suruchi Bhargava

Place: Mumbai, India

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
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Email: eysl@lk.ey.com
ey.com

Independent Auditor's Report to the Shareholders of Ceylinco General Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylinco General Insurance Limited ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements 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.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in

accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information Included in the Company's 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ✦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

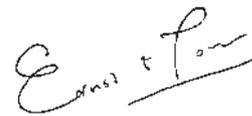
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

As required by the Section 47 (2) of the Regulation of Insurance Industry Act, No.43 of 2000 and amendments thereto, as far as appears from our examination, the accounting records of the company have been maintained in the manner required by the rules issued by the Insurance Regulatory Commission of Sri Lanka, so as to clearly indicate the true and fair view of the financial position of the Company.



06 March 2026
Colombo

Partners: D K Hufangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

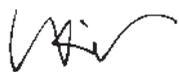
Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December			2025	2024
Assets	Page	Note	Rs.'000	Rs.'000
Intangible Assets	149	5	-	24,567
Deferred Expenses	150	6	1,591,332	1,292,753
Property, Plant and Equipment	151	7	4,630,453	4,254,439
Right of Use Asset	157	8	240,047	212,114
Investment Properties	159	9	2,960,500	2,794,500
Financial Instruments				
Loans & Receivables	165	10	10,661,927	10,109,007
Available-For-Sale Financial Assets	165	11	10,218,072	9,728,974
Employee Gratuity Benefit Asset	172	12	2,399,486	2,109,992
Employee Pension Benefit Asset	177	13	1,772,462	1,648,220
Income Tax Receivable			106,513	-
Reinsurance Receivables	181	15	20,422,294	8,071,617
Insurance Receivables	182	16	6,440,875	6,707,248
Other Assets	183	17	662,357	579,242
Cash and Cash Equivalents	183	18	1,031,412	820,634
Total Assets			63,137,731	48,353,307
Equity and Liabilities				
Equity				
Stated Capital	184	19(a)	500,200	500,200
Retained Earnings			10,983,678	11,280,243
Special Reserves	184	19(b)	6,848,160	6,848,160
Revaluation Reserves			998,155	727,580
Available-for-Sale Reserve			532,733	573,250
Total Equity			19,862,926	19,929,433
Liabilities				
Non Life Insurance Contract Liabilities	185	20	31,659,626	16,504,312
Deferred Revenue	187	21	598,830	501,067
Deferred Tax Liability	179	14	203,927	205,416
Reinsurance Payables	188	22	6,686,982	7,543,437
Income Tax Payable			-	221,800
Other Liabilities	188	23	4,125,440	3,447,842
Total Liabilities			43,274,805	28,423,874
Total Equity and Liabilities			63,137,731	48,353,307

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007.



Mr. Nilantha Piyadasa
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;



Mr. R. A. Gunathilake
Director/Chief Executive Officer



Mr. H. D. A. N. Perera
Executive Director

The notes on pages 144 through 213 form an integral part of the Financial Statements.

06th March 2026
Colombo

INCOME STATEMENT

For the Year Ended 31 December			2025	2024
	Page	Note	Rs.'000	Rs.'000
Net Income	191	24(c)	18,496,899	17,923,877
Gross Written Premiums	191	24(a)	28,037,683	24,548,782
Premiums Ceded to Reinsurers	191	24(b)	(12,421,658)	(9,830,750)
Net Written Premiums			15,616,025	14,718,032
Net Change in Reserve for Unearned Premium	187	20(a) ii	(1,020,426)	98,005
Net Earned Premium			14,595,599	14,816,037
Fees and Commission Income	192	25	1,139,886	1,383,284
Investment Income	192	26	2,323,611	1,428,039
Realised Gains	193	27	153,803	58,417
Fair Value Gains	159	9	284,000	238,100
Other Revenue			3,901,300	3,107,840
Gross Benefits and Claims Paid	194	28(a)	(10,036,204)	(9,612,420)
Claims Ceded to Reinsurers	194	28(b)	3,151,394	749,593
Gross Change in Contract Liabilities	194	28(c)	(14,134,888)	(879,302)
Change in Contract Liabilities Ceded to Reinsurers	194	28(d)	12,350,677	1,688,532
Net Benefits and Claims			(8,669,021)	(8,053,597)
Acquisition Cost	195	29	(2,629,116)	(2,325,827)
Other Operating and Administrative Expenses	196	30	(6,439,464)	(5,964,579)
Finance Cost	196	31	(47,408)	(67,136)
Total Benefits, Claims and Other Expenses			(17,785,009)	(16,411,139)
Profit Before Tax			711,889	1,512,738
Income Tax Expense	197	32(a)	92,247	(454,176)
Profit for the Year			804,136	1,058,562
Basic/Diluted Earnings Per Share	199	33	321.53	423.26
Dividend Per Share -Paid	199	34	319.93	360.00

The notes on pages 144 through 213 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December	Note	2025	2024
		Rs.'000	Rs.'000
Profit for the Year		804,136	1,058,562
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Income Statement in Subsequent period			
Net Gain/(Loss) on Available-For-Sale Assets	35	(49,948)	384,062
Income Tax relating to Components of Other Comprehensive Income	35	9,431	(101,144)
Net Other Comprehensive Income to be reclassified to Income Statement in subsequent period		(40,517)	282,918
Other Comprehensive Income not to be Reclassified to Income Statement in Subsequent period			
Revaluation Surplus/ (Deficit) During the Year	35	386,536	-
Actuarial Gain on Defined Benefit Plans	35	(328,141)	(779,825)
Income Tax relating to Components of Other Comprehensive Income	35	(88,372)	63,596
Net Other Comprehensive Income not to be reclassified to Income Statement in subsequent period		(29,977)	(716,229)
Other Comprehensive Income for the Year, Net of Tax		(70,494)	(433,311)
Total Comprehensive Income for the Year, Net of Tax		733,642	625,251

The notes on pages 144 through 213 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

		Stated Capital	Special Reserves	Revaluation Reserve	Retained Earnings	Available for Sale Reserve	Total Ordinary Share- Holders' Equity
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2024		500,200	6,848,160	727,580	11,838,270	290,332	20,204,542
Profit for the Year		-	-	-	1,058,562	-	1,058,562
Other Comprehensive Income for the Year	35	-	-	-	(716,229)	282,918	(433,311)
Total Comprehensive Income for the Year		-	-	-	342,333	282,918	625,251
Final Dividend Paid	34	-	-	-	(900,360)	-	(900,360)
Balance as at 31 December 2024		500,200	6,848,160	727,580	11,280,243	573,250	19,929,433
Profit for the Year		-	-	-	804,136	-	804,136
Other Comprehensive Income for the Year	35	-	-	270,575	(300,552)	(40,517)	(70,494)
Total Comprehensive Income for the Year		-	-	270,575	503,584	(40,517)	733,642
Final Dividend Paid	34	-	-	-	(800,150)	-	(800,150)
Balance as at 31 December 2025		500,200	6,848,160	998,155	10,983,678	532,733	19,862,926

The notes on pages 144 through 213 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December		2025	2024
	Note	Rs.'000	Rs.'000
Cash Flows from Operating Activities			
Premiums/Revenue Received from Customers		28,304,056	25,382,937
Reinsurance Premiums (Net of Commission) Paid		(12,040,464)	(7,226,499)
Commission Paid		(2,402,947)	(2,281,675)
Claims and Benefits Paid	28(a)	(10,036,204)	(9,612,421)
Reinsurance Receipts in respect of Claims & Benefits	28(b)	3,151,394	749,593
Interest and Dividends Received		1,702,716	2,006,339
Other Operating Cash Payments		(6,103,690)	(6,311,749)
Other Income	26	404,622	294,702
Contributions to Gratuity Fund/Gratuity Payments	12.2	(430,143)	(242,938)
Income Taxes Paid		(281,209)	(367,678)
Interest Paid		(47,408)	(67,136)
Net Cash Flows from Operating Activities (Note A)		2,220,723	2,323,475
Cash Flows from Investing Activities			
Disposal of Investment Property	9	118,000	-
Acquisition of Financial Investments	11(e)	(8,909,905)	(130,486,100)
Acquisition of Other Investments	11(e)	(14,703,365)	(12,139,055)
Disposal of Other Investments	11(e)	8,057,535	11,975,682
Proceeds from Financial Investments	11(e)	14,514,263	129,683,970
Acquisition of Property, Plant & Equipment	7.4	(195,850)	(114,289)
Acquisition of Intangible Assets	5.1	-	(127,609)
Proceeds from Disposal of Property, Plant & Equipment		31,689	79,571
Net Cash Flows used in Investing Activities		(1,087,632)	(1,127,830)
Cash Flows from Financing Activities			
Repayment of Lease Liabilities		(122,163)	(98,604)
Dividends Paid to Equity Holders	34	(800,150)	(900,360)
Net Cash Flows from Financing Activities		(922,313)	(998,964)
Increase / (Decrease) in Cash & Cash Equivalents (Note B)		210,778	196,681
Note A			
Reconciliation of Profit Before Tax with Net Cash Flows from Operating Activities			
Profit Before Tax		711,889	1,512,738
<i>Adjustments for:</i>			
Depreciation	7	187,151	270,561
Amortisation of Intangible Assets	5	24,567	139,972
Amortisation of Right of Use Assets	8	94,121	86,380
Change in Trade and Other Receivables		(665,133)	(227,744)
Change in Reinsurance Receivable		(12,350,677)	(1,688,532)
Increase in Non-Life Insurance Provisions		14,954,500	670,670
Change in Trade and Other Payables		(227,559)	1,226,210
Gain on Disposal of Property, Plant & Equipment	27	(12,470)	(57,521)
Foreign Exchange Gain/Loss	26	(243,781)	872,106
Impairment of Investments	11(a)	313,324	124,413
Fair Value Gain of Investment Property	9	(284,000)	(238,100)
Income Tax Paid		(281,209)	(367,678)
Net Cash Flows from Operating Activities		2,220,723	2,323,475
Note B			
Cash and Cash Equivalents at 1st January		820,634	623,953
Cash and Cash Equivalents at 31st December	Note C	1,031,412	820,634
Increase / (Decrease) in Cash and Cash Equivalents		210,778	196,681
Note C			
Cash at Bank		1,002,000	786,194
Cash in Hand		29,412	34,440
		1,031,412	820,634

The notes on pages 144 through 213 form an integral part of the Financial Statements.

INSURANCE REVENUE ACCOUNT

For the Year Ended 31 December		2025	2024
	Note	Rs.'000	Rs.'000
Non - Life Insurance			
Gross Written Premium	24(a)	28,037,683	24,548,782
Net Earned Premium		14,595,599	14,816,037
Net Claims Incurred	28	(8,669,021)	(8,053,597)
Underwriting and Net Acquisition Costs (Including Reinsurance)		(1,489,230)	(942,543)
Underwriting Result		4,437,348	5,819,897
Other Operating, Investments Related and Administrative Expenses	30	(6,439,464)	(5,964,579)
Investment and Other Income		2,477,414	1,486,456
Interest Expense	31	(47,408)	(67,136)
Profits From Operations After Interest Expense		427,889	1,274,638
Key Ratios Non - Life Insurance			
Net Loss Ratio		59.39	54.36
Net Expense Ratio		54.65	47.07
Net Combined Ratio		114.04	101.43

The notes on pages 144 through 213 form an integral part of the Financial Statements.

1. Corporate Information

1.1 General

Ceylinco General Insurance Limited (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 69, Janadhipathi Mawatha, Colombo 1. The main place of business of General Insurance Ltd is located at "Ceylinco House", No 69, Janadhipathi Mawatha, Colombo 1. The additional corporate information is given on page 217.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company are underwriting of all classes of general insurance.

1.3 Parent Entity and Ultimate Parent Company

The Company's immediate and ultimate parent Company is Ceylinco Holdings PLC which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The financial statements of Ceylinco General Insurance Limited for the year ended 31 December 2025 was authorized for issue in accordance with a resolution of the board of directors on 06 March 2026.

2. Basis of Preparation

2.1 Statement of Compliance

The Company's Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter referred to as "SLFRS") applicable for periods beginning on or after 1 January 2012, promulgated by the Institute of Chartered Accountants of Sri Lanka (CA-Sri Lanka) and comply with the requirements of the Companies Act, No. 7 of 2007 and the Regulation of Insurance Industry Act, No. 43 of 2000 and amendments thereon.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

Investment property is measured at fair value.

Available for financial assets have been measured at fair value.

Land and buildings are stated at revalued amount.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques.

Employee gratuity and pension benefit assets at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement is based on the presumption that transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability
- Or
2. In the absence of a principle market, in the most advantageous market for the asset or liability

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

2.3 Materiality & Aggregation

In compliance with the Sri Lanka Accounting Standard - LKAS 01 on 'Presentation of Financial Statements', each material class of similar items is

presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, unless they are immaterial.

2.4 Functional and Presentation Currency

These financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupees rounded to the nearest thousand.

2.5 Comparative Information

The comparative information is consistently applied during the year.

2.6 Going Concern

After considering the financial position, operating conditions, regulatory and other factors, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the financial statements.

3. Material Accounting Policy Information

The accounting policies have been applied consistently to all periods presented in these financial statements of the Company.

(a) Product Classification

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.

(b) Impairment of Non-Financial Assets

The carrying amounts of the Company's nonfinancial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in income statement. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the cost in the functional currency at the beginning of the period

adjusted for payments during the period and the cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognized in income statement.

The Company's financial statements are presented in rupees which is also the parent company's functional currency. The Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement.

3.1 New and Amended Standards and Interpretations

The Company applied for the first time the following standard and amendment which is effective for annual periods beginning on or after 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to LKAS 21.

3.2 Use of Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (LKAS and SLFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

Critical Accounting Judgments, and Assumptions Disclosure Reference

Critical Accounting Judgments, Estimates and Assumptions	Disclosure Reference	
	Note	Page
Impairment of assets (receivables)	16	182
Reserve for gross outstanding claims (IBNR/IBNER)	20	185
Valuation of investment property	09	159
Measurement of defined benefit obligation and pension	12 & 13	172 & 177
Unearned Premium and deferred acquisition cost	20 & 06	185 & 150
Leases - Estimating the incremental borrowing rate and determining the lease term of contracts with renewal and termination options	08	157
Income Tax - Uncertainty over Income Tax Treatment	38(a)	209

4. Standards Issued but not yet Effective

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

Scope

SLFRS 17 applies to all types of insurance contracts—including life, non life, direct insurance, and reinsurance—regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features. However, a limited number of scope exceptions apply.

Key Requirements

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

The core of SLFRS 17 is the general measurement model, supported by:

- ✦ The variable fee approach (VFA): an adaptation for contracts with direct participation features.
- ✦ The premium allocation approach (PAA): a simplified method primarily intended for short-duration contracts.
- ✦ The key features of SLFRS 17's insurance contract accounting model include:

- ✦ Fulfilment cash flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.

- ✦ Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.

- ✦ CSM adjustments: Certain changes in expected future cash flows are offset against the CSM and recognised in profit or loss over the remaining coverage period.

- ✦ Discount rate effects: Changes in discount rates are recognised either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice.

- ✦ Revenue and expense presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period.

- ✦ Non-distinct investment components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.

- ✦ Separate presentation of results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense. Professional Practice, EY Sri Lanka Insurance Sector Standards issued but not yet effective YE 31 December 2025.

- ✦ Reinsurance loss recovery component: A loss recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.
- ✦ Balance sheet presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- ✦ Enhanced disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required.

Estimated Impact of the Adoption of SLFRS 17

The Company is in the process of assessing and finalizing its accounting policies, transition approach including the impact on comparative information and the implications for current practices, as well as determining the appropriate implementation methodology. Consequently, the financial impact of the initial application of SLFRS 17 has not been disclosed in these financial statements, as it is not yet reasonably estimable.

Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting. The SoAT provides temporary conditional relief for the first,

second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and Professional Practice, EY Sri Lanka Insurance Sector Standards issued but not yet effective YE 31 December 2025 SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements. We will apply the provisions in the Statement of Alternative Treatment when preparing interim financial statements under LKAS 34 in 2026.

SLFRS 9 Financial Instruments

SLFRS 9 replaced LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to SLFRS 4 to apply the temporary exemption from SLFRS 9, deferring the initial application date of SLFRS 9 to align with the initial application of SLFRS 17.

Classification and Measurement

SLFRS 9 requires all financial assets other than equity instruments and derivatives to be evaluated based on both the entity's business model for managing those assets and the contractual cash flow characteristics of the instruments. The measurement categories under LKAS 39 have been replaced with the following: Fair Value through Profit or Loss (FVPL), Fair Value through Other Comprehensive Income (FVOCI), and Amortised Cost.

Impairment

SLFRS 9 will fundamentally change the loan loss impairment methodology. The standard replaces the incurred loss model under LKAS 39 with a forward looking Expected Credit Loss (ECL) approach. Under SLFRS 9, it is required to recognise an allowance for expected credit losses on all loans and other debt instruments not measured at fair value through profit or loss, as well as on loan

commitments and financial guarantee contracts.

The impairment model under SLFRS 9 is based on a three stage approach.

- ✦ Stage 1: For financial assets that have not experienced a significant increase in credit risk since initial recognition, impairment is measured based on a 12 month Expected Credit Loss (12 month ECL). This represents the portion of lifetime expected losses that result from default events possible within the next 12 months.
- ✦ Stage 2: Under SLFRS 9, financial assets are classified into Stage 2 when there has been a significant increase in credit risk since initial recognition. For these assets, it is required to recognise a loss allowance based on lifetime Expected Credit Losses (lifetime ECL).
- ✦ Stage 3: Financial assets are categorized into Stage 3 when there is objective evidence that the asset is credit-impaired. For Stage 3 assets, impairment continues to be measured based on lifetime ECL, and interest income is generally recognised on a net-carrying-amount basis, reflecting the credit-impaired status of the asset.

Hedging

SLFRS 9 introduces a more principles-based and risk-management-aligned hedge accounting model compared with LKAS 39. It aims to reflect an entity's actual risk management activities in its financial statements.

Estimated Impact of the Adoption of SLFRS 9

The Company is in the process of evaluating the impact. Consequently, the financial impact of the initial, as it is not yet reasonably estimable.

SLFRS 18 Presentation and

NOTES TO THE FINANCIAL STATEMENTS

Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliation. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles. The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

YE 31 December 2025 The potential impact of SLFRS 19 is currently being identified and evaluated.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements.

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

5. Intangible Assets

ACCOUNTING POLICY

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset. The estimated useful lives for the current and comparative periods are as follows:

Item	Useful Life
Computer software	03 - 05 Years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Computer Software & License Rs.'000

Cost

At 1 January 2024	682,921
Cost Capitalised	127,609
At 1 January 2025	810,530
Cost Capitalised	-
At 31 December 2025	810,530

Accumulated Amortisation and Impairment

At 1 January 2024	645,991
Amortisation during the year	139,972
At 1 January 2025	785,963
Amortisation during the year	24,567
At 31 December 2025	810,530

Carrying Amount

At 1 January 2025	24,567
At 31 December 2025	-

NOTES TO THE FINANCIAL STATEMENTS

5.1 Acquisition of Intangible Assets during the year

During the financial year, the Company has not acquired/capitalised Intangible Assets (Computer Software & License). (2024-Rs.127,609,000)

5.2 Fully Amortised Intangible Assets in use

Intangible Assets include Rs. 810,530,000 fully amortised Computer Software which are in the use of normal business activities (2024 -Rs. 139,897,966)

5.3 Title Restriction on Intangible Assets

There were no restrictions that existed on the title of the Intangible Assets of the Company as at the Reporting date.

5.4 Assessment of impairment of Intangible Assets

The Board of Directors has assessed potential impairment indicators of intangible assets as at 31st December 2025. Based on the assessment, no impairment indicators were identified.

5.5 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs related to the acquisition of Intangible Assets during the year (2024 - Nil)

6. Deferred Expenses

ACCOUNTING POLICY

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred to the extent that these costs are recoverable out of future premiums.

DAC for general insurance is amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset amortization is recorded in the income statement. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value an impairment loss is recognized in the income statement. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

	Deferred Acquisition Costs (DAC) Insurance Contracts	
	2025	2024
	Rs.'000	Rs.'000
At 1 January	1,292,753	1,243,105
Expenses Deferred	3,201,123	2,644,170
Amortisation	(2,902,544)	(2,594,522)
At 31 December	1,591,332	1,292,753

7. Property, Plant & Equipment

ACCOUNTING POLICY

(i) Recognition and Measurement

Items of property, plant and equipment is stated at cost or valuation less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or constructions of qualifying assets are capitalised.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in income statement. When revalue assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(iii) Depreciation

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The assets are depreciated from the month it is available for use and cease to depreciate from the month of disposal.

The estimated useful lives for the current and comparative periods are as follows:

Item	Useful Life
Buildings	50 years
Furniture and Fittings	10 Years
Office Equipment	10 Years
Computer Equipment	05 Years
Motor Vehicles	05 Years
Electric Equipment	05 Years
Plant & Machinery	10 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(iv) Revaluations

Revaluation is performed on freehold land and building by professionally qualified valuers using the open market value. Land and buildings are revalued in every three years. Fair values of land and buildings are reviewed at each reporting date to ensure that carrying amount does not differ materially from fair value.

The revaluation surplus is recognized on the net carrying value of the asset and is transferred to a revaluation reserve after restating the asset at the revalued amount. The revaluation reserve is transferred to retained earnings at the point of derecognition.

(v) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in Income Statement in the year the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

	Freehold Land	Building	Plant & Machinery	Motor Vehicles	Office Equipment	Computer Equipment	Furniture & Fittings	Electrical Equipment	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation									
At 1 January 2025	1,151,737	1,601,396	91,913	2,886,531	95,812	420,967	245,511	398,043	6,891,910
Additions	-	-	10,475	69,978	9,610	70,012	15,757	20,018	195,850
Revaluation	179,788	206,748	-	-	-	-	-	-	386,536
Disposals/Transfer	-	(95,770)	(104)	(56,924)	(527)	(438)	(47)	-	(153,810)
At 31 December 2025	1,331,525	1,712,374	102,284	2,899,585	104,895	490,541	261,221	418,061	7,320,486
Accumulated Depreciation									
At 1 January 2025	-	63,645	47,108	1,632,970	69,080	298,442	160,884	365,343	2,637,471
Depreciation	-	32,125	8,169	49,257	6,475	51,315	15,876	23,933	187,151
Revaluation Transfers	-	(95,770)	-	-	-	-	-	-	(95,770)
Disposals	-	-	(104)	(37,768)	(391)	(37)	(521)	-	(38,821)
At 31 December 2025	-	-	55,173	1,644,459	75,164	349,720	176,239	389,276	2,690,032
Carrying Amount									
At 1 January 2025	1,151,737	1,537,751	44,805	1,253,561	26,732	122,525	84,627	32,700	4,254,439
At 31 December 2025	1,331,525	1,712,374	47,110	1,255,126	29,730	140,821	84,982	28,784	4,630,453

If the land and building were measured using cost model, the carrying value would be as follows.

At Cost	Freehold Land	Building	Total
	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation			
At 1 January 2025	566,454	1,272,781	1,839,235
At 31 December 2025	566,454	1,272,781	1,839,235
At 1 January 2025	-	229,862	229,862
Depreciation	-	25,456	25,456
At 31 December 2025	-	255,318	255,318
Carrying Amount			
At 1 January 2025	566,454	1,042,919	1,609,373
At 31 December 2025	566,454	1,017,463	1,583,917

Revaluation of Land & Building

The Company uses the revaluation model of measurement of land and buildings. The Land and Buildings were revalued by independent expert valuers, Mr.W.M.Chandrasena Incorporated valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuation is based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. Refer note 7.1 for details of revaluations.

7.1 Details of Freehold Land & Building

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Buildings	Total Valuation	Date of the Valuation
						Rs.'000	Rs.'000	Rs.'000	
282, High Level Road, Kottawa	862	Condominium	Investment Method	Rent per Sq.ft per month	110	11,025	2,975	14,000	31-Dec-2025
97, Baudhdhaloka Mawatha, Gampaha	10,535	A-0-R-0-P 16.50	Market Comparable Method	Price per perch Price per Sq ft	7,500,000 12,000	123,000	79,000	202,000	31-Dec-2025
42/1, Mihidu Mawatha, Kurunegala	7,635	A-0-R-0-P 8.2	Market Comparable Method	Price per perch Price per Sq ft	8,500,000 12,500	69,500	69,500	139,000	31-Dec-2025
583/ 63 Liyanagemulla , Seeduwa	51,830	A-3-R-1-P .3.6	Market Comparable Method	Price per perch Price per Sq ft	350,000 1,563	183,000	81,000	264,000	31-Dec-2025
60 ,Yovunpitiya Watte, Gnanawimala Mawatha. Kosgoda, Balapitiya	11,282	A-0-R-1-P 29	Market Comparable Method	Price per perch Price per Sq ft	800,000 8,500	55,000	70,000	125,000	31-Dec-2025
63, Janadhipathi Mawatha, Colombo 1.	-	A-0-R-0-P 13.84	Market Comparable Method	Price per perch	23,500,000	325,000	-	325,000	31-Dec-2025
3rd, 4th, 7th, 5th & 11th Floors of Ceylinco House Building 69, "Ceylinco House", Janadhipathi Mawatha, Colombo 1.	31,326	-	Investment Method	Rent per Sq.ft per month	214	-	831,000	831,000	31-Dec-2025
5th Floor of Ceylinco House Building 69, "Ceylinco House", Janadhipathi Mawatha, Colombo 1.	11,323	-	Investment Method	Rent per Sq.ft per month	220	-	312,000	312,000	31-Dec-2025

NOTES TO THE FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Buildings	Total Valuation	Date of the Valuation
						Rs.'000	Rs.'000	Rs.'000	
46 / 34, "VIP Centre", Nawam Mawatha, Colombo 2.	18,068	A-0-R-0-P 19.00	Market Comparable Method / Cost Method	Price per perch Price per Sq ft	18,000,000 12,000	342,000	162,000	504,000	31-Dec-2025
Madabawita, Warakapola	608	A-0-R-0-P 16.25	Market Comparable Method	Price per perch Price per Sq ft	800,000 6,000	12,000	2,700	14,700	31-Dec-2025
Malangama, Kuruwita	643	A-0-R-0-P 15.00	Market Comparable Method	Price per perch Price per Sq ft	800,000 5,500	12,000	2,600	14,600	31-Dec-2025
Induruwa, Kosgoda	856	A-0-R-0-P 24.30	Market Comparable Method	Price per perch	750,000	18,000	-	18,000	31-Dec-2025
Ibbagamuwa, Melsiripura	620	A-0-R-1-P 00.00	Contractors Method	Price per perch Price per Sq ft	400,000 6,000	16,000	2,700	18,700	31-Dec-2025
Bibilioya, Kithulgala	5,326	A-0-R-2-P 00.07	Contractors Method	Price per perch Price per Sq ft	450,000 6,400	39,000	26,000	65,000	31-Dec-2025
Puttalam -South, Mundel	705	A-0-R-0-P-20.0	Contractors Method	Price per perch Price per Sq ft	250,000 5,500	5,000	2,900	7,900	31-Dec-2025
302 and 302 1/1 D.S.Senanayaka Mawatha, Kandy	9,070	A-0-R-0-P-13.5	Contractors Method	Price per perch Price per Sq ft	9,000,000 10,000	121,000	68,000	189,000	31-Dec-2025
Total						1,331,525	1,712,374	3,043,899	

7.2 Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below;

The fair value measurement for all of the Freehold Land and Building has been categorized as a Level 3 based on the inputs to the valuation techniques used.

Valuation Technique	Significant Unobservable Valuation Inputs	Sensitivity of the Fair Value Measurement to Inputs
<p>Market Comparable Method</p> <p>This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.</p>	Price per perch for Land Price per square foot for Building	Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/ increases
<p>Investment Method</p> <p>This method involves capitalisation of the expected rental income at an appropriate Rate of years purchase currently characterised by the real estate market.</p>	Gross Monthly Rental Years	Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases) Years Purchase increases (decreases) Void Period (decrease) / increases
<p>Cost Method</p> <p>The cost approach is a real estate valuation method that estimates the price a buyer should pay for a piece of property is equal the cost to build an equivalent building. In the cost approach, the property's value is equal to the cost of land, plus total costs of construction, less depreciation.</p>	Current replacement cost	Estimated Fair value would increase (decrease) if;cost of Land , increases (decreases) cost of construction, less depreciation
<p>Contractor's Method</p> <p>This method consists of estimating the "Effective Capital Value" of the property and applying to this a rate percent in order to estimate the rental value</p>	Capital Value	Estimated fair value would increase/ (decrease) if; Effective Capital Value increases/ (decreases)

7.3 Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated Property, Plant and Equipment which are still in use as at the reporting date is as follows;

At 31 December	2025	2024
	Rs.'000	Rs.'000
Plant and Machinery	6,396	5,666
Computer Equipment	78,275	70,038
Office Equipments	61,697	55,313
Furniture and Fittings	28,116	24,609
	174,483	155,626

7.4 Acquisition of Property, Plant and Equipment during the year

During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.195,850,000 (2024 - Rs. 114,289,000). Cash payments amounting to Rs. 195,850,000 (2024 - Rs.114,289,000) were made during the year to purchase of Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS

7.5 Capital Commitments

There were no capital commitments relating to the acquisition of Property, Plant and Equipment during the year. (2024 - Nil)

7.6 Property, Plant and Equipment Pledged as Security for Liabilities

There were no items of Property, Plant and Equipment pledged as securities for liabilities during the year. (2024 - Nil)

7.7 Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the Property, Plant and Equipment of the Company as at the reporting date.

7.8 Assessment of Impairment

The Board of Directors has assessed the potential impairment indicators of Property, Plant and Equipment as at 31st December 2025. Based on the assessment, no impairment indicators were identified.

7.9 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year. (2024- Nil)

7.10 Temporarily idle Property, Plant and Equipment

There were no temporarily idle property as at the year ended 31st December 2025. (2024 - Nil)

8. Right of use Asset

ACCOUNTING POLICY

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings 2 - 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3(b) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other liabilities.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building and (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December	2025	2024
	Rs.'000	Rs.'000
Cost		
As at 01 January	761,425	662,821
Additions During the Year	122,054	98,604
As at 31 December	883,479	761,425
Accumulated Depreciation		
As at 01 January	549,311	462,931
Depreciation on Right-of-Use Assets	94,121	86,380
As at 31 December	643,432	549,311
Carring Value as at 31 December	240,047	212,114

The following are the amounts recognised in profit or loss:

At 31 December	2025	2024
	Rs.'000	Rs.'000
Depreciation expense of right-of-use assets	94,121	86,380
Interest expense on lease liabilities	23,778	17,852
	117,899	104,232

Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the Lease Term of Contracts with Renewal and Termination Options – Company as Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to ten years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on operation if a replacement asset is not readily available.

9. Investment Properties

ACCOUNTING POLICY

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model, when there are indications of fair value changes in investment property.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

	2025	2024
	Rs.'000	Rs.'000
At 1 January	2,794,500	2,556,400
Fair value gains	284,000	238,100
Disposals	(118,000)	-
At 31 December	2,960,500	2,794,500

Revaluation of Investment Properties

The Investment Properties were revalued on 31st December 2025 by independent expert valuer, Mr.W.M.Chandrasena Incorporated valuer, in determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size of location. The appraised fair values are rounded within the range of values. The fair value of investment property reflects the actual market value as at reporting date. Refer note 9.1 for details of revaluations.

NOTES TO THE FINANCIAL STATEMENTS

9.1 Details of Investment Property

Addresses	Building Extent		Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Building	Date of Total Valuation
	Sq. Ft.	Perches						
No,34, Muhandiram ED Dabare Mawatha, Colombo-05 (1 Apartment)- Lumere Residencies	2,663	1/A/1M & 1A/4	Investment Method	Rent per Sq.ft per month	Rs.77.50	-	38,000	38,000 31-Dec-2025
232,Baudhhaloka Mawatha Colombo-7	28,948	1A-OR-0.00P	Sales Comparison Approach	Price per perch & Price per Sq ft	Rs.14,000,000 Rs. 7,000	2,240,000	60,000	2,300,000 31-Dec-2025
Ceylinco House- Level 6 West and Level 7 East	16,988	X/F6/U1, X/F6/U2, X/F7/U2	Investment Method	Rent per Sq.ft per month	Rs.225 Rs.227.50	-	479,500	479,500 31-Dec-2025
Prime Residencies, 23B1	1,423	-	Investment Method	Rent per Sq.ft per month	Rs.430	-	143,000	143,000 31-Dec-2025
Sub Total						2,240,000	720,500	2,960,500

9.2 Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below;

The fair value measurement for all of the Freehold Land and Building has been categorized as a Level 3 based on the inputs to the valuation techniques used.

Valuation Technique	Significant Unobservable Valuation Inputs	Sensitivity of the Fair Value Measurement to Inputs
<p>Sales Comparison Approach</p> <p>This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.</p>	<p>Price per perch for Land Price per square foot for Building</p>	<p>Estimated fair value would increase(decrease) if; price per perch increases (decreases) price per square foot increases (decreases) depreciation rate for building (decreases)/ increases .</p>
<p>Investment Method</p> <p>This method involves capitalisation of the expected rental income at an appropriate Rate of years purchase currently characterised by the real estate market.</p>	<p>Gross Monthly Rental Years</p>	<p>Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases) Years Purchase increases (decreases) Void Period (decrease) / increases</p>

9.3 Investment Property Related Expenses

The Operating Expenses incurred in respect of Investment Property, which does not earn rental income is Rs. 1,563,642 (2024-Rs. 1,489,678/-). The Operating Expenses incurred in respect of Investment Property, which earns rental income is Rs. 1,921,277 (2024-Rs. 2,853,984/-).

10 & 11 Financial Instruments and Fair Values of Financial Instruments

ACCOUNTING POLICY

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, as appropriate.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held to maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortised cost.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the settlement date.

The financial assets include cash and short-term deposits, loans and receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Available-for-sale Financial Assets

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognised as other comprehensive income in the available-for-sale reserve until the asset is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, or the cumulative loss is recognised in the income statement in finance costs and removed from the available-for-sale reserve.

The Company evaluated its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Company is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held to maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity. For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICY Contd.

Loans and Other Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment.

After initial measurement, loans and receivables are measured at amortised cost, using the effective interest rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Derecognition of Financial Assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired

The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (i) The Company has transferred substantially all the risks and rewards of the asset; or
- (ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

(b) Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

ACCOUNTING POLICY Contd

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'finance cost' in the income statement.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale Financial Investments

For available-for-sale financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICY Contd.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset derecognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

(d) Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs. For units in unit trusts and shares in open ended investment companies, fair value is determined by reference to published net asset values.

For financial instruments where there is not an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, net assets, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

The fair value of repo and call deposits with credit institutions is their carrying value. The carrying value is the cost of the investment and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value can not be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

The Company's Financial Instruments are summarised by categories as follows:

		2025	2024
	Note	Rs.'000	Rs.'000
Loans and Receivables (L&R)	10	10,661,927	10,109,007
Available-For-Sale Financial Assets (AFS)	11	10,218,072	9,728,974
Total Financial Instruments		20,879,999	19,837,981

The following table compares the fair values of the Financial Instruments to their carrying values:

Available-For-Sale Financial Assets (AFS) have been valued at fair value and Loans and Receivables (L&R) are valued at amortized cost.

As at 31 December	Note	2025		2024	
		Carrying value	Fair value	Carrying value	Fair value
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Loans and Receivables (L&R)	10	10,661,927	10,661,927	10,109,007	10,109,007
Available-For-Sale Financial Assets (AFS)	11	10,218,072	10,218,072	9,728,974	9,728,974
Total Financial Instruments		20,879,999	20,879,999	19,837,981	19,837,981

10. Loans and Receivables (L&R)

As at 31 December		2025	2024
	Note	Rs.'000	Rs.'000
Staff Loans	10(a)	415,955	419,547
Repo Investment		940,925	2,167,000
Term Deposits	10(b)	9,305,047	7,522,460
Total Loans and Receivables at Amortised Cost		10,661,927	10,109,007

Collateral Held as Security Under REPOs

The fair value as at 31st December 2025 of the collateral placed under the Company's repo agreements amounted to Rs. 1,034,323,000, comprising Treasury Bonds with an agreed collateral value of Rs. 969,895,000.

10.(a) Staff Loans

As at 31 December		2025	2024
		Rs.'000	Rs.'000
At 1 January		419,547	399,723
Loans Granted		351,929	369,166
Recoveries		(355,521)	(349,342)
At 31 December		415,955	419,547

10.(b) Term Deposits

As at 31 December		2025	2024
		Rs.'000	Rs.'000
Licensed Commercial Banks & Specialised Banks		9,162,453	7,390,224
Registered Finance Companies		142,594	132,236
		9,305,047	7,522,460

11. Available-For-Sale Financial Assets (AFS)

As at 31 December		2025	2024
	Note	Rs.'000	Rs.'000
Treasury Bonds & Bills		6,990,280	6,484,448
Unquoted Share Investment	11(a)	106,263	419,587
Quoted Debenture Investment	11(b)	2,562,203	2,309,583
Quoted Share Investment	11(c)	64,568	110,122
Unit Trust Investments	11(d)	494,758	405,234
Total Available-For-Sale Financial Assets at Fair Value		10,218,072	9,728,974

NOTES TO THE FINANCIAL STATEMENTS

11.(a) Unquoted Share Investment

As at 31 December		2025		2024	
		Number of Shares	Fair value	Number of Shares	Fair value
			Rs.'000		Rs.'000
Ultratech Cement Lanka (Pvt) Ltd	Shares	9,000,000	544,000	9,000,000	544,000
Provision for Impairment			(437,737)		(124,413)
			106,263		419,587

11.(b) Quoted Debenture Investment

As at 31 December		2025	2024
		Rs.'000	Rs.'000
DFCC Bank PLC	12%, 65,480,000 Debentures redeemable 15/09/2027	70,663	71,159
National Development Bank PLC	13.25%, 225,000,000 Debentures redeemable 10/09/2029	256,764	254,721
DFCC Bank PLC	15.25% , 250,000,000 Debentures redeemable on 16/01/2029	322,798	325,062
Commercial Bank PLC	13% 73,070,000 Debentures redeemable on 10/07/2029	84,497	83,815
Hatton National Bank PLC	13%, 500,000,000 Debentures redeemable 27/08/2029	568,535	563,290
Asia Asset Finance PLC	12.20%, 20,550,000 Debentures redeemable 05/12/2027	21,551	21,871
Commercial Credit & Finance PLC	9% 100,000,000 Debentures redeemable on 4/3/2026	107,453	107,089
Seylan Bank PLC	9.75% 17,570,000 Debentures redeemable on 12/4/2026	18,355	18,887
National Development Bank PLC	11.90% 300,000,000 Debentures redeemable on 24/11/2026	312,211	315,856
Commercial Bank PLC	28%, 27,210,000 Debentures redeemable 11/12/2027	37,123	40,057
Commercial Bank PLC	15%, 300,000,000 Debentures redeemable 19/12/2028	343,114	345,517
Hatton National Bank PLC	13%, 99,613,600 Debentures redeemable 26/08/2029	113,736	112,815
National Development Bank PLC	13%, 45,000,000 Debentures redeemable 26/11/2029	50,001	49,444
Sampath Bank PLC	11.75% 89,440,000 Debentures redeemable on 18/03/2030	103,488	-
DFCC Bank PLC	10.25% 50,000,000 Debentures redeemable on 12/11/2029	51,365	-
Assetline Finance PLC	11% 100,000,000 Debentures redeemable on 15/12/2030	100,549	-
		2,562,203	2,309,583

11.(c) Quoted Share Investment

As at 31 December	2025		2024	
	Number of Shares	Fair value	Number of Shares	Fair value
		Rs.'000		Rs.'000
Hotels and Travels				
Anilana Hotels & Properties PLC	1,053,561	948	1,053,561	1,054
Aitken Spence Hotels Holdings PLC	-	-	4,100	344
Citrus Leisure PLC	-	-	100,000	450
Galadari Hotels(Lanka) PLC	360,374	6,667	-	-
Dolphin Hotel PLC	-	-	20,351	1,140
The Lighthouse Hotel PLC	-	-	25,627	1,638
Hikkaduwa Beach Resorts PLC	-	-	109,652	395
Sector Total		7,615		5,021
Banks, Finance and Insurance				
Hatton National Bank PLC	-	-	12,034	3,863
Sampath Bank PLC	190,034	27,840	37,420	4,416
The Finance Company PLC	1,875,000	-	1,875,000	-
Commercial Bank of Ceylon PLC	126,894	25,473	-	-
DFCC Bank PLC	-	-	15,000	1,695
National Development Bank PLC	-	-	31,413	3,558
Sector Total		53,313		13,531
Telecommunication				
Sri Lanka Telecom PLC	-	-	234	16
Sector Total		-		16
Manufacturing				
Blue Diamond Jewellery Worldwide PLC	285,100	86	285,100	86
Access Engineering PLC	20,000	1,466	20,000	690
Lanka Ceramic PLC	718	123	718	108
Lanka Walltile PLC	455	23	455	27
Cable Solutions PLC	-	-	295,000	2,950
Diesel & Motor Engineering PLC	700	1,411	700	658
Kelani Tyres PLC	-	-	10,000	840
Sector Total		3,109		5,358
Diversified Holdings				
Renuka Holdings PLC	10,856	531	10,856	202
MDT Walkers PLC	62,200	-	62,200	-
Sector Total		531		202

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	2025		2024	
	Number of Shares	Fair value	Number of Shares	Fair value
		Rs.'000		Rs.'000
Investment and Trust				
Ceylon Guardian Investment Trust PLC	-	-	1,511	238
Sector Total		-		238
Trading				
CW Mackie PLC	-	-	5,849	619
Sector Total		-		619
Plantations/Property				
Talawakelle Tea Estates PLC	-	-	4,939	706
Watawala Plantations PLC	-	-	10,000	1,260
Namukula Plantations PLC	-	-	3,028	1,211
Prime Land Residencies Ltd.	-	-	6,700,000	80,400
Commercial Developmenet Company PLC	-	-	3,915	552
Balangoda Plantations PLC	-	-	7,345	529
Agstar PLC	-	-	50,000	480
Sector Total		-		85,138
Total Investment in Quoted Shares		64,568		110,122

11.(d) Unit Trust Investments

As at 31 December	2025		2024	
	Number of Units	Carrying Value	Number of Units	Carrying Value
		Rs.'000		Rs.'000
ASTURE Alpha Fund	8,101,069	270,140	8,101,069	199,356
ASTRUE Active Income Fund	901,850	188,539	901,850	172,632
SENFIN Money Market Fund	1,273,699	36,079	1,273,699	33,246
		494,758		405,234

11.(e) Movement in the Carrying Values of Financial Instruments

	Loans and Receivables	Available- For-Sale	Total
	Rs.'000	Rs.'000	Rs.'000
At 1st January 2025	10,109,007	9,728,974	19,837,981
Purchases	14,703,365	8,909,905	23,613,269
Maturities	(14,514,263)	(8,057,535)	(22,571,797)
Fair Value Gains Recorded in Other Comprehensive Income	-	(49,948)	(49,948)
Foreign Exchange Adjustment	363,818	-	363,818
Movement in Impairment Allowance	-	(313,324)	(313,324)
At 31 December 2025	10,661,927	10,218,072	20,879,999

Fair Value of Financial Assets and Liabilities not Carried at Fair Value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements (i.e., loans and receivables).

Assets for which Fair Value Approximates Carrying Value

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Fixed Rate Financial Instruments

The fair value of fixed rate financial assets carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

For quoted debt instruments the fair values are determined based on quoted market prices.

For unquoted equity investments have been fair valued using discounted cash flow method.

For unquoted debt instruments, the carrying value approximates the fair value of the investments.

11.(f) Determination of Fair Value and Fair Values Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

NOTES TO THE FINANCIAL STATEMENTS

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December	Notes	2025				2024			
		Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
		Quoted Prices in active markets	Significant Observable Inputs	Significant Unobservable Inputs		Quoted Prices in active markets	Significant Observable Inputs	Significant Unobservable Inputs	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets									
Available-For-Sale Financial Assets:									
Equity Securities	11(a & c)	64,568	-	106,263	170,831	110,122	-	419,587	529,709
Unit trust	11(d)	-	494,758	-	494,758	-	405,234	-	405,234
Debt Securities	11(b)	6,990,280	2,562,203	-	9,552,483	6,484,448	2,309,583	-	8,794,031
Total Financial Assets		7,054,848	3,056,961	106,263	10,218,072	6,594,570	2,714,817	419,587	9,728,974
Non Financial Assets									
Land and Buildings	7.1	-	-	3,043,899	3,043,899	-	-	2,689,488	2,689,488
Investment Properties	9.1	-	-	2,960,500	2,960,500	-	-	2,794,500	2,794,500
Total Non Financial Assets		-	-	6,004,399	6,004,399	-	-	5,483,988	5,483,988
Total Financial and Non Financial Assets		7,054,848	3,056,961	6,110,662	16,222,471	6,594,570	2,714,817	5,903,575	15,212,962

11.(g) Reconciliation of Movements in Level 3 Financial Instruments Measured at Fair Value

The following table shows a reconciliation of the opening and closing recorded amount of Level 3 financial assets which are recorded at fair value:

Note	At 1 January 2025	Total Gains/(Loss) recorded in Comprehensive Income	Additions/ Disposals	Accumulated Depreciation	At 31 December 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets					
Available-For-Sale Financial Assets:					
Equity Securities	11(a)	419,587	(313,324)	-	106,263
Total Level 3 Financial Assets		419,587	(313,324)	-	106,263
Non Financial Assets					
Land and Buildings	7.1	2,689,488	386,536	(32,125)	3,043,899
Investment Properties	9.1	2,794,500	284,000	(118,000)	2,960,500
Total Level 3 Non-Financial Assets		5,483,988	670,536	(32,125)	6,004,399
Total Level 3 Financial and Non-Financial Assets		5,903,575	357,212	(118,000)	6,110,662

11.(h) Significant Unobservable Inputs Used to Valuation of Unquoted Investment is as Follows.

	2025	2024
1. Growth rate	5%	5%
2. Weighted average cost of capital	17.88%	19.5%

A quantitative sensitivity analysis for significant assumption as at 31 December 2025 as shown below.

Sensitivity Analysis	10% Increase	10% Decrease
1. Revenue growth at terminal value	3,477	(3,220)
2. Weighted average cost of capital	(6,896)	7,553

The Company has used Discounting Cash Flow (DCF) method for valuation.

11.(i) Financial Instruments not Under the Fair Value Measurement Hierarchy

The following is a list of financial instruments which have not been considered under the fair value measurement hierarchy, because the carrying amount of those financial instruments is a reasonable approximation of fair value since they are short-term in nature or re - prise to current market rates frequently.

Assets

Cash and Cash Equivalents
Term deposits and Repo
Reinsurance Receivables
Premium Receivables

Liabilities

Reinsurance Creditors
Other Liabilities (Excluding Government Levies and Accruals)
Interest Bearing Borrowings

NOTES TO THE FINANCIAL STATEMENTS

12. Gratuity Benefit Asset

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 a defined contribution pension plan are recognised as an employee benefit expense in income statement when they are due.

Pensions and Other Post-Employment Benefits

The Company operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit valuation method. Actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to income statement in subsequent periods.

Past service costs are recognised in income statement on the earlier of:

The date of the plan amendment or curtailment, and

The date that the Company recognises restructuring-related costs

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to creditors of the Company nor can they be paid directly to the Company.

Fair value is based on market price information and, in the case of quoted securities, it is the published market price. The value of any defined benefit asset is restricted to the sum of any past service cost and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The amount recognised as defined benefit liabilities has been netted with the fair value of the plan assets of the reporting period. Any surplus in plan assets has been measured based on the requirements of LKAS 19 - Employee Benefits, Para 58 and IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in other comprehensive income.

However, according to the Payment of Gratuity Act No. 12 Of 1983, the liability for gratuity payments to an employee arises on the completion of five years of continued service with the company. The provision is externally funded.

Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

This note indicates the assumptions used and the movement in the employee benefit plan. As at 31 December 2025 the gratuity liability was actuarially valued under the projected unit credit Method (PUC) by M/S.K.A.Pandit Actuarial valuer. The valuation performed annually.

The amounts recognised in the Income Statement are as follows:

	2025	2024
	Rs.'000	Rs.'000
Current Service Cost	127,120	94,812
Interest Cost on Benefit Obligation	237,552	222,011
Expected return on Plan Assets	(482,311)	(469,003)
	(117,639)	(152,180)
Net Actuarial Gain/ (Loss) recognised in the Other Comprehensive Income	(258,288)	(245,379)

12.1 The Amounts Recognised in the Statement of Financial Position at The Reporting Date are as Follows:

		2025	2024
	Note	Rs.'000	Rs.'000
Present value of the Defined Benefit Obligation	12.2	2,074,356	2,047,862
Fair value of Plan Assets	12.3	(4,473,843)	(4,157,855)
Total Net Defined Benefit Asset		(2,399,486)	(2,109,992)

12.2 The Movement in the Defined Benefit Liability is as Follows:

	2025	2024
	Rs.'000	Rs.'000
At 1 January	2,047,862	1,761,991
Current Service Cost	127,120	94,812
Interest Cost	237,552	222,011
Benefits Paid	(430,143)	(242,938)
Actuarial (Gains) / Losses	91,965	211,987
At 31 December	2,074,356	2,047,862

The Gratuity Benefit Liability is valued by M/S.K.A.Pandit Actuarial valuer.

12.3 The Movement in the Plan Assets is as Follows:

	2025	2024
	Rs.'000	Rs.'000
At 1 January	(4,157,855)	(3,722,244)
Expected Return on Plan Assets	(540,331)	(469,003)
Actuarial Gains/Losses	224,343	33,392
At 31 December	(4,473,843)	(4,157,855)

NOTES TO THE FINANCIAL STATEMENTS

The distribution of the Plan Assets at the reporting date is as follows:

	2025	2024
	Rs.'000	Rs.'000
Investment in Shares	4,295,973	3,677,422
Other Assets	177,870	480,433
Total Plan Assets	4,473,843	4,157,855

Gratuity funds plan assets include investment in equity shares of Ceylinco Holdings PLC, (the parent entity of the company) market value amounting to Rs.658,833,200 (2024-Rs. 315,288,000) as at the reporting date

The overall expected rate of return on assets is determined based on market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal actuarial assumptions used in determining the gratuity benefit obligation for the Company's plan assets are as follows:

	2025	2024
Future salary increases	10%	10.00%
Discount rate	11%	11.60%
Expected rate of return on plan assets	11%	11.60%
Retirement age	60 yrs	60 Yrs

12.4 Changes in the Defined Benefit Obligation and Fair Value of Plan Assets

		Amount charges to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
		Service Cost	Net Interest	Sub Total included in Profit or Loss	Benefit paid	Return on Plan Assets (Excluding amounts included in Net Interest Expenses)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI
	1-Jan-25	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation		(127,120)	(237,552)	(364,672)	430,143	-	(115,592)	23,627	(91,965)
Fair value of Plan Assets		-	-	-	-	482,311	-	(166,323)	(166,323)
Benefit Assets/(Liability)		(127,120)	(237,552)	(364,672)	430,143	482,311	(115,592)	(142,696)	(258,288)
	1-Jan-25	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
		(2,047,862)	(237,552)	(364,672)	430,143	-	(115,592)	23,627	(91,965)
		4,157,855	-	-	-	482,311	-	(166,323)	(166,323)
		2,109,992	(237,552)	(364,672)	430,143	482,311	(115,592)	(142,696)	(258,288)
	31-Dec-25	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
		(2,047,862)	(237,552)	(364,672)	430,143	-	(115,592)	23,627	(91,965)
		4,157,855	-	-	-	482,311	-	(166,323)	(166,323)
		2,109,992	(237,552)	(364,672)	430,143	482,311	(115,592)	(142,696)	(258,288)

		Amount charges to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
		Service Cost	Net Interest	Sub Total included in Profit or Loss	Benefit paid	Return on Plan Assets (Excluding amounts included in Net Interest Expenses)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI
	1-Jan-24	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation		(94,812)	(222,011)	(316,823)	242,938	-	(172,221)	(39,765)	(211,987)
Fair value of Plan Assets		-	-	-	-	469,003	-	(33,392)	(33,392)
Benefit Assets/(Liability)		(94,812)	(222,011)	(316,823)	242,938	469,003	(172,221)	(73,157)	(245,379)
	1-Jan-24	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
		(1,761,991)	(222,011)	(316,823)	242,938	-	(172,221)	(39,765)	(211,987)
		3,722,244	-	-	-	469,003	-	(33,392)	(33,392)
		1,960,253	(222,011)	(316,823)	242,938	469,003	(172,221)	(73,157)	(245,379)
	31-Dec-24	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
		(1,761,991)	(222,011)	(316,823)	242,938	-	(172,221)	(39,765)	(211,987)
		3,722,244	-	-	-	469,003	-	(33,392)	(33,392)
		1,960,253	(222,011)	(316,823)	242,938	469,003	(172,221)	(73,157)	(245,379)

Gratuity Benefit Asset has been excess over the Gratuity Benefit Liability due to share investment which has share appreciation annually. A quantitative sensitivity analysis for significant assumptions as at 31-December 2025 is shown below:

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity level	Discount Rate		Future Salary Increment Rate		Employee Turnover	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Impact on Defined Benefit Obligation -2025	(187,123)	217,824	217,824	(190,305)	15,025	(17,257)
Impact on Defined Benefit Obligation -2024	(172,221)	200,338	201,507	(176,028)	24,702	(28,083)

Following payments are expected contributions to the Defined Benefit Plan Obligation on the future years.

	2025	2024
	Rs.'000	Rs.'000
Within the next 12 Months	140,669	252,460
Between 2 and 5 Years	350,794	394,595
Between 6 and 10 Years	1,313,769	1,160,324
Above 10 Years	7,391,702	7,613,309
Total	9,196,932	9,420,688

The average duration of the defined benefit plan obligation at the end of the reporting period is 20 years.

13. Employee Pension Benefit Asset

	Amount Charges to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
	1-Jan-25		31-Dec-25		1-Jan-25		31-Dec-25	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(451,780)	-	(37,886)	322,526	22,129	22,129	-	(145,012)
Fair Value of Plan Assets	2,100,000	230,999	-	(322,526)	(91,982)	(91,982)	983	1,917,474
Total recognised benefit (Liability) / Asset	1,648,220	230,999	(37,886)	-	(69,853)	(69,853)	983	1,772,462

	Amount Charges to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
	1-Jan-24		31-Dec-24		1-Jan-24		31-Dec-24	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(243,097)	-	(37,696)	-	(170,987)	(170,987)	-	(451,780)
Fair Value of Plan Assets	2,187,797	275,661	-	275,661	(363,459)	(363,459)	-	2,100,000
Total recognised benefit (Liability) / Asset	1,944,700	275,661	(37,696)	-	(534,446)	(534,446)	-	1,648,220

Projected pension benefit obligation has been valued based on projected unit cost method. Actuarial gains and losses have been recognised immediately in the statement of Other Comprehensive Income. The Pension Benefit Assets is valued by M/S.K.A.Pandit Actuarial valuer.

NOTES TO THE FINANCIAL STATEMENTS

13.1 The Principal Assumptions Used in Determining Pension and Post-Employment Medical Benefit Obligations for the Company's Plans are Shown Below:

	2025	2024
Discount Rate	11.00%	10.00%
Rate of Return on Plan Assets	Current	10.00%
Salary Escalation Rate	9%	9%
Attrition Rate	1%	1%
Retirement Age	60 Yrs	60 Yrs
Mortality Table	AMT 2012-15	AMT 2012-15

13.2 A Quantitative Sensitivity Analysis for Significant Assumption as at 31 December as Shown Below

Sensitivity Level	Discount Rate	
	Increase 1%	Decrease 1%
	Rs.000	Rs.000
Impact on Pension Benefit Obligation -2025	(1,511)	1,552
Impact on Pension Benefit Obligation -2024	(2,319)	2,401

13.3 The Distribution of the Plan Assets at the Reporting Date is as Follows:

	2025	2024
	Rs.000	Rs.000
Investment in Shares	1,917,474	2,100,000
	1,917,474	2,100,000

Pension funds plan assets include investment in equity shares of Ceylinco Holdings PLC, (the parent entity of the company) market value amounting to Rs.1,917,474,000 (2024-Rs. 2,100,000,000) as at the reporting date

14. Deferred Tax Asset

ACCOUNTING POLICY

Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, unless it arises from the initial recognition of an asset or liability in a transaction that:

- a) is not a business combination
- b) at the time of transaction, affects neither accounting profit nor taxable (tax loss) and
- c) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

	Other Comprehensive Income		Income Statement		Statement of Financial Position	
	2025	2024	2025	2024	2025	2024
As at 31 December	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Temporary Difference from Retirement Benefit Liability	27,589	63,596	19,641	(22,165)	622,307	614,359
Temporary Difference from Investment Properties & PPE	-	-	146,568	83,482	(447,026)	(300,459)
Temporary Difference from Intangible Assets	-	-	(7,370)	(3,709)	-	(7,370)
Available-for-sale Financial Assets (AFS)	9,431	(101,144)	-	-	(225,185)	(234,617)
Temporary Difference from Allowance for Impairment	-	-	10,476	4,055	41,571	52,047
Temporary difference for unrealised exchange gain	-	-	(17,175)	(3,532)	20,707	3,532
Business Loss	-	-	(228,361)	-	228,361	-
Temporary Difference from Allowance for Net of ROU & Lease Creditors	-	-	(4,209)	2,634	(16,881)	(21,089)
Revaluation Reserve	(115,961)	-	-	-	(427,781)	(311,820)
Deferred Tax Expense/ (Income)	(78,941)	(37,548)	(80,430)	60,764		
Deferred Tax Asset/ (Liability)					(203,927)	(205,416)

14.(a) Total Deferred Tax Assets

	Note	2025	2024
		Rs.'000	Rs.'000
At 1 January		(205,416)	(107,104)
Amount of deferred tax expense relating to the origination and reversal of temporary differences		80,430	(60,764)
Amount of deferred tax expense (Income) other comprehensive income	32(b)	(78,941)	(37,548)
At 31 December		(203,927)	(205,416)

15. Reinsurance Receivables

ACCOUNTING POLICY

Reinsurance

Reinsurance assets include the balances due from both insurance and reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsurance policy.

The Company also assumes reinsurance risk in the normal course of business non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

If a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and is recognized in the income statement.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the Company will receive from the reinsurer.

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Reinsurance Receivable on paid claims	2,710,327	1,998,083
Reinsurance Receivable on payable claims	17,711,967	6,073,534
Total Reinsurance Receivables	20,422,294	8,071,617

Reinsurance Receivables on paid claims represent dues within 6 months.

The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

16. Insurance Receivables

ACCOUNTING POLICY

Insurance Receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

Insurance receivables are derecognised when the derecognising criteria for financial assets have been met. The Company recognizes an allowance for incurred loss method.

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Due from Policyholders	6,568,772	6,868,140
Due from Related Parties	10,673	12,599
Less : Allowance for Impairment	(138,570)	(173,491)
Total Insurance Receivables	6,440,875	6,707,248

16.(a) Credit Quality of Premium Receivables that are Neither Past due nor Impaired is Explained Below;

	Below 60 days	Above 60 days	Total
	Rs.'000	Rs.'000	Rs.'000
As at 31 December 2025	4,865,558	1,575,317	6,440,875
As at 31 December 2024	5,402,447	1,304,801	6,707,248

17. Other Assets

ACCOUNTING POLICY

Inventories

Inventories include all consumable items and are measured at the lower of cost and net realizable value. Cost is generally determined by reference to weighted average cost. Net realizable value is the estimated market price in the ordinary course of business less any estimated expense to sell.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula.

Stationery, Course Materials	}	First in First Basis
Spare Parts		

Other Receivables

Other receivables are recognized when it is probable that future economic benefits will flow to the entity and the cost or value of the asset can be measured reliably.

	2025	2024
	Rs.'000	Rs.'000
Inventories	106,163	118,401
Advances, Deposits & Prepayments	505,027	408,217
Other Receivables	51,167	52,624
	662,357	579,242

18. Cash And Cash Equivalents

ACCOUNTING POLICY

Cash and cash equivalents comprise cash balances and call deposits.

For cash flow purposes, cash and cash equivalents are presented net of bank overdraft.

	2025	2024
	Rs.'000	Rs.'000
Favourable Balances		
Cash in Hand	29,412	34,440
Cash at Bank with Licenced Commercial Banks	1,002,000	786,194
Total Cash and Cash Equivalents for Cash Flows purposes	1,031,412	820,634

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

19. Stated Capital

ACCOUNTING POLICY

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Issued & Fully Paid		
Ordinary Shares - Voting	500,200	500,200
	500,200	500,200

All issued shares are fully paid. There is one class of Ordinary shares. All shares issued carry equal voting rights.

The holders of ordinary shares - voting are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

19.(a) Movement of Stated Capital

	2025	2024
	Rs.'000	Rs.'000
At 1 January	500,200	500,200
Issued during the year	-	-
At 31 December	500,200	500,200
Movement of No.of shares		
At 1 January	2,501,000	2,501,000
Issued during the year	-	-
At 31 December	2,501,000	2,501,000

19.(b) Special Reserves

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Special Reserves *	6,848,160	6,848,160
	6,848,160	6,848,160

* This reserve represents the value (Net Book Value) of net assets transferred from Ceylinco Holdings PLC on 1st June 2015 as a result of segregation.

This is a restricted reserve to distribute dividends.

20. Insurance Contract Liabilities

ACCOUNTING POLICY

Non-life Insurance Contract Liabilities

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

The provision comprises of reserve for the net unearned premium, reserve for the deferred acquisition cost (net), reserve for gross outstanding claims and the incurred but not reported (IBNR) provision. Unearned premium, deferred acquisition cost and the reserve for gross outstanding claims are stated according to the industry practices whereas the IBNR reserve is decided by an independent external actuary to estimate the outstanding liabilities as of reporting date.

At each reporting date the Company reviews its unexpired risk and a liability adequacy test is performed as laid out under SLFRS 4 to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in the income statement by setting up a provision for premium deficiency.

		2025	2024
As at 31 December	Note	Rs.'000	Rs.'000
Non-Life Insurance Contracts	20(a)	31,659,626	16,504,312
Total Insurance Contract Liabilities		31,659,626	16,504,312

Unearned Premium Reserve included in non-life insurance contract liabilities had been presented on net basis.

Ceylinco General Insurance Ltd. performed a Liability Adequacy Test (LAT), as required by SLFRS 4 – Insurance Contracts, in respect of Insurance Contract liabilities as at 31st December 2025 with the assistance of external actuaries and it has been concluded that liabilities recorded in financial statements are adequate.

Key assumptions for valuation of Liabilities in Non Life Insurance

The principal assumption underlying the liability estimates is that Ceylinco General Insurance Limited'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 judgments are also used to assess the extent to which liabilities may arise in the future, but excludes 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 General Insurance claim liabilities are sensitive to the key assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

NOTES TO THE FINANCIAL STATEMENTS

20.(a) Non-Life Insurance Contract Liabilities

		2025 Insurance Contract Liabilities	2024 Insurance Contract Liabilities
As at 31 December	Note	Rs.'000	Rs.'000
Provision for reported claims by Policyholders		22,692,424	8,589,703
Provision for claims IBNR/IBNER		753,522	721,355
Outstanding claims provision	20(a).i	23,445,946	9,311,058
Provision for Unearned Premiums	20(a).ii	8,213,680	7,193,254
Total Non Life Insurance Contract Liabilities		31,659,626	16,504,312
Non-life Technical Reserves		12,955,158	9,277,614

20.(a) i Outstanding Claims Provision

	2025			2024		
	Insurance Contract Liabilities	Reinsurance of Liabilities	Net	Insurance Contract Liabilities	Reinsurance of Liabilities	Net
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At 1 January	9,311,058	8,071,617	1,239,441	8,431,756	6,383,085	2,048,670
Claims incurred in the current accident year	24,171,092	15,502,071	8,669,021	10,491,722	2,438,125	8,053,597
Claims paid during the year	(10,036,204)	(3,151,394)	(6,884,810)	(9,612,420)	(749,593)	(8,862,827)
At 31 December	23,445,946	20,422,294	3,023,652	9,311,058	8,071,617	1,239,441

Reinsurance receivable on paid claims are included under above Reinsurance receivables are amounting to Rs. 2,710,327,020 (Rs.1,998,083,242/- in 2024).

Significant delays occur in the notification of claims and a substantial measure of experience and judgment is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as of the reporting date.

The incurred but not reported (IBNR) and incurred but not enough reported (IBNER) claim reserve have been actuarially computed by M/S K.A.Pandit - Consultants and Actuaries. The valuation is performed on an annual basis.

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.

Outstanding Claims Provisions Class Wise

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Fire	12,742,712	2,266,831
Motor	5,036,442	1,726,880
Marine	1,308,434	412,510
Miscellaneous	4,124,364	4,412,934
Engineering	233,994	491,903
	23,445,946	9,311,058

20.(a).ii Provision For Unearned Premiums

	2025 Insurance Contract Liabilities	2024 Insurance Contract Liabilities
	Rs.'000	Rs.'000
At 1 January	7,193,254	7,291,259
Premiums written in the year	15,616,024	14,718,032
Premiums earned during the year	(14,595,598)	(14,816,037)
At 31 December	8,213,680	7,193,254
Net changes in reserve for unearned premium	(1,020,426)	98,005

21. Deferred Revenue

	2025	2024
As at 31 December	Rs.'000	Rs.'000
SRCC/TC RI Commission Payable	381,800	323,802
Foreign RI Commission Provision	217,030	177,265
	598,830	501,067

21.(a) Movement of Deferred Revenue

	2025	2024
	Rs.'000	Rs.'000
At 1 January	501,067	562,046
Revenue Deferred	1,237,648	1,322,305
Amortisation	(1,139,885)	(1,383,284)
At 31 December	598,830	501,067

NOTES TO THE FINANCIAL STATEMENTS

22. Reinsurance Payable

	2025	2024
As at 31 December	Rs.'000	Rs.'000
Domestic Reinsurer - National Insurance Trust Fund (NITF)	1,036,743	1,029,035
Domestic Reinsurers - Others	192,091	162,819
Foreign Reinsurers	5,458,148	6,351,583
	6,686,982	7,543,437

23. Other Liabilities

ACCOUNTING POLICY

Financial Liabilities – Initial Recognition and Subsequent Measurement

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, and reinsurance payables.

Subsequent measurement

The subsequent measurement of financial liabilities as follows:

Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Insurance payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs.

Derecognition insurance payables

Insurance payables are derecognised when the obligation under the liability is discharged, cancelled or expired.

Provisions-General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

		2025	2024
As at 31 December	Note	Rs.'000	Rs.'000
Agency Commission Payable		1,252,157	1,025,988
Government Levies		524,252	574,661
Other Creditors		1,473,851	1,169,997
Lease Creditor	23(a)	183,780	141,817
Accrued Expenses		691,400	535,379
		4,125,440	3,447,842

23.(a) Lease creditor

	2025	2024
	Rs.'000	Rs.'000
As at 1 January	141,817	137,882
Addition	90,613	53,894
Accretion of interest	23,778	17,852
Payments	(72,426)	(67,811)
As at 31 December	183,780	141,817

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

All amounts are payable within one year except lease creditors.

23.(a) i Maturity Analysis for Lease Creditors are as Follows,

As at 31 December	Within One Year	1-3 Year	Above 3 Years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2025	50,983	76,971	62,048	190,002
2024	47,495	13,741	62,728	123,964

23.(b) Maturity Analysis - Contractual Undiscounted Cash Flows

Future minimum rentals receivable under operating leases as at 31 December are, as follows:

As at 31 December	2025	2024
	Rs.'000	Rs.'000
Within one year	21,372	44,972
After one year but not more than three years	6,790	35,429
More than three years	-	17,714
Expected Future Rentals	28,162	98,117

NOTES TO THE FINANCIAL STATEMENTS

24. Net Premiums

ACCOUNTING POLICY

Gross Written Premium

Gross written premium is generally recognized as written upon inception of the policy. Upon inception of the contract, premiums are recorded as written and are earned primarily on a pro-rata basis over the term of the related policy coverage. However, for those contracts for which the period of risk differs significantly from the contract period, premiums are earned over the period of risk in proportion to the amount of insurance protection provided.

Reinsurance Premium

Reinsurance premium expense is accounted for in the same accounting period as the gross written premium to which it relates.

Unearned Premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage. Unearned premiums are calculated on the 1/365 basis except for the marine and title policies in accordance with the control of insurance regulations.

The basis of calculating unearned premiums for marine and title policies are as follows,

Class of the policy	Basis
Marine	60% in the same month
	40% after three months of underwriting the policy
Title	60% in the same year
	40% is deferred until the validity of the policy expires

Sales Taxes and Premium Taxes Revenues, expenses and assets are recognised net of the amount of sales taxes and premium taxes except: Where the sales or premium tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables that are stated with the amount of sales or premium tax included. Outstanding net amounts of sales or premium tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Year Ended 31 December	Note	2025	2024
		Rs.'000	Rs.'000
Gross premiums on Insurance Contracts	24(a)	28,037,683	24,548,782
Premiums Ceded to Reinsurers on Insurance Contracts	24(b)	12,421,658	9,830,750

24.(a) Gross Written Premium

The premium income for the year by major classes of business is as follows.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Fire	5,359,748	5,528,245
Motor	14,181,868	11,338,026
Marine	1,410,237	1,143,918
Miscellaneous	5,233,883	5,175,235
Engineering	1,600,127	1,108,437
Employers' Liability	251,820	254,922
	28,037,683	24,548,782

The Gross written Premium of 2025 includes Rs.161,169,422 and US\$ 568,787.80 (2024-Rs. 126,661,905 and US\$ 404,140.50) which are collected on behalf of Co-insurance partners.

24.(b) Premium Ceded to Reinsurers

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Fire	5,618,419	4,650,564
Motor	2,265,837	1,596,508
Marine	871,581	710,232
Miscellaneous	2,063,221	2,003,721
Engineering	1,492,785	853,978
Employers' Liability	109,815	15,747
	12,421,658	9,830,750
National Insurance Trust Fund		
Compulsory Reinsurance Cessions	664,907	647,864
Strike , Riots, Civil Commotion	2,879,958	2,734,836
Foreign Reinsurers	8,579,093	6,135,231
Local Coinsurance Partners	297,700	312,819
	12,421,658	9,830,750

24.(c) Net Income

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Net Earned Premium	14,595,599	14,816,037
Other Revenue	3,901,300	3,107,840
	18,496,899	17,923,877

NOTES TO THE FINANCIAL STATEMENTS

25. Fees and Commission Income

Insurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as revenue when the related services are performed.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Reinsurance Commission Income	1,139,886	1,383,284
Total Fees and Commission Income	1,139,886	1,383,284

26. Investment Income

ACCOUNTING POLICY

Rental Income

Rental income from property is recognised in income statement on a straight line basis over the term of the relevant contract.

Interest Income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method.

Investment Income

Investment Income Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex dividend.

		2025	2024
Year Ended 31 December	Note	Rs.'000	Rs.'000
Available-For-Sale Financial Assets			
Interest Income	26(a)	1,124,511	1,196,330
Dividend Income	26(b)	793	4,268
Loans and Receivables			
Interest Income		549,904	804,845
Other Operating Revenue		404,622	294,702
Exchange Gain		243,781	(872,106)
Total Investment Income		2,323,611	1,428,039

26.(a) Available-For-Sale Financial Assets

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Interest Income		
Debenture Interest	279,608	183,847
Repo Income	73,918	46,252
Tresury Bill & Bonds Income	770,985	966,231
	1,124,511	1,196,330

26.(b) Dividend Income

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Dividend Income-Quoted Investment	793	4,268
	793	4,268

27. Realised Gains

ACCOUNTING POLICY

Realized gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Property, Plant and Equipment		
Gain on Disposal of Assets	12,470	57,521
Investment Properties		
Gain on Disposal of Assets	113,825	-
Available-For-Sale Financial Assets		
Realised Gains		
Equity Securities	26,912	896
Unit Trust	596	-
Total Realised Gains for Available-For-Sale Financial Assets	27,508	896
Total Realised Gains	153,803	58,417

NOTES TO THE FINANCIAL STATEMENTS

28. Net Benefits And Claims

ACCOUNTING POLICY

Claims

1.) Non Life Insurance

Claims expenses and liabilities for outstanding claims are recognized in respect of direct and inwards reinsurance business. The liability covers claims reported but not yet paid, incurred but not reported claims ("IBNR") and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by review of individual claim files estimating changes in the ultimate cost of settling claim. The provision in respect of IBNR & IBNER (Incurred But Not Enough Reported) are actuarially valued to ensure a more realistic estimation of the future liability based on the past experience and trends.

Actuarial Valuation is Performed on an Annual Basis

While the Directors consider that the provision for claims is 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 estimates of that period. The methods used and the estimates made are reviewed regularly.

2.) Reinsurance on Claims

Reinsurance on claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
(a) Gross Benefits and Claims Paid		
Non-Life Insurance Contracts	10,036,204	9,612,420
Total Gross Benefits and Claims Paid	10,036,204	9,612,420
(b) Claims Ceded to Reinsurers		
Non-Life Insurance Contracts	(3,151,394)	(749,593)
Total Claims Ceded to Reinsurers	(3,151,394)	(749,593)
(c) Gross Change in Contract Liabilities		
Change in Non-Life Insurance Contract Outstanding Claims Provision	14,134,888	879,302
Total Gross Change in Contract Liabilities	14,134,888	879,302
(d) Change in Contract Liabilities Ceded to Reinsurers		
Change in Non-Life Insurance Contract Outstanding Claims Provision	(12,350,677)	(1,688,532)
Total Change in Contract Liabilities Ceded to Reinsurers	(12,350,677)	(1,688,532)
Net Benefits and Claims	8,669,021	8,053,597
Net Benefits and Claims - Non Life Insurance	8,669,021	8,053,597
	8,669,021	8,053,597

	2025	2024
	Rs.'000	Rs.'000
Non - Life Net Claims Incurred		
Gross Claims Incurred	24,171,092	10,491,722
Reinsurance Recoveries	(15,502,071)	(2,438,125)
Total Net Claims Incurred	8,669,021	8,053,597

28. (e) The Analysis by Major Classes of Business Is as Follows-Non Life

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Fire	1,520,538	1,142,705
Motor	5,131,990	4,912,252
Marine	191,103	155,850
Miscellaneous	1,436,014	1,420,952
Engineering	132,118	166,990
Employer's Liability	257,258	254,848
	8,669,021	8,053,597

29. Acquisition Costs

ACCOUNTING POLICY

Acquisition costs, representing commissions, which vary with and are directly related to the production of business, are deferred and amortized over the period in which the related written premiums are earned. Reinsurance commission is also treated in the same manner within deferred acquisition costs.

	2025	2024
	Rs.'000	Rs.'000
Fees and Commission Expenses	2,927,694	2,375,474
Deferred Expenses	(298,578)	(49,647)
	2,629,116	2,325,827

NOTES TO THE FINANCIAL STATEMENTS

30. Other Operating and Administrative Expenses

		2025	2024
Year Ended 31 December	Note	Rs.'000	Rs.'000
Amortisation of Intangible Assets	5	24,567	139,971
Depreciation on Property Plant and Equipment	7	187,151	270,561
Depreciation on Right of Use Assets	8	94,121	86,380
Other Operating Expenses		1,770,338	1,580,973
Auditors' Remuneration - Fees			
Audit		6,091	5,665
Non Audit		707	515
Employee Benefits Expense	30(a)	3,310,932	3,051,053
Selling Expenses		1,008,448	824,238
Legal Expenses		4,512	3,659
Donations		32,597	1,564
Total Other Operating and Administrative Expenses		6,439,464	5,964,579

30.(a) Employee Benefits Expense

		2025	2024
Year Ended 31 December		Rs.'000	Rs.'000
Wages and Salaries including Bonus & Incentives		2,891,368	2,739,518
Employees' Provident Fund		282,796	271,915
Employees' Trust Fund		70,607	67,838
Defined Gratuity Benefit & Pension Costs		(311,390)	(358,662)
Other Staff related Cost		377,551	330,444
Total Employee Benefits Expense		3,310,932	3,051,053

31. Finance Costs

ACCOUNTING POLICY

Finance cost is recognised as expenditure in the period in which they are incurred. However, finance costs are directly attributable to the acquisition, construction or production of assets that take a substantial period of time to get ready for its intended use or sale, are capitalized as part of the assets.

		2025	2024
Year Ended 31 December	Note	Rs.'000	Rs.'000
Lease Interest	23(a)	23,778	17,852
Other Finance Charges		23,630	49,284
Total Finance Cost		47,408	67,136

32. Income Tax Expense

ACCOUNTING POLICY

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Inland Revenue Act No. 24 of 2017 and amendments thereto are applied in determining the taxable income/loss of the Company.

Other Taxes

Social Security Contribution Levy

Social Security Contribution Levy shall be paid by any person carrying on the business of services, on the liable turnover at the rate of 2.5%, with effect from 1st October 2022.

As per the Social Security Contribution Levy Act No. 25 of 2022, the Company is liable for the Social Security Contribution Levy of Rs. 65 Mn pertaining to the year of assessment 2025/26

Crop Insurance Levy

In terms of the Finance Act No. 12 of 2013, all institutions under the purview of Banking Act No. 30 of 1988, Finance Business Act No. 42 of 2011 and Regulation of Insurance Industry Act No. 43 of 2000 are required to pay 1% of the profit after tax as Crop Insurance Levy to the National Insurance Trust Fund effective from 1st April 2013. The company is liable for the Crop Insurance Levy tax of Rs. 9.7 Mn pertaining to the year of assessment 2025/26

The major components of Income Tax Expense for the years ended 31 December 2025 is:

32.(a) Current Year Tax Charge

		2025	2024
Year Ended 31 December	Note	Rs.'000	Rs.'000
Current Tax			
Income Tax		15,861	340,410
Under/(Over) provision in respect of previous year		(27,678)	53,002
Total Current Tax		(11,817)	393,412
Deferred Tax			
Origination of temporary differences	14(a)	(80,430)	60,764
Total Income Tax Expense		(92,247)	454,176

NOTES TO THE FINANCIAL STATEMENTS

32.(b) Tax Recorded in Other Comprehensive Income (See Note 35)

		2025	2024
Year Ended 31 December	Note	Rs.'000	Rs.'000
Deferred Tax	14(a)	(78,941)	(37,548)
Total Tax charge to Other Comprehensive Income		(78,941)	(37,548)

Income Tax Expense

32.(c) Reconciliation of Tax Charge

	2025	2024
Reconciliation of Effective Tax Rate	Rs.'000	Rs.'000
Profit liable for Income Tax	711,889	1,512,738
Income Tax using the Company's Domestic Tax Rate - 30%	213,567	453,821
Tax Exempt Income	(129,262)	(201,101)
Net Non-Deductible/(Deductible) Expenses	(68,442)	87,690
Under/(Over) Provision of Previous Years	(27,678)	53,002
Deffered Tax (Reversal)/Expenses		
Amount of deferred tax expense relating to the origination and reversal of temporary differences	(80,430)	60,764
	(92,247)	454,176

32.(d) Statutory Income Tax Rate Applicable for Each Period

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Tax effect on accounting Profit Before Tax @30%	15,861	340,410
Under/(Over) Provision of Previous Years	(27,678)	53,002
Origination of temporary differences	(80,430)	60,764
	(92,247)	454,176

32.(e) VAT Assessment on Reinsurance

The Department of Inland Revenue has issued VAT assessments for the taxable period in the years 2003 and 2004 mainly imposing VAT on Reinsurance recoveries and reinsurance discounts. Upon the determination of the Commissioner General of Inland Revenue, holding the position they are chargeable with VAT, Company appealed to the Tax appeals Commission. The Tax appeals commission has given its decision in favour of Inland Revenue. Hence, upon the receipt of the decision of the tax appeals commission, company appealed to the Honourable Court of appeal on the questions of Law. Now the matter is pending before the Honourable court of appeal for their opinion. The amount so assessed by Inland Revenue is Rs. 195.9 Million.

32.(f) Carried Forward Tax Losses

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Tax losses brought forward	-	-
Tax losses arised during the year	2,101,595	-
Tax losses claimed during the year	(1,340,735)	-
Tax Losses Carried Forward	760,860	-

33. Basic/Diluted Earnings per Share

ACCOUNTING POLICY

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding at the reporting date.

Basic/Diluted Earnings per Share has been calculated by dividing profit after taxation attributable to ordinary shareholders of the parent by the weighted average Ordinary Shares in issue at the year end.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Profit for the year (Rs.'000)	804,136	1,058,562
Weighted Average Number of Ordinary Shares	2,501,000	2,501,000
Basic/Diluted Earnings Per Ordinary Share (Rs.)	321.53	423.26

There were no potential dilutive Ordinary Shares outstanding at any time during the year. Therefore, Diluted Earnings Per Share is same as Basic Earnings Per Share shown above.

34. Dividends Paid and Proposed

ACCOUNTING POLICY

Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Interim Dividend Paid (Rs.000)	800,150	900,360
	800,150	900,360
No. of Shares in issue for the year	2,501,000	2,501,000
Dividend per share (Rs.)	319.93	360.00

NOTES TO THE FINANCIAL STATEMENTS

35. Income Tax Effects Relating to Other Comprehensive Income

	2025			2024		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Year Ended 31 December	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net Gain/(Loss) on Available-For-Sale Financial Assets	(49,948)	9,431	(40,517)	384,062	(101,144)	282,918
Actuarial Gain on Defined Benefit Plans	(328,141)	27,589	(300,552)	(779,825)	63,596	(716,229)
Revaluation Surplus/(Deficit) during the year	386,536	(115,961)	270,575	-	-	-
Total	8,447	(78,941)	(70,494)	(395,763)	(37,548)	(433,311)

36. Risk Management Framework

36.(a) Governance Framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management process with specified objectives with clear tasks.

The board of directors and senior management manages the risks through various committees and delegated authorities. The reviews of risks on regular basis and the strategies adopted timely ensures the risk management function an important activity within the organisation.

The risks are identified with clear understanding of market environment, regulatory environment and macro economic changes. The Company has well experienced and skilled directors who could assess the risks and execute appropriate strategies and achieve the targets with less negative effect to shareholders.

36.(b) Capital Management Objectives, Policies and Approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- ✦ To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- ✦ To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders
- ✦ To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- ✦ To align the profile of assets and liabilities taking account of risks inherent in the business
- ✦ To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

Operations of the Company are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Company maintains capital, investments and solvency as per the regulations prescribed by Insurance Regulatory Commission of Sri Lanka. (IRCSL). Further, under the parallel run requirements of IRCSL the Company maintains required Capital Adequacy Ratio (CAR) under the Risk Based Capital (RBC) Regime. New changes in regulations are timely adopted and necessary changes are made to internal processes.

Approach to capital management

The Company allocates capital to businesses as required and ensures the sufficient returns to shareholders and policyholders. The assets and liabilities management establishes the required level of liquidity and reduces the risks of the Company and achieves the required capital levels of the Company.

The primary source of capital used by the Company is equity shareholders' funds. The Company also utilises, where efficient to do so, sources of capital such as reinsurance.

The returns expectations are regularly forecast and comparisons are made in order to ensure the requirements of stakeholders are achieved.

	2025	2024
Available Capital Resources	Rs.'000	Rs.'000
Total Equity	19,862,926	19,929,433
Adjustments onto a regulatory basis	(7,626,116)	(6,534,064)
Available Capital Resources	12,236,810	13,395,369

The adjustments onto a regulatory basis represent assets inadmissible for regulatory reporting purposes.

36.(c) Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The Company is regulated by Insurance Regulatory Commission (IRCSL) of Sri Lanka with the objective of protecting shareholders and policyholders. There are various regulations and directive the Company is expected to adhere in order to achieve the expected norms, which leads the Company to maintain required solvency and maintain sufficient capital.

Financial risks arise due to movements in market rates. The risks mainly involve interest rates risks, share price changes etc. The company manages these risks through various strategies adopted at asset liability committee, investment committee and risk management committees.

IRCSL ensures that the Company maintains required solvency position to meet future liabilities. The Company successfully implemented the Risk Based Capital (RBC) framework on solvency margin as required by IRCSL.

The capital positions of the company as of 31st December 2025 and 2024 are as follows

	Total Available Capital (TAC)	Risk based Capital Requirement	Risk-based Capital Adequacy Ratio (CAR)	Regulatory Minimum CAR
	Rs.000	Rs.000	%	%
31st December 2025	12,236,810	6,687,323	183	120
31st December 2024	13,395,369	5,013,478	267	120

NOTES TO THE FINANCIAL STATEMENTS

36.(d) Asset Liability Management (ALM) Framework

ALM is the ongoing process of formulating, implementing, monitoring and revising strategies related to assets and liabilities to achieve an organization's financial objectives, given the organization's risk tolerance and other constraints. ALM deals with the optimal investment of assets in view of meeting current goals and future liabilities.

Various financial risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is interest rate risk.

The Investment committee identifies the nature of the liabilities arising from the product portfolio and evaluates the investment options that best suit to hedge the liability. The Company manages these selected positions within a strategically crafted ALM framework that has been developed considering the cyclical nature of the domestic interest rates to achieve investment returns in excess of its obligations in the long term.

37. Insurance and Financial Risk

37.(a) Insurance Risk

The principal insurance risk the Company faces is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company has entered into reinsurance treaties with world's leading reinsurers as a part of its risks mitigation programme. All reinsurance is designed to mitigate the Company's net exposure to a single claim as well as to catastrophe losses.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is not dependent on a single reinsurer. The Company has all reinsurance arrangements with many leading reinsurance companies.

The main risk faced by insurance business is that the actual claims are varying from the expected claims from different types of policies. The Company minimises the risks by evaluating the business in detail and charges the correct premiums so that the Company has sufficient reserves to meet any unforeseen claims.

Insurance Risk and Impact of Natural Catastrophes

The Ditwa cyclone, which struck at the end of November 2025, exemplifies the significant insurance risks posed by natural catastrophes. This event affected all districts nationwide, resulting in widespread damage to policyholders' property and infrastructure. Consequently, the initial estimated claim expenses amounted to Rs. 16 Bn. With prudent underwriting and efficient reinsurance arrangements, the net impact of Ditwa on the profit and loss statement is Rs. 0.88 Bn as at the balance sheet date.

This event highlights the inherent volatility in underwriting risk associated with catastrophic weather events and underscores the importance of robust risk management and reinsurance strategies. The increase in restatement premium by Rs. 0.48 Bn reflects adjustments made to the reinsurance balances reported in the financial statements to better align with the heightened risk environment.

The company remains committed to continuously monitoring and managing insurance risks through prudent underwriting, diversification, and reinsurance arrangements to mitigate the financial impact of such events on its operations and stakeholders.

There are other types of risks such as reinsurance, default risk, credit risk, concentration risk, liquidity risks and market risks. The Company's risk management policies and processes mitigate the impact of these risks and also benefits the organisation by accepting some calculated risks at appropriate times.

37.(a) i Non-Life Insurance Contracts

The non-life insurance principally issues the following types of general insurance contracts: motor, marine, engineering, fire, suwa sampatha and miscellaneous products. Risks under non-life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from accidents, climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Furthermore, strict 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 all policies and procedures put in place to reduce the risk exposure of the non-life. Further on the spot claims settlement procedures also helps to reduce the exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The non-life has also limited its exposure by arranging reinsurance contracts with rated Reinsurers internationally.

Key Assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will 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 used to assess the extent to which past trends may not apply in the future, for example: one-off occurrence; changes in market factors such as public attitude to claiming; economic conditions:

as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Sensitivity of the Value of Insurance Liability as at 31/12/2025	Booked net Outstanding Reported Claims with a 5% increase in the initial Estimated
Impact of the best estimated outstanding net claim Reserve (Rs.)	113,507,000

Claims Development Table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. (Net claims payable)

Year	0	1	2	3
	Rs.	Rs.	Rs.	Rs.
2016	(359,345,658)	(201,260,832)	60,691,997	128,184,503
2017	1,024,084,173	(364,476,124)	495,972	758,285,869
2018	988,889,167	20,145,932	12,012,341	991,526,647
2019	952,207,050	30,712,276	19,286,206	934,237,682
2020	323,652,514	83,737,967	33,338,721	708,278,966
2021	992,194,186	152,937,696	35,758,168	789,134,288
2022	972,512,044	110,175,150	31,263,345	618,719,250
2023	1,194,458,186	74,143,775	263,306,171	
2024	344,899,592	175,198,066,		
2025	1,966,428,513			

NOTES TO THE FINANCIAL STATEMENTS

37.(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following processes/activities of the Company reduces the credit risk of financial instruments.

- ✦ Credit risk policy is based on the IRCSL determination. The maximum exposures to each type of financial instrument is limited based on the policy.
- ✦ The investment committee evaluates the exposure and the new investments in instruments in order to reduce the risks.
- ✦ The regular review by the Board also minimises the credit risks.

Credit Exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position and items such as future commitments.

		2025	2024
	Note	Rs.'000	Rs.'000
Financial Instruments			
Loans and Receivables			
Debt Securities	10	10,245,972	9,689,460
Other	10	415,955	419,547
		10,661,927	10,109,007
Available-For-Sale Financial Assets			
Equity Securities	11	170,831	529,709
Unit Trust	11	494,758	405,234
Debt Securities	11	9,552,483	8,794,031
		10,218,072	9,728,974
Other Assets			
Reinsurance Receivables	15	20,422,294	8,071,617
Insurance Receivables	16	6,440,875	6,707,248
Cash and Cash Equivalents	18	1,031,412	820,634
		27,894,581	15,599,499
Total Credit Risk Exposure		48,774,580	35,437,480

Industry Analysis

31 December 2025	Financial Services	Government	Services	Manufacturing and Power	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Loans and Receivables						
Term Deposits	9,305,047	-	-	-	-	9,305,047
Repo Investment	-	940,925	-	-	-	940,925
Staff and Vehicle Loans	-	-	-	-	415,956	415,956
	9,305,047	940,925	-	-	415,956	10,661,927
Available-For-Sale Financial Assets						
Equity Securities	53,314	-	7,615	3,108	106,794	170,831
Debt Securities	2,562,203	6,990,280	-	-	-	9,552,483
Unit Trust	494,758	-	-	-	-	494,758
	3,110,275	6,990,280	7,615	3,108	106,794	10,218,072
Total	12,415,322	7,931,205	7,615	3,108	522,750	20,879,999

31 December 2024	Financial Services	Government	Services	Manufacturing and Power	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets						
Loans and Receivables						
Term Deposits	7,522,460	-	-	-	-	7,522,460
Repo Investment	-	2,167,000	-	-	-	2,167,000
Staff and Vehicle Loans	-	-	-	-	419,547	419,547
	7,522,460	2,167,000	-	-	419,547	10,109,007
Available-For-Sale Financial Assets						
Equity Securities	13,678	-	173	5,140	510,718	529,709
Debt Securities	2,309,583	6,484,448	-	-	-	8,794,031
Unit Trust	405,234	-	-	-	-	405,234
	2,728,495	6,484,448	173	5,140	510,718	9,728,974
Total	10,250,955	8,651,448	173	5,140	930,265	19,837,981

NOTES TO THE FINANCIAL STATEMENTS

The below table indicates the rating of investments as at 31st December 2025 & 2024

31 December 2025	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Not Rated	Total	
Financial Instruments	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Loans and Receivables	1,753,151	-	-	1,628,218	2,729,842	4,068,852	-	30,706	98,176	16,084	-	-	-	-	-	336,898	10,661,927
Available-For-Sale Financial Assets																	
Equity Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170,831	170,831
Debt Securities	6,990,280	-	-	1,250,493	39,906	1,164,351	-	-	107,453	-	-	-	-	-	-	-	9,552,483
Unit Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	494,758	494,758
Total	8,743,431	-	-	2,878,712	2,769,748	5,233,203	-	30,706	205,629	16,084	-	-	-	-	-	1,002,487	20,879,999

31 December 2024	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Not Rated	Total	
Financial Instruments	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Loans and Receivables	2,591,669	-	-	-	19,296	4,355,036	2,588,782	28,440	-	-	-	-	10,973	5,374	509,435	10,109,007	
Available-For-Sale Financial Assets																	
Equity Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	529,709	529,709
Debt Securities	6,484,448	-	-	-	21,870	1,145,494	1,035,129	-	-	-	-	-	-	-	-	107,089	8,794,031
Unit Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	405,234	405,234
Total	9,076,118	-	-	-	41,166	5,500,531	3,623,911	28,440	-	-	-	-	10,973	5,374	1,551,467	19,837,981	

37.(c) Liquidity Risk

The liquidity risks in Company is where the company does not have enough cash/arrangements to meet payments./commitments as they fall due. Following processes/activities are in place to minimise the liquidity risk.

- The regular maintenance of investments in accordance with the IRCSL guidelines.
- The investment committee reviews the liquidity levels and take appropriate actions to improve the liquidity
- Efficient forecasting of future commitments and making investments to meet the pay-outs, mitigate any possible liquidity concerns.

37.(c) i Maturity Analysis for Financial Assets and Financial Liabilities

Table below represent the maturity profiles of Financial Assets and Financial Liabilities

As at December 2025	Within one year	After one year not more than three years	Above 3 years	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000
Financial Instrument				
Measured at Fair Value	5,049,173	1,645,581	3,523,318	10,218,072
Measured at Amortized Cost	10,661,927	-	-	10,661,927
Reinsurance Receivable	20,422,294	-	-	20,422,294
Insurance Receivable	6,440,875	-	-	6,440,875
Other Assets	662,357	-	-	662,357
Cash and Cash Equivalents	1,031,412	-	-	1,031,412
Total Financial Assets	44,268,038	1,645,581	3,523,318	49,436,937
Financial Liabilities				
Non Life Insurance Contract Liability	31,659,626	-	-	31,659,626
Reinsurance Payable	6,686,982	-	-	6,686,982
Other Liabilities	4,125,440	-	-	4,125,440
Total Financial Liabilities	42,472,048	-	-	42,472,048
Total Excess Liquidity	1,795,990	1,645,581	3,523,318	6,964,889

As at December 2024	Within one year	After one year not more than three years	Above 3 years	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000
Financial Instrument				
Measured at Fair Value	1,739,949	3,268,969	4,720,056	9,728,974
Measured at Amortized Cost	9,689,460	419,547	-	10,109,007
Reinsurance Receivable	8,071,617	-	-	8,071,617
Insurance Receivable	6,707,248	-	-	6,707,248
Other Assets	579,242	-	-	579,242
Cash and Cash Equivalents	820,634	-	-	820,634
Total Financial Assets	27,608,149	3,688,516	4,720,056	36,016,722

NOTES TO THE FINANCIAL STATEMENTS

As at December 2024	Within one year	After one year not more than three years	Above 3 years	Total
Financial Liabilities				
Non Life Insurance Contract Liability	16,504,312	-	-	16,504,312
Reinsurance Payable	7,543,437	-	-	7,543,437
Other Liabilities	3,447,842	-	-	3,447,842
Total Financial Liabilities	27,495,591	-	-	27,495,591
Total Excess Liquidity	112,558	3,688,516	4,720,056	8,521,131

37.(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and equity price risk and commodity prices (price risk).

The investment committee reviews the impact of market risks and corrective actions are suggested regularly.

37.(d) i Currency Risk

The Company has no significant concentration of currency risk.

However, the investments in foreign currency deposit is subject to currency risks. Since the company makes some payments in foreign currency the impact of risk is minimised.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency.

Year	Change in USD Rate	Effect on Profit before Tax Rs.000	Effect on Pre Tax Equity Rs.000
2025	10%	688,458	688,458
	-10%	(688,458)	(688,458)

37.(d) ii Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The Company's interest risk policy identifies the volatile nature of Sri Lankan interest rate environment. Therefore the Company closely monitors the re-investment calendar of the investment fund and obtains internal and external expert opinion on the behaviour of interest rate environment in taking re-investment decisions.

Company maintains mix of short term and long term asset mix and also maintains interest rate sensitive and Inflation rate sensitive asset classes in managing the interest rate risk. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on Government Securities.

Year	Change in Interest Rates	Effect on Profit Before Tax (Rs'000)
2025	10%	76,811
	-10%	(76,811)

37.(e) Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Business risks such as changes in environment, technology and the industry are monitored through the strategic management and budgeting process. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

38. Contingencies and Commitments

38.(a) Legal Proceedings and Regulations

The Company operates in the insurance industry and is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position. However, there is a tax appeal relating on VAT on reinsurance recoveries. (Note 32 (e))

39. Assets Pledged

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged	Included under
		Rs.'000	
Fixed Deposits	Pledged to Seylan Bank PLC to obtain bank overdraft facilities	187,206	Loans and Receivables

40. Related Party Disclosures

40.(a) Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard (LKAS) 24 Related Party Disclosure, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including Executive and Non-Executive Directors) of the Company and their immediate family members have been classified as Key Management Personnel of the Company. In addition, Chief Executive Officer together with their immediate family members have also been classified as Key Management Personnel of the Company. Immediate family member is defined as spouse or dependent. A dependent is defined as anyone who depends on the respective KMP for his/her financial needs. As the Ceylinco Holdings PLC (CHPLC) is the ultimate parent of the Company, and the Board of

NOTES TO THE FINANCIAL STATEMENTS

Directors of the CHPLC have the authority and responsibility of planning, directing and controlling the activities of the Company, the Directors of the CHPLC and their immediate family members have also been identified as Key Management Personnel of the Company.

	2025	2024
Year Ended 31 December	Rs.'000	Rs.'000
Short-Term Employee Benefits received from the Company (Salaries,Bonus, Medical Expenses etc.)	141,366	202,661
Other Long term/Post Employment/Statutory Benefits (EPF, ETF, Gratuity & Pension)	30,105	63,095
Gratuity Benefits Paid	185,348	-

40.(b) Transactions with Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS) - 24, Related Party Disclosures.

Transactions with related parties were made on the basis of the price lists in force with non-related parties, but subject to approved discounts. Outstanding balances with related parties other than balances relating to investment related transactions as at the reporting date are unsecured and interest free. Settlement will take place in cash. Such outstanding balances have been included under respective assets and liabilities together with balances arising from transactions with non-related parties.

Details of related party transactions are reported below.

	2025	2024
Year Ended 31 December	Rs.	Rs.
Aggregate amounts of premium received from the companies under normal terms of insurance contracts	212,254,044	227,603,248
Aggregate amounts of claim paid to the companies under normal terms of Insurance Contracts	77,614,186	66,589,840

40.(b).i Other Transactions with Related Parties

40.(b).i.a Transactions with Parent

	2025	2024
Year Ended 31 December	Rs.	Rs.
a) Ceylinco Holdings PLC		
Nature of Transaction		
Dividends Paid (Net)	680,912,227	766,215,900

40.(b).i.b Transactions with Affiliates

	2025	2024
	Rs.	Rs.
a) Ceylinco Investcorp (Pvt) Ltd		
Nature of Transaction		
Premium Income	168,923	92,749
Fund Management Fees	-	3,000,000
Claims Paid	102,750	-
b) Ceylinco Life Insurance Limited		
Nature of Transaction		
Premium Income	82,924,480	82,858,800
Claims Paid	24,336,118	26,943,608
Premium Receivable	8,941,075	11,186,844
Life Insurance Premium Expenses	44,137,373	42,504,537
Claim Received	10,000,000	-
c) CEG Education Holdings (Pvt) Ltd		
Nature of Transaction		
Premium Income	1,024,388	855,245
Claims Paid	181,420	-
d) American Education Center Ltd		
Nature of Transaction		
Premium Income	12,180,518	12,098,273
Claims Paid	1,619,390	2,767,955
e) Ceyhydro Developers (Pvt) Ltd		
Nature of Transaction		
Premium Income	4,460,441	3,720,114
Claims Paid	682,753	459,584
Premium Receivable	-	12,398
f) Ceypower Cascades (Pvt) Ltd		
Nature of Transaction		
Premium Income	1,651,034	1,493,937
g) International College of Business & Technology Ltd		
Nature of Transaction		
Premium Income	4,313,173	37,037,115
Claims Paid	1,926,002	1,842,398

NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	Rs.	Rs.
h) Energy Generators (Pvt) Ltd		
Nature of Transaction		
Premium Income	6,865,908	6,288,686
Premium Receivable	30,525	25,633
Claims Paid	729,385	1,294,992
i) Citizen Development Business Finance PLC		
Nature of Transaction		
Premium Income	74,322,413	65,103,144
Claims Paid	35,712,058	26,497,380
Premium Receivables	1,444,105	670,297
j) Whcherley International School (Pvt) Ltd.		
Nature of Transaction		
Premium Income	5,100,337	3,628,681
Claims Paid	101,927	15,943
Lease Rental Received	-	7,878,907
k) CEC Events (Pvt) Ltd.		
Nature of Transaction		
Premium Income	1,210,249	1,063,059
Claims Paid	-	39,130
l) ANC Modern Montessori		
Nature of Transaction		
Premium Income	610,951	489,390
m) Ceylinco Insurance (Pvt) Ltd. -Maldives		
Nature of Transaction		
Management Fees	21,455,020	20,311,310

40.(b).i.c Transactions with Related Companies

Name of the Company	Nature of Transaction	2025	2024
		Rs.	Rs.
Ultratech Cement Lanka (Pvt) Ltd	Premium Income	11,684,188	11,161,717
	Claims paid	8,131,637	6,395,135
	Premium Receivable	122,471	593,731
EGL Solar Group	Premium Income	2,331,891	383,192
	Claims paid	3,173,273	225,900
AMK Food Exports (Pvt) Ltd.	Premium Income	495,107	354,046
	Claims Paid	236,078	41,200
	Premium Receivables	135,159	110,149

Name of the Company	Nature of Transaction	2025	2024
		Rs.	Rs.
Cinnamon Chip Wealth Promoters (Pvt) Ltd.	Premium Income	-	6,268
Alethea School (Pvt)Ltd	Premium Income	502,438	968,832
	Claims Paid	122,700	66,616
Nestor Stock Brokers Ltd	Premium Income	2,407,606	-
	Claims Paid	558,696	-

41. Temporary Exemption From Slfrs 9 -Financial Instruments

The Company's activities are predominantly connected with Insurance and therefore its permitted by SLFRS 9 temporary exemption to defer SLFRS 9 until adoption of IFRS 17 which is expected to be adopted in 2026.

As at balance sheet date % of insurance related liabilities 94%

As required by SLFRS 9 the minimum % to be eligible for the exemption 90%

42. Events After the Reporting Period

No circumstances have arisen since the reporting date which would require adjustment to ,or disclosure in the Financial Statements.

GLOSSARY OF INSURANCE TERMS

1. Acquisition Expenses

All expenses which vary with and are primarily related to the acquisition of new insurance contracts and the renewal of existing insurance contracts.

2. Actuary

An expert concerned with the application of probability and statistical theory to problems of insurance, investment, financial management and demography.

3. Admissible Assets

Assets that are included in determining an insurer's statutory solvency margin, specified under the rules made by the Insurance Regulatory Commission of Sri Lanka under the Regulation of Insurance Industry Act No. 43 of 2000.

4. Claims

The amount payable under a contract of insurance arising from occurrence of an insured event such as destruction or damage of property and related death or injuries, the incurring of hospital or medical bills, death or disability of the insured.

5. Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.

6. Claims Incurred but not Reported (IBNR)

A Reserve to cover the expected cost of losses that have occurred by the Balance Sheet date but have not yet been reported to the insurer.

7. Commission

Remuneration to an intermediary for services such as selling and servicing an insurer's products. This is one component of acquisition expenses.

8. Deferred Acquisition Expenses / Deferred Acquisition Expense Reserve

Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.

9. Earned Premium

Written premium adjusted by the unearned premium reserve at the beginning and end of the accounting period.

10. Earnings per Share

Net Profits of the Company after tax divided by the Number of Ordinary shares in issue.

11. Gross Claims Reserve

The amount provided, including claims incurred but not reported and claims handling expenses, to cover the estimated ultimate cost, arising out of events occurred by the end of the accounting period, less amounts already paid in respect of those claims.

12. Gross Written Premium

Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.

13. Insurance

Insurance is a contract whereby one party the insurer, in return for a consideration i.e. the premium, undertakes to pay to the other party - the insured, a sum of money or its equivalent in kind, upon the happening of a specified event that is contrary to the interest of the insured.

14. Insurance Provision

This comprises of the gross claims reserve unearned premium reserve net of re-insurance and the deferred acquisition expenses

15. Net Combined Ratio

This ratio indicates the profitability of the insurer's operations by combining the net loss ratio with net expense ratio.

16. Net Earned Premium

Gross Written Premium adjusted for the reinsurance incurred and for the increase or decrease in Unearned Premium.

17. Net Expense Ratio

A formula used by insurance companies to relate acquisition and other operating and administrative expenses to net earned premium.

Formula :

$$\frac{\text{Acquisition and other operating and administrative expenses}}{\text{Net Earned Premium}}$$

18. Net Loss Ratio

A formula used by insurers to relate net claims incurred to net earned premium (i.e. after deducting relevant reinsurance)

Formula:

$$\frac{\text{Net claims incurred}}{\text{Net earned Premium}}$$

19. Net Assets per Share

Net assets attributable to Shareholders' equity divided by the number of Ordinary shares issued.

20. Net Written Premium

Gross Written Premium less reinsurance premium

21. Net Claims Incurred

Claims incurred less reinsurance recoveries.

22. Non Life Insurance

Non Life Insurance and General Insurance have the identical meaning.

23. Policy

The printed document issued to the policyholder by the Company stating the terms of the insurance contract.

24. Premium

The payment of one of the regular periodic payments that a policyholder makes to own an insurance policy.

25. Reinsurance

A method of insurance arranged by insurers to share the exposure of risks accepted.

26. Reinsurance Commission

Commission received or receivable in respect of premium paid or payable to a reinsurer.

27. Reinsurance Premium

The premium payable to the reinsurer.

28. Return on Shareholders' Equity

Profits after tax divided by the Capital employed as at Balance Sheet date.

29. Return on Total Assets

Profits after Tax divided by Total assets attributable to Shareholders.

30. Risk Based Capital (RBC)

An amount of capital based on an assessment of risks that company should hold to protect policy holders against adverse developments.

31. Underwriting Result

This is the profit generated purely from the Non life Insurance business without taking into account the investment income and other non- technical income and expenses.

32. Unearned Premium / Unearned Premium Reserve

It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.

NOTICE OF MEETING

Notice is hereby given that the twelfth Annual General Meeting of the Shareholders of the Company will be held by circulation, and the business to be brought before the meeting will be :

1. To read the Notice convening the Meeting.
2. To receive, consider and adopt the Report of the Directors and the Financial Statements for the year ended 31st December 2025 and the Report of the Auditors thereon.
3. To declare a Dividend for the year ended 31st December 2025.
4. To re-elect Mr. Umesh Govind Revankar who retires by rotation at the Annual General Meeting in terms of Article 34(i), as a Director.
5. To re-elect Prof. Hithanadura Janaka de Silva who retires by rotation at the Annual General Meeting in terms of Article 34(i), as a Director.
6. To re-elect Mr. Anura Bandara Meddegoda who retires by rotation at the Annual General Meeting in terms of Article 34(i), as a Director.
7. To re-elect Mr. Brahmanage Premalal who retires by rotation at the Annual General Meeting in terms of Article 34(i), as a Director.
8. To propose the election of Mr. Sembukuti Arachchilage Wimalanath Senaka Silva as a Director in terms of Section 211 of the Companies Act No. 07 of 2007. Special Notice has been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :

“Resolved that Mr. Sembukuti Arachchilage Wimalanath Senaka Silva who will be 74 years in December, 2026 be elected as a

Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Sembukuti Arachchilage Wimalanath Senaka Silva”

9. To propose the election of Mr. Prasad Kariyawasam as a Director in terms of Section 211 of the Companies Act No. 07 of 2007. Special Notice has been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :

“Resolved that Mr. Prasad Kariyawasam who will be 72 years in December, 2026 be elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Prasad Kariyawasam”

10. To propose the election of Mr. Thibiripolage Rienzie Tyrrel Fernando as a Director in terms of Section 211 of the Companies Act No. 07 of 2007. Special Notice has been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :

“Resolved that Mr. Thibiripolage Rienzie Tyrrel Fernando who will reach 70 years of age on 10.05.2026 be elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Thibiripolage Rienzie Tyrrel Fernando”

Also Resolved that Mr. Thibiripolage Rienzie Tyrrel Fernando be considered as nevertheless independent as recommended by the Nominations and Governance Committee and confirmed by Board of Directors as per the justification and rationale mentioned in the Annual Report of Directors.”

11. To authorize the Directors to determine payments for charitable purposes for the year 2026.
12. To re-appoint Auditors and authorize the Board of Directors to determine their remuneration.
13. To transact any other business of which due notice shall be given.

By order of the Board of

Ceylinco General Insurance Ltd.

(Mrs.) Nilika Abhayawardhana
Company Secretary

06th March 2026

Registered Office

“Ceylinco House”

3rd Floor
No. 69, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

Company Registration Number

PB 5184

Legal Form

A Public Company with limited liability, incorporated in Sri Lanka on 22nd April 2014. Licensed as a Company authorized to carry on General Insurance business, under the Regulation of Insurance Industry Act No. 43 of 2000.

Main Place of Business

“Ceylinco House”,

No. 69, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

Telephone : 0112 485 757-9

Call Centre: 0112 393 939

Fax : 0112 485 701

E-mail : ceylincoinsurance@ceyins.lk

Website : www.ceylinco-insurance.com

Principal Activities

Underwriting of all classes of General Insurance

Auditors

Ernst & Young, Chartered Accountants,
Rotunda Towers, No 109, Galle Road,
Colombo 03.

Consulting Actuaries

M/s. K. A. Pandit

Consultants & Actuaries, 2nd Floor -
“Churchgate House”, Veer Nariman
Road, Fort, Mumbai - 400 001, India.

Board of Directors

Mr. P. Kariyawasam *BSc, Maths Special (Hon.)*

(Non-Executive Chairman)

Mr. R.A. Gunathilake *FCIC, MBA (UK)*
(Director/Chief Executive Officer)

Mr. H.D.A.N. Perera
(Executive Director)

Mr. A.R.S Wijayapura
(Executive Director)

Mr. R.A. Ranasinghe
(Executive Director)

Mr. K. Sankaramoorthy *FCA, ACMA, MBA*
(Executive Director)

Mr. Takashi Kishi
(Non-Executive Director)

Mr. N. A. Bandaranaike *ACMA*
(“Independent” Non-Executive Director)

Dr. N.D.P. Dehigama *PEDM (Sri J), MBA (Sri J), DBA (AIT, Thailand), FCIM (UK)*
(“Independent” Non-Executive Director)

Prof. H.J. de Silva *MD, DPhil (Oxon.), FRCP, FCCP, FNAS (SL), FRACP (Hon.)*
(“Independent” Non-Executive Director)

Mr. W.J.S. Fernando *LL.M (London) LL.M (Colombo), President’s Council*
(“Independent” Non-Executive Director)

Mr. T.R.T. Fernando
(“Independent” Non-Executive Director)

Mr. A.B. Meddegoda *LL.M (King’s College, London), President’s Council*
(“Independent” Non-Executive Director)

Mr. B. Premalal *Pg.DIP. (Sri J) FCMA (UK), MBA Pg.DIP. (USJ), MSLIM*
(“Independent” Non-Executive Director)

Mr. S.A.W.S. Silva
(Non-Executive Director)

Mr. U.G. Revankar *BBM, MBA (Mangalore, Ind.)*
(Non-Executive Director)

Company Secretary

Mrs. Nilika Abhayawardhana *ACIS (UK), ACCS (SL)*

Bankers

Bank of China Limited - Colombo Branch

Bank of Ceylon

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Nations Trust Bank PLC

National Savings Bank

NDB Bank PLC

Pan Asia Banking Corporation PLC

People’s Bank

Regional Development Bank

Sampath Bank PLC

Seylan Bank PLC

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