

A LEGACY OF VALUES



CEYLINCO VIP



CEYLINCO LIFE



RENEWABLE ENERGY



HEALTH CARE AND WELLNESS



EDUCATION





A LEGACY OF VALUES

Ceylinco Holdings PLC's journey in 2024 has been a testament to resilience, vision, and unwavering optimism. Amid economic uncertainties, the company has crafted new pathways, driven by a steadfast commitment to growth and innovation. Anchored in its diversified portfolio spanning insurance, power generation, education, and healthcare and wellness, Ceylinco Holdings has laid the foundation for a legacy of value through strategic foresight and impactful expansion.

At the core, Ceylinco Holdings' flagship insurance sector remains the cornerstone of our success, leading the market through innovative product offerings and exceptional customer care. In 2024, the group made significant investments in infrastructure, including state-of-the-art branches for its insurance and education sectors, while also expanding its footprint.

These milestones exemplify the group's unwavering dedication to driving Sri Lanka's progress. With every initiative, Ceylinco Holdings cements its role as a catalyst for transformation, bridging today's achievements with the aspirations of tomorrow. By building robust infrastructure and enhancing operations, the group envisions a future defined by opportunity, prosperity, and sustainable growth.



CONTENT

ABOUT US

DECODING COMPLEXITY THROUGH STRUCTURED CLARITY	3
A POWERHOUSE OF STRENGTHS – CEYLINCO HOLDINGS PLC	5
FINANCIAL HIGHLIGHTS	6
EXECUTIVE CHAIRMAN/ CHIEF EXECUTIVE OFFICER'S REVIEW	8
DEPUTY CHAIRMAN'S MESSAGE	14
BOARD OF DIRECTORS	18

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS	29
OPERATING ENVIRONMENT	29
SUSTAINABLE DEVELOPMENT GOALS (SDGS)	32

OPERATIONAL REVIEWS

SECTOR REVIEW:

CEYLINCO GENERAL INSURANCE	35
CEYLINCO LIFE INSURANCE	50
EDUCATION	62
RENEWABLE ENERGY	76
SHARE INFORMATION	81

GOVERNANCE

CORPORATE GOVERNANCE	83
REPORT OF THE SENIOR INDEPENDENT DIRECTOR	89
BOARD AUDIT AND RISK COMMITTEE REPORT	90
REPORT OF THE REMUNERATION COMMITTEE	92
REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	93
NOMINATIONS AND GOVERNANCE COMMITTEE REPORT	94
STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING	95
FINANCIAL CALENDAR - 2025	96

FINANCIAL STATEMENTS

REPORT OF DIRECTORS	98
INDEPENDENT AUDITOR'S REPORT	106
STATEMENT OF FINANCIAL POSITION	109
INCOME STATEMENT	110
STATEMENT OF COMPREHENSIVE INCOME	111
STATEMENT OF CHANGES IN EQUITY	112
STATEMENT OF CASH FLOWS	114
INSURANCE REVENUE ACCOUNT	115
NOTES TO THE FINANCIAL STATEMENTS	116

SUPPLEMENTARY INFORMATION

QUARTERLY ANALYSIS 2024	216
QUARTERLY ANALYSIS 2023	217
TEN YEAR SUMMARY	218
GLOSSARY OF FINANCIAL & INSURANCE TERMS	220
NOTICE OF MEETING	222
CORPORATE INFORMATION	IBC

VISION

To achieve leadership through competitive excellence in every business we undertake.

MISSION

To contribute to the socio-economic development of our country through our financial viability, diversity and innovative value addition in all the sectors within our Group, thereby adding to shareholder wealth and being a catalyst in providing the highest standards of customer excellence, and recognising, rewarding and valuing the dignity of our staff in all our sectors.

DECODING COMPLEXITY THROUGH STRUCTURED CLARITY

About this Report

The purpose of our 3rd integrated annual report is to provide our stakeholders with accurate, balanced and concise information on Ceylinco Holdings PLC (hereafter referred to as CHPLC). The report has been compiled using an integrated approach aimed at providing stakeholders with the right overview of our fiscal year's performance, against the six capitals, strategy and operating context.

Boundary and Scope

The report covers the results of our activities and operations as a holding company, from the 1st of January to the 31st of December 2024.

Operational	Financial
Six capitals and management reports	Financial statements that align with our reporting boundary and includes financials of our subsidiaries.
Stakeholder relationships	
Materiality	
Strategy	
Risk management	
Corporate governance	

Reporting Compliance

The report has adopted several principles in presenting its financial and non-financial information.

Integrated Reporting

- International Framework of the International Sustainability Standards Board

Operations, Governance and Risk Management

- Companies Act No.7 of 2007
- Continuing Listing Requirements of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance jointly issued by the Securities Exchange Commission and the Institute of Chartered Accountants of Sri Lanka

Financial Reporting

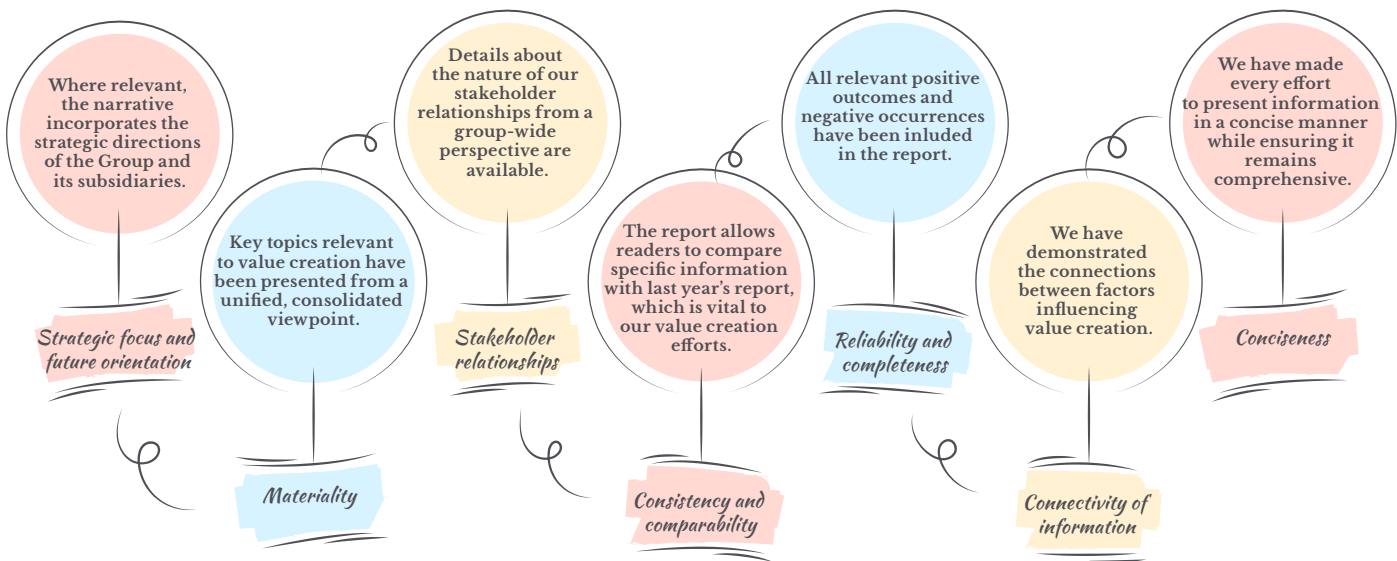
- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by CA Sri Lanka

Sustainability Reporting

- Contributions to United Nations Sustainable Development Goals (UN SDGs)
- Benchmarked against International frameworks
- UN Goals for Environmental, Social and Governance (ESG)

Reporting principles

We have embraced the guiding principles of integrated reporting with the aim of producing a well-organised, balanced, and comprehensive report, ensuring all relevant information to inform our stakeholders.



DECODING COMPLEXITY THROUGH STRUCTURED CLARITY

Assurance

We have deployed the principle of combined assurance and include assurance from the management and our independent auditor. The Statement of Directors' responsibilities can be found on page 95 and the independent auditor's report on page 106.

Materiality

The report provides our materiality (topics of impact) which has been established through consideration over the years.

Board Approval

The Board of CHPLC assumes the final responsibility for the credibility and accuracy of this annual report. The Board confirms that the report covers all significant aspects and provides an accurate representation of the Group's performance for the financial period under review. The Board is also confident that the report aligns with <IR> framework and relevant statutory and regulatory requirements. The preparation of this report was overseen by the senior management and has undergone stringent external and internal reviews. The Board has approved the integrated annual report on 21st March 2025.

Forward-looking statements

This integrated annual report contains certain statements regarded as forward-looking or predictive. These statements are based on the judgements and expectations of the management at the time of report preparation; therefore, unexpected risks, uncertainties and other significant impacts could result in different outcomes compared to expectations.

Accessibility and Feedback

The report is made available to our Shareholders as a printed copy upon request, and QR code which has been distributed via the circular issued to shareholders. Moreover, the Report has been made accessible through the CHPLC website and the Colombo Stock Exchange site.

We also welcome feedback from stakeholders to improve next year's report; please direct them to

ciccosec@ceyins.lk

or

The Company Secretary
Ceylinco Holdings PLC
5th Floor, Ceylinco House,
No. 69, Janadipathi Mawatha,
Colombo 01.

Previous Reports



2023



2022



2021

A POWERHOUSE OF STRENGTHS – CEYLINCO HOLDINGS PLC

Strongly rooted in the country's business landscape and with a legacy of over nine decades, the Company has come a long way from its inception in insurance. In 2024, the conglomerate changed its corporate and legal name to Ceylinco Holdings PLC (CHPLC), in accordance with the provisions outlined in the Companies Act No. 7 of 2007.

As Ceylinco Holdings, we will continue to uphold our reputation for reliability and customer-focused innovation. We will serve not only our policyholders but the entire Sri Lankan community through social sustainability and initiatives that support the most vulnerable.

As a holding company, our current success and formidable standing reflect our evolution as a diversified business group.

The story of our legacy

In 1987, just as the government's monopoly in insurance reached an end, Ceylinco Insurance commenced its journey in the sector. The ensuing year in 1988, the Company was listed in the Colombo Stock Exchange, commencing a journey that would lead us to being the most respected insurer in both general and life insurance sectors.

Our roots date back to the pre-independence era when the company was formed originally as the Ceylon Insurance Company by Hugh C Weersekere as the first Ceylonese company to be registered in Sri Lanka.

Ceylinco General Insurance Limited (CGIL) offers a wide spectrum of non-life, general insurance products, which includes motor, fire, medical and a host of miscellaneous insurance covers. CGIL serves individual and commercial clientele in Sri Lanka and selected international markets. CGIL became the first insurer to introduce 'Ceylinco VIP On The Spot', a motor insurance policy which offers on-the-spot claim settlements and doorstep delivery in 24 hours without additional charges.

Ceylinco Life Insurance (CLI) is the Group's dedicated life insurance company, which provides insurance solutions, such as life insurance, retirement plans and medical covers, with the purpose of providing financial security to millions of policyholders.

Education

CHPLC's education arm is a dynamic conglomerate of its own accord: unmatched and indomitable, the Ceylinco Education Group (CEG) oversees a portfolio of schools including ICBT, ANC Education and Wycherley, catering to well-over 23,000 students in total. These schools provide world-class primary, secondary and higher education – in association with international universities and partner affiliations. In recent years, ICBT attained the status of a degree-awarding institution, recognised by the University Grants Commission of Sri Lanka and provides undergraduate studies in various disciplines.

The arm also operates BOI-approved NetAssist International, which provides IT training and globally recognised professional certifications. It also offers online exam facilities for key IT certifications.

Renewable Energy

Extending its footprint into renewable energy, Ceylinco Holdings PLC owns four hydropower plants with a total capacity of 14 MW. The sector has been in operation for the last two decades and has contributed to the power needs of the nation.

Insurance

The Group's insurance operations are structured into two primary divisions. Ceylinco Life Insurance oversees the Group's life insurance operations, while Ceylinco General Insurance manages the Group's non-life insurance activities. Both companies retain top industry positions as dominant players in their respective sectors.

This division in insurance activities is the result of the regulatory requirement to structure life and non-life insurance operations into two separate divisions. This came in adherence to the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011, which mandated the separation of composite insurance businesses into distinct insurance entities.

FINANCIAL HIGHLIGHTS

Results for the year	Group		Change %
	2024 Rs.'000	2023 Rs.'000	
Gross Written Premium	67,448,893	64,303,371	5
Net Written Premium	51,377,871	47,411,212	8
Investments and Other Income	33,314,033	35,108,462	(5)
Revenue From Non-Insurance Subsidiaries	6,417,207	5,624,904	14
Net Income	91,207,526	88,113,694	4
Total Benefits / Claims and Other Expenses	(77,646,353)	(73,720,009)	5
Profit Before Share of Associates	13,561,172	14,393,685	(6)
Share of Profit of Associates	1,281,942	568,551	125
Profit Before Taxation	14,843,114	14,962,236	(1)
Profit After Taxation	10,304,346	11,528,015	(11)
Position at the Year End			
Shareholder's Fund	96,039,751	88,077,662	9
Life Insurance Fund	180,041,362	156,683,565	15
Non - Life Insurance Contract Liabilities	17,018,713	16,713,157	2
Investments	256,029,151	229,254,611	12
Total Assets	332,113,082	299,724,695	11
Market Capitalisation (Rs. Mn)	68,815	54,259	27
Per Ordinary Share			
Earnings (Basic)	359	409	(12)
Dividends - Proposed	51	48	6
Net Assets (Shareholders Equity)	3,636	3,334	9
Market Value at the Year End - Voting	3,000	2,450	22
Market Value at the Year End - Non - Voting	1,375	820	68
Ratios			
Return on Equity %	9.9	13.6	(27)
Dividend Cover (Times)	7	9	(22)
Price Earnings (Times) - Voting	8.4	6.0	40
Price Earnings (Times) - Non Voting	3.8	2.0	90

Ceylinco General Insurance



Rs. 24.5 Bn
Gross Written
Premium

Ceylinco Life Insurance



Rs. 37.1 Bn
Gross Written
Premium

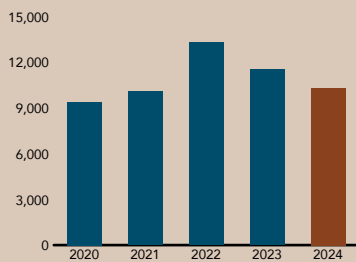
Ceylinco Life Insurance



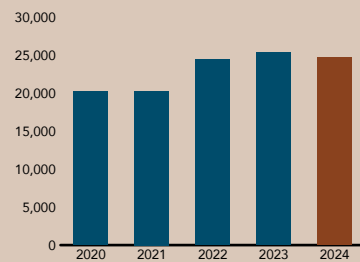
Rs. 181 Bn
Life Fund

Results for the year (Sri Lankan Operations)	Non - Life Insurance			Life Insurance		
	2024	2023	Change	2024	2023	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross Written Premium	24,548,782	25,246,863	(3)	37,140,416	33,411,394	11
Net Claims/Net Benefits	(8,053,597)	(8,239,975)	(2)	(25,048,619)	(23,135,049)	8
Increase in Long Term Insurance Funds	-	-	-	(23,051,748)	(23,015,741)	-
Investment and Other Income (Including Reinsurance Commission)	3,107,840	5,253,054	(41)	28,408,237	27,991,108	1
Profit Before Taxation	1,512,738	4,078,257	(63)	10,052,081	8,439,753	19
Profit After Taxation	1,058,562	3,723,006	(72)	7,071,487	5,801,833	22

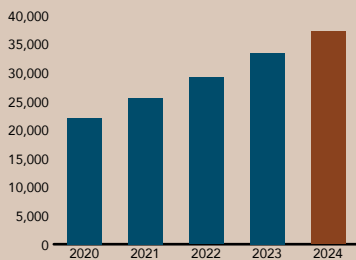
Profit After Taxation Rs. Mn



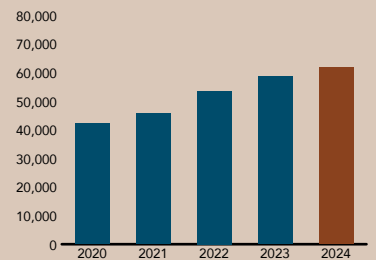
Premium Income - Non-Life Rs. Mn



Premium Income - Life Rs. Mn



Premium Income - Life and Non-Life Rs. Mn



Renewable Energy



Rs. 1.7 Bn
Revenue

Education



Rs. 6.2 Bn
Revenue

Healthcare & Wellness



Rs. 367 Mn
Revenue

EXECUTIVE CHAIRMAN/ CHIEF EXECUTIVE OFFICER'S REVIEW



Dear Stakeholders

I am pleased to report another year of commendable performance with revenue growth and dividends to shareholders in line with expectations. Glancing back on the financial year and that of our collective efforts, I am delighted to present the annual report and audited financial statements of Ceylinco Holdings PLC (CHPLC) for the year that concluded on 31st December 2024. I also welcome all our shareholders and stakeholders to the Group's 38th Annual General Meeting.

The past year tested many of Sri Lanka's industries on many fronts. We saw the fortitude of our business sectors, as they worked with decisiveness and resilience amidst financial challenges and macroeconomic hurdles.

Pursuit of Economic Stability

The road to recovery has been gradual but with many achievements during the year. First, we witnessed the steady deceleration of the inflation rate, which moved into negative territory by end-2024. We saw the economy expanding its activities with a GDP growth of 5% for 2024. What was most impressive was that this followed six quarters of growth.

The Sri Lankan Rupee appreciation by 10% in 2024, against the USD, had nuanced effects on business sectors. While it helped businesses lower import costs, it simultaneously increased the prices of Sri Lankan exports in global markets, thereby somewhat adversely affecting their competitiveness. Furthermore, the appreciation was also an indication that the country's official foreign reserves have improved. By the end of 2024, reserves had risen to USD 6.3. Bn compared to USD 4.4 Bn at the end of 2023.

In February 2025, the IMF Executive Board completed the third review of the Extended Fund Facility. Certain remarks at its conclusion indicate the positive trajectory of the economy: improved revenue collection and growing reserves are key examples of how reforms have worked well for the nation. However, the IMF has emphasised that sustaining reforms is crucial to ensure continued macroeconomic stability and debt sustainability.

Higher taxes have also impacted businesses by challenging growth and reducing profit. The duality of tax reforms has impacted individuals and corporations with higher tax burdens and elevated prices of goods and services, despite contributing to broader economic stability.

During the year, the insurance industry's Gross Written Premium, overall profitability and total assets have grown steadily, outperforming the previous year. Moreover, the education sector saw the light of reforms with the change in the country's leadership. Proposed reforms will cover main aspects of education from syllabus changes to infrastructure developments. Moreover, the higher education sector continued to cater to a steady demand for academic migration from school leavers to postgraduates.

EXECUTIVE CHAIRMAN/ CHIEF EXECUTIVE OFFICER'S REVIEW

We saw a commendable move by the previous government in enacting the Sri Lanka Electricity Act No. 36 of 2024, with the aim of reforming the electricity and power sector. The legislation introduces better reforms, to ensure sustainable and affordable electricity, attract the right investments and draw regulatory changes, including independent entities to undertake the generation, transmission and distribution of power.

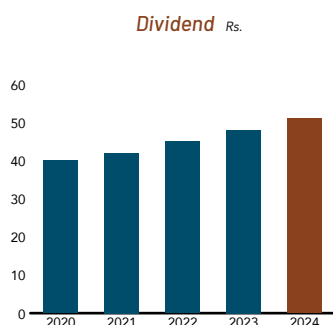
Consolidated Financials

I am pleased to report that despite the challenges posed by higher corporate taxes, rising prices impacting operational expenditures, and a lower interest rate environment, we have successfully navigated these obstacles. The collective financial contributions of our insurance operations, educational services and power and energy activities resulted in an improved financial position.

From a Group perspective profit for the year reached Rs. 10.3 Bn – in spite of higher income tax expenses and operational expenditures. Group revenue for the year rose by 4% to Rs. 91 Bn. Ceylinco Holdings PLC recorded an after-tax profit of Rs. 1.5 Bn, which was a 3% increase from the PAT of 2023 while revenue for the company saw an increase by 6% to Rs 2 Bn in the year under review.

Total group assets saw an increase of 11% to Rs. 332 Bn; this was particularly the result of a 12% increase in investments to Rs. 256 Bn in the year under review. Conversely, total liabilities of the group amounted to Rs. 232 Bn.

The EPS was recorded as Rs 358.51 for the year under review. The Group declared a final dividend of Rs 51 per share for the year 2024, which awaits approval at the AGM.



Industry Analysis

Insurance

I must give credit to the success of our insurance subsidiaries, Ceylinco General Insurance and Ceylinco Life and for protecting their industry positions while defending their titles, passionately. I attribute this to the dedication of the teams involved and the

“Through strategic insight and strong resilience, our subsidiary companies continued to capitalise on their existing strengths and improve their competitive advantages. They endured intense competition in the industry but continued to dedicate themselves to customer service and enhanced offerings. As a result, they have emerged stronger, even amidst macroeconomic turbulence.”

diligence that has gone into capturing new opportunities and securing existing ventures.

Through strategic insight and strong resilience, our subsidiary companies continued to capitalise on their existing strengths and improve their competitive advantages. They endured intense competition in the industry but continued to dedicate themselves to customer service and enhanced offerings. As a result, they have emerged stronger, even amidst macroeconomic turbulence. It is commendable that our general insurance business weathered the ban on vehicle imports through another year, but the company has already set sights on reaping the potential benefits of relaxed import restrictions for vehicles.

Both Ceylinco Life and Ceylinco General were honoured as the most popular insurers in their respective segments at the SLIM-Kantar People's Awards for the 19th consecutive year. Ceylinco Life reaffirmed its market leadership for the 21st successive year, maintaining a commanding presence in the life insurance sector with a significant market share. Meanwhile, Ceylinco General Insurance continued to dominate the non-life insurance sector, with an impressive 19% market share. In the year under review, we witnessed infrastructure developments within the segment, with new branches and expansions being realised. Companies effectively leveraged the growing demand for insurance and tapped into the potential to connect with broader audiences.

Ceylinco Life retained its top spot in life insurance with a premium income of Rs. 37.14 Bn for the year under review. Profit

after tax of Ceylinco Life was recorded as Rs. 7.1 Bn, securing a 22% increase. The premium income of Ceylinco General Insurance stood at Rs 24.5 Bn at the end of the year. Profit after tax recorded Rs 1.1 Bn for the year under review.

Education

Our education arm overseen by the Ceylinco Education Group (CEG) has achieved a financially and operationally sound financial year recording a revenue of Rs 6.2 Billion and an after tax profit of Rs 1.37 Billion.

The group has overseen the strategic growth and operational stability of its schools in primary and secondary education as well as the growing demand for its higher education programs, amassing a student base that is unmatched by other service providers.

ICBT Campus has a daring presence in the country, with 18,000 students benefiting from its versatile and internationally recognised education programs. These students are enrolled across a variety of disciplines, including business, engineering, computing and more, reflecting the institution's commitment to fostering academic excellence. The campus network spans multiple key locations in Sri Lanka, such as Colombo, Kandy, Matara, Galle, Nugegoda, Kurunegala, Jaffna, and Batticaloa, ensuring accessibility for students from all regions. Each campus is equipped with cutting-edge facilities, providing a modern learning environment that supports both theoretical and practical education.

The campus facilities in Kurunegala and Matara were inaugurated in the year under review; both facilities have been constructed in expansive properties and house advanced learning spaces that align with international standards. The two facilities have been built with an investment of Rs. 1.5 Bn.

ANC Education, which also operates under the CEG portfolio, has demonstrated commendable growth and expansion in recent years placing great emphasis on high educational standards and balancing operational expenditures.

Moreover, Wycherley International Schools, which operates on a four-division structure from elementary school to senior school levels, has operated steadily across the year. Similarly, Aleathea International School which offers the local curriculum in English medium performed exceptionally well.

The sector has strategically invested in expanding its presence across regions to effectively leverage the increasing demand for higher education.

Renewable Energy

The sector includes our hydropower projects which have been operational since 2003. These plants have continued to operate with optimal efficiency and financial viability – contributing to the electricity and energy needs of the country. Over the financial year, the sector subsidiaries have reported good profit margins through optimised revenue and expenditures.

The plants, which have been operational for over 20 years, have gained cost advantages through increased production and plant efficiencies. During the year, the collective revenue generated through the plants amounted to Rs. 1.7 Billion recording a profit after tax of Rs 598 Million.

This was the result of obtaining timely payments from the Ceylon Electricity Board, as the sector reaped the benefits of CEB's financial turnaround in the year under review. This is the result of steep tariff increases, finance income and capital gains, according to reports. We also welcomed the new Electricity Act enacted in June 2024. We anticipate this to bring about policy stability, price stability and support for renewable energy; what is most encouraging is the proposed restructuring and decentralisation of the generation, transmission and distribution of power.

We are optimistic about the Act's ability to promote increased reliance on renewable energy. Moreover, its measures to enhance consumers and promote market transparency will ensure fair tariffs, stringent safety measures and other strategic changes.

Employee Empowerment

With a dynamic team of professionals, we take pride in fostering diversity, inclusivity and empowerment across our workplaces. The Group and its subsidiaries have demonstrated dedication to employee growth and satisfaction; this is better reflected through investments in professional development programs, career progression opportunities, financial growth and competitive benefits.

Across our corporates, we have adopted multi-dimensional reward and recognition processes, cultivating an inspired and better-retained workforce. Group employee empowerment initiatives have extended beyond professional growth, incorporating employee wellness, personal resilience, work-life balance and equal opportunities.

EXECUTIVE CHAIRMAN/ CHIEF EXECUTIVE OFFICER'S REVIEW

“With a dynamic team of professionals, we take pride in fostering diversity, inclusivity and empowerment across our workplaces. The Group and its subsidiaries have demonstrated dedication to employee growth and satisfaction; this is better reflected through investments in professional development programs, career progression opportunities, financial growth and competitive benefits.”

Environmental, Social and Governance Goals in Action

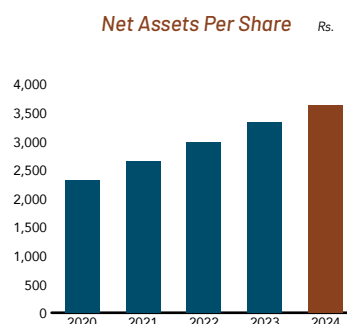
Our subsidiaries have extended ESG initiatives beyond our offices, actively contributing to environmental and social governance within the broader community. Pooling their time and resources, our insurance subsidiaries organised various initiatives to enhance environmental and social sustainability.

Both companies have taken palpable steps towards supporting the nation's schools and underprivileged students. One such example is the construction of a new building by Ceylinco Life in the Elpitiya primary school, which was its first new building in over eight decades. Ceylinco General undertook the task of providing nourishing meals for over 2,000 students across a consistent time period.

As a Group, we upheld best practices in corporate governance, discharging duties as per regulatory requirements and stakeholder expectations. We changed the Board capacities of two Directors. Dr Jagath Alwis was appointed as an Executive Director and adhering to the listing rules of the CSE, Mr Vasantha Kumar's position as an independent non-executive director changed to Senior Independent Director. All relevant changes were duly notified to the Colombo Stock Exchange.

New board appointments include Mr Visvajit Gerald De Alwis as Independent / Non-Executive Director, Mr George Deepal Nelson as Independent / Non-Executive Director and Mr Dilkushan Ranil

Pieris Goonetilleke and Mr Chrishan Mahesh Fernando, both as Independent / Non-Executive Directors. Moreover, Mr Herschel Gunawardena, Mr Saroja Hemakumar Weerasuriya retired from the board and Mr Nugent Duncan Nugawela and Mr Kapila Prasanna Ariyaratne resigned from the Board, during the year under review.



Renewed Optimism for 2025

When considering the immediate outlook, the insurance sector holds promise on several fronts. The demand for health insurance, retirement plans and investment products is expected to increase due to the increasing aging population and the rise of individuals working in the non-pension private sector. Additionally, the recent relaxation of motor imports presents significant growth prospects for the non-life insurance sector. We anticipate an increased demand for motor insurance, increased competitive pricing and opportunities for tailored products. Moreover, the potential for expansion is evident in the country's low insurance penetration levels over the past decade. This situation requires our subsidiaries to remain ahead of the curve, safeguarding interests while identifying opportunities to optimise profit and reduce risks.

The significant reforms introduced through the Electricity Act No. 36 of 2024 provide an optimistic backdrop for the renewable energy sector in Sri Lanka. Its focus on supporting renewable goals is expected to become a key driver in accelerating Sri Lanka's renewable energy adoptions, as we wait to explore this new and prospective landscape in the short to medium term.

For Ceylinco's education sector, the continued demand for primary, secondary, and higher education continues to drive its growth and expansion. The Group will continue to broaden its offerings and strengthen academic standards in line with evolving educational and job market trends, as well as aligned with student aspirations. The sector has more room and scope for increasing its use of digital tools and online platforms and capitalising on them to enhance accessibility and learning experiences for youngsters and adults.

Gratitude and Conclusion

I take this opportunity to extend my heartfelt appreciation to those individuals and teams who have been instrumental to our indomitable success. First and foremost, I am grateful to our incredible employees, who are the heart of this organisation; your dedication, hard work, and passion embody the very spirit of the Ceylinco family.

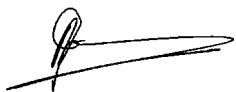
To the respective leaders of Ceylinco's business sectors, I extend my sincerest appreciation for your dedication and strategic intents, which drove the group to secure financial stability despite macroeconomic headwinds in the year under review.

I express gratitude to our shareholders for their continued financial support and confidence in us. Our journey and achievements have been made possible by your steadfast support and belief in us, shaping who we are today. I also convey my appreciation to our customers across all business verticals; you are undoubtedly what makes Ceylinco indomitable in spirit and success.

My appreciation extends to the Chairman, Director General and officials at the Insurance Regulatory Commission of Sri Lanka for their commitment to shaping a secure and progressive industry and for their continued guidance to our insurance subsidiaries.

My heartfelt thanks go to our reinsurers and reinsurance brokers, whose collaboration and trust are vital in strengthening our resilience and capabilities. I am also deeply grateful to the actuaries, whose expertise ensures precision and reliability in our operations.

I thank our partner universities for being stakeholders in our journey of shared academic excellence and innovation. Moreover, I appreciate all state authorities for cooperating with us on many levels of business, and for enabling us to serve the nation with confidence.



Mr. A.R. Gunawardena
Executive Chairman / Chief Executive Officer

1st April 2025

DEPUTY CHAIRMAN'S MESSAGE



Dear Stakeholders,

The year 2024 was a defining chapter for both Sri Lanka and Ceylinco Life. As the nation embraced a new era of political and economic transformation, we remained steadfast in our commitment to delivering financial security and long-term value to our policyholders. Amidst evolving market dynamics, our resilience, strategic foresight, and unwavering dedication to customer-centricity enabled us to navigate challenges and seize opportunities.

Ceylinco Life's financial performance, underscored by robust growth in Gross Written Premiums (GWP) and pre-tax profitability, reflects the trust placed in us by our policyholders and stakeholders. At the same time, our emphasis on innovation, governance, and sustainability has reinforced our leadership in the insurance sector. As we look ahead, we remain committed to building on this momentum by empowering lives, strengthening financial resilience, and shaping a future of shared prosperity.

Resilience and Growth Amidst Economic Recovery

Sri Lanka witnessed a transformative year with both Presidential and Parliamentary elections, marking a shift towards governance focused on transparency and economic reforms. The decisive electoral mandate provided the new administration with the political stability needed to advance its reform agenda effectively.

The economy demonstrated notable resilience, with real GDP experiencing steady growth throughout the first three quarters of the year. This was largely driven by a revival in the industrial sector and a robust rebound in tourism-related services, signifying a strong recovery from the economic downturn of

2022. Inflationary pressures eased considerably, with headline inflation turning negative at -1.7% year-on-year, a stark contrast to the high inflationary environment of previous years. This disinflationary trend continued through 2024, offering a more stable economic climate.

In response to the declining inflation, the Central Bank of Sri Lanka (CBSL) adopted a unified policy interest rate of 8%, aimed at stimulating private sector credit expansion and supporting economic growth. The Sri Lankan Rupee remained relatively stable against major currencies, bolstered by increased foreign exchange reserves. This stability was primarily driven by higher inflows from tourism earnings, worker remittances, and continued financial assistance from the International Monetary Fund (IMF).

Amidst these positive macroeconomic developments, Sri Lanka's Life insurance sector exhibited resilience and steady growth. According to the Insurance Regulatory Commission of Sri Lanka (IRCSL), pre-tax profitability across the Life industry increased by 6.22%, while Gross Written Premiums (GWP) grew by 20.39% in 2023. A regulatory review covering the period from 2019 to the third quarter of 2024 highlighted the sector's ability to withstand economic downturns, including the COVID-19 pandemic and the

DEPUTY CHAIRMAN'S MESSAGE

2022 financial crisis. Insurers continued to prioritise policyholder protection and business continuity, reinforcing confidence in the sector.

Delivering Sustainable Value

Against this backdrop, the Ceylinco Life recorded an impressive 11.16% year-on-year growth in GWP, reaching Rs. 37.1 Bn reaffirming the trust and confidence of policyholders. This sustained growth underscores the strength of the Company's business model, its competitive advantage, and its ability to capitalise on market opportunities effectively.

Financial resilience remained a key highlight, with the Risk-Based Capital Adequacy Ratio of Ceylinco Life recorded at 448%, significantly exceeding the regulatory minimum requirement of 120%. This robust capital position reflects the Company's strong financial foundation and prudent risk management strategies in a dynamic operating environment.

Ceylinco Life's pre-tax profitability grew by 19.10% to Rs. 10.05 Bn, supported by proactive revenue optimisation, cost rationalisation, and strategic investment decisions. These measures ensured consistent returns for shareholders while maintaining long-term financial stability. As a result, Return on Equity (ROE) improved to 11.64%, up from 10.67% in 2023, while Earnings Per Share (EPS) rose to Rs. 141.43, compared to Rs. 116.04 in the previous year.

Recognising that employees are the driving force behind its success, the Company remains dedicated to fostering a culture of excellence, innovation, and resilience. By empowering its workforce and embracing strategic growth initiatives, the Company is well-positioned to navigate future opportunities and challenges while continuing to create long-term value for all stakeholders.

Enhancing Customer-Centric Service and Community Impact

Ceylinco Life remained steadfast in its commitment to customer-centricity, launching several initiatives to enhance service excellence. A key challenge identified was the rising number of abandoned policies, often due to policyholders losing contact over time. Additionally, many customers lacked valid bank accounts due to migration or other life changes, leading to unclaimed benefits. In response, the Company introduced an AI-powered customer tracking and intelligence system, a collaboration between the Customer Service and Business Intelligence teams. This initiative helps reconnect policyholders with their rightful benefits, ensuring no one is left behind.

Customer satisfaction improved significantly in 2024, reflecting enhanced service standards. Ceylinco Life continues to refine its customer journey blueprint, ensuring seamless interactions at every touchpoint. Service excellence training and digital advancements further empower teams to enhance convenience and responsiveness based on customer feedback.

Ceylinco Life also reinforced its community empowerment initiatives, conducting 12 health camps under the Ceylinco 'Waidya Hamuwa' program, benefiting 2,609 individuals with essential medical support. The Company sustained its commitment to Sri Lanka's healthcare sector by maintaining four High Dependency Units (HDUs) and contributing vital medical equipment such as oxygen distribution systems. These efforts have strengthened the country's healthcare infrastructure and improved patient outcomes.

Driving Sri Lanka's Sustainability Journey

As part of its sustainability agenda, Ceylinco Life became the anchor investor in Sri Lanka's first-ever listed green bond, issued by DFCC Bank PLC, with an investment of Rs. 2.0 Bn. This landmark initiative aims to inspire further investment in environmental and social progress, reinforcing the private sector's role in financing Sri Lanka's transition to a greener economy.

Trust, Transparency, and Strong Governance

Ceylinco Life upholds the highest standards of corporate governance, ensuring transparency and accountability in all its operations. In 2024, the Board of Directors adhered strictly to CLI's Articles of Association and regulatory frameworks, including the IRCSL Direction No. 02 of 2022 and Section 9 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

During the year, Ceylinco Life formulated 15 governance policies, with 11 newly introduced and 4 reviewed to align with the latest regulations.

A key governance priority of Ceylinco Life was succession planning, ensuring leadership continuity within the governance oversight covering seven core areas and was further strengthened with the introduction of a dedicated ESG Sub-Committee to enhance compliance and sustainability performance.

With a strong foundation in customer-centricity, sustainability, and governance, Ceylinco Life continues to drive progress, ensuring value creation for policyholders, shareholders, and the broader community.

IT & Data Governance

Ceylinco Life restructured its IT department to enhance agility and drive digital transformation, including a new Life Insurance System that will improve operational efficiency. A comprehensive review of data governance led to key enhancements, including appointing a Data Protection Officer to strengthen risk management and compliance.

Appreciations

I would like to extend my heartfelt appreciation to the exceptional leadership of the Ceylinco Life team, under the guidance of CEO Mr Thushara Ranasinghe, and to the dedicated employees and sales team whose unwavering commitment has steered the Company towards new heights of success. My sincere gratitude also goes to our valued policyholders and stakeholders for their continued trust and confidence in the Company. I would like to acknowledge my fellow board members for their collective wisdom and strategic guidance, which have been instrumental in navigating yet another challenging year.

Building on Momentum for the Future

With Sri Lanka's improving economic outlook driven by IMF support, tourism recovery and anti-corruption efforts Ceylinco Life is well-positioned for sustainable growth. The company remains committed to empowering customers by derisking their lives and ensuring financial security. Leveraging a strong strategy, skilled workforce, enhanced process capabilities, and continuous innovation, Ceylinco Life is focused on strengthening its market leadership, expanding its digital capabilities, and delivering long-term value for future generations.



R Renganathan
Deputy Chairman

1st April 2025

BOARD OF DIRECTORS



MR. A.R. GUNAWARDENA
EXECUTIVE CHAIRMAN / CHIEF EXECUTIVE OFFICER

Mr. Ajith Gunawardena joined the Ceylinco Group in 1978 as a Sales Manager, attached to the Polonnaruwa Branch of The Finance, speedily rising to the position of Assistant General Manager – City Office.

At The Finance, Mr. Gunawardena was instrumental in initiating the first-ever leasing and project financing division in Sri Lanka. Moreover, he set up the hire purchase scheme for consumer durables and import financing; pioneering concepts in the sphere of finance companies in Sri Lanka. Furthermore, the first ever venture capital company to be established in Sri Lanka, was also his brainchild.

He was appointed Director in charge of the General Division of Ceylinco Insurance in 1987. He introduced the visionary concept of a direct sales force for the insurance industry in Sri Lanka. His was the idea that transformed the sphere of insurance forever more – On The Spot Claim Settlement! This unprecedented idea, which amounted to a global first, has been embraced and adopted by many other insurers the world over. In fact, this very concept won the coveted Innovation of the Year Award at the Asian Insurance Industry Awards in 2003.

Under his able leadership, Ceylinco Insurance received the rare accolade of being among the top four General Insurance Companies in Asia, in 2000 and once again clinched the Innovation of the Year Award at the Asia Insurance Industry Awards in 2006. Under his guidance Ceylinco Insurance has held the position of market leader in Sri Lanka, continuously since 2004.

Mr. Ajith Gunawardena was also behind the first ever overseas joint venture for Ceylinco Insurance – Sagarmatha Insurance of Nepal, the concept of which, later on, extended to the Maldives and Mauritius. Several strategic alliances were also formed under his leadership with insurance companies in the Middle East, in countries such as the United Arab Emirates, Bahrain, Kuwait, Oman and Qatar.

He successfully negotiated key joint ventures with Indian giants Larsen & Toubro and the Aditya Birla Group; alliances which resulted in the cement brand – Ultra Tech, abundantly available throughout Sri Lanka. Under the aegis of these joint ventures, the L & T Infocity, the largest ever Call Centre in Asia, was established.

Mr. Ajith Gunawardena has been the unyielding strength behind numerous other projects for Ceylinco, including power and energy projects in Belihuloya, Loggaloya and Rajjamma.

He was conferred with a Honorary Fellowship from the ICBT Campus, Associate College of Cardiff Metropolitan University, U.K. in 2016.



MR. R. RENGANATHAN
NON-EXECUTIVE DEPUTY CHAIRMAN

Mr. Renganathan joined the Ceylinco Group in 1983, bringing with him a wealth of expertise and experience. As a Fellow of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka, Mr. Renganathan has demonstrated exceptional leadership and vision throughout his career.

Currently serving as the Executive Chairman of Ceylinco Life Insurance Limited, Mr Renganathan has played a pivotal role in establishing the company as the undisputed market leader in the life insurance industry for the past 21 years. Under his guidance, Ceylinco Life Insurance Limited has consistently set the standard for excellence and innovation in the industry.

In addition to his role at Ceylinco Life Insurance Limited, Mr Renganathan has been instrumental in the establishment of Ceylinco Healthcare Services Ltd. This groundbreaking initiative introduced the first private-sector cancer treatment centre in Sri Lanka, offering cutting-edge treatments such as Radiotherapy, Chemotherapy, and hormone therapy. To date, the centre has successfully treated over 16,000 patients, contributing significantly to the country's foreign exchange earnings and savings.

Furthermore, Mr Renganathan serves as a Director of Kings Hospital Colombo (Pvt) Ltd., further showcasing his commitment to advancing healthcare services in Sri Lanka. Additionally, he played a key role in the establishment of Serene Resorts, the country's first Retirement Resort, providing a unique and innovative solution for retirees seeking a peaceful and fulfilling lifestyle.

BOARD OF DIRECTORS



MR. H.D.K.P. ALWIS
DIRECTOR / CHIEF OPERATING OFFICER -
GENERAL INSURANCE & SUBSIDIARIES

Commencing his association with Ceylinco Insurance - General Division - on 15th May 1990 as a Regional Manager, Mr. Patrick Alwis blazed a dynamic career, rapidly rising to the position of Deputy General Manager by 1998. He was subsequently appointed to the Board on 10th January 2001 and currently serves as Director of Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC) and served as the Managing Director/ Chief Executive Officer of Ceylinco General Insurance Limited until February 2021. In March 2021, he was appointed as Executive Chairman/Chief Executive Officer of Ceylinco General Insurance Ltd. Mr. Alwis retired from this position w.e.f. 01.01.2023.

He was instrumental in spearheading strategic alliances with leading insurance companies in the Middle East (United Arab Emirates, Bahrain, Oman, Qatar, Saudi Arabia and Kuwait), providing valuable management expertise in promoting unique Ceylinco General Insurance solutions to migrant workers of all nationalities residing in the Gulf.

Also, he is credited with setting up the branch network for Ceylinco General Insurance in Sri Lanka, which has become one of the key factors in the Company's exponential growth in a fast-paced economy. Today, Ceylinco General Insurance can claim the largest branch network in the industry.

His initiative and drive resulted in the successful implementation of a unique system for the sales force to accurately prospect for clients. His visionary methodology practised by the gamut of the sales force at all levels has resulted in stupendous results for individual sales personnel as well as the Company. The system in question has also paved the way to monitor and manage the direct sales force of Ceylinco General Insurance efficiently.

He also spearheaded the setting up of a 24-hour call centre which facilitates the on-the-spot claims settlement process of the company.

The nerve centre, which has become the nucleus of the company's claim settlement providing speedy solutions, is another concept initiated by Mr. Alwis. He was also responsible for setting up an island-wide network of Automobile Engineers and Assessors who play a major role in on-the-spot inspections. To date, he personally monitors the operations of this unit. His hands-on involvement and able leadership have become the key strengths of Ceylinco General Insurance Ltd.

In a proactive approach to career development and enhancement of skills and professionalism of the staff, he initiated the introduction of an online Staff Performance Management System in 2019 which is a methodical process that enables the company to evaluate the performance and contribution of each and every staff member in a fair and a systematic manner - leaving out bias and personal preferences, a prudent step with the growing number of employees. Under his initiative, a sales force dashboard was also introduced in 2019 which facilitates the close monitoring of the movement of sales personnel, customer visits, etc. of the entire sales force by the superiors on a real-time basis. This has also given us the opportunity to digitalize areas such as customer information, including renewal details, follow-up info, prospects and monthly sales plans.

Prior to joining the Company, he began his illustrious career in 1978 at M/s.Hatton National Bank and subsequently served at Lever Brothers (Ceylon) Limited and Richard Peiris & Company in the field of Sales and Marketing.



MR. E.T.L. RANASINGHE
DIRECTOR / CHIEF OPERATING OFFICER -
CEYLINCO LIFE & SUBSIDIARIES

Mr. Ranasinghe has over 45 years of experience in the mercantile sector in sales, marketing and strategic planning. He holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayawardenepura. He joined Ceylinco Limited as a Product Manager in September, 1986 and was one of the pioneer members of the team to set up Ceylinco Holdings PLC, when the Company commenced operations in 1988.

He is a Founder Member of the Chartered Institute of Marketing, Sri Lanka Region and has held several positions in the Executive Committee, including that of the Senior Vice Chairman.

He currently serves as Managing Director/ Chief Executive Officer of Ceylinco Life Insurance Limited, Director of Ceylinco Healthcare Services Limited and Serene Resorts Limited and Non Executive Director of Kings Hospital Colombo (Pvt) Ltd.



MR. T.N.M. PEIRIS
DIRECTOR (FINANCE) / HEAD OF FINANCE

Mr. Peiris graduated from Sri Jayawardenapura University with a Bachelor of Arts Honours Economic Degree in 1982. He is a Chartered Accountant by Profession and a Fellow Member of the Institute of Chartered Accountants since 1984. He is also a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka.

He started his career at M/s Associated Motorways PLC as an Accountant and left the Organization after 1 year to join The Finance Company PLC. He started as a Chief Accountant at The Finance Company and worked his way up to Deputy Chief Executive Director and was on the Board till 2010.

Mr. Peiris joined Ceylinco Insurance as a Finance Manager in 1989 and was appointed to the Board in August 1990.

After the segregation of Ceylinco Life and Ceylinco General he served Ceylinco General Insurance Ltd as the Head of Finance up until his retirement in 2019. During this period he headed the Finance Division of the Company, Investments of the Company and the Internal Audit Team was under his total supervision working as an Independent body. He introduced the profit centre concept where all branches and units are monitored according to their performance and the finances are documented under an IT platform. He has also introduced the Finance & Administrative Manual of the Company which indicates all procedures, principles and systems adopted by the Company. In 2014 Mr. Peiris took over the City Office Departments directly under his supervision and showed unprecedented growth in all spheres.

Apart from serving the Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC) Board as the Director Finance he also serves on the Boards of Subsidiary Companies of Ceylinco Holdings PLC.

BOARD OF DIRECTORS



MR. U. WITHARANA
DIRECTOR / CHIEF FINANCIAL OFFICER

Mr. Upali Witharana joined Ceylinco Holdings PLC as an Assistant General Manager – Finance (General Insurance Division) on 04th January, 1999. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Institute of Certified Management Accountants of Sri Lanka. He also holds a Master of Business Administration Degree from the University of Colombo. Mr. Witharana has over 30 years of management experience in the Insurance industry both in Sri Lanka and overseas.

He is a past Chairman of the Finance Technical Sub Committee of the Insurance Association of Sri Lanka (IASL).

Mr. Witharana was appointed to the Board of Ceylinco Holdings PLC on the 25th of October, 2005. He also serves as the Finance Director/Director in other Associate and Subsidiary Companies of Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC). He served in the capacity of Deputy Managing Director/ Director Finance/Chief Operations Officer of Ceylinco General Insurance Ltd. until February 2021. He was appointed as Managing Director of Ceylinco General Insurance Ltd. in March 2021. Mr. Witharana retired from this position w.e.f. 01.01.2023.

In addition to his contribution to the financial management of Ceylinco General Insurance, he extends his capabilities by leading a team of professionals in the capacity of the CEO, to successfully develop and manage a number of hydro power projects within the group.



DR. W.C.J. ALWIS
DIRECTOR

Dr. Jagath Alwis graduated with a Bachelor of Science (B.Sc) majoring in mathematics and physics and joined the National Insurance Corporation in 1982 as a Trainee. He became an Associate Member of the Chartered Insurance Institute London (ACII) in 1985 and a Fellow (FCII) in 1990. Also a Fellow of the Indian Insurance Institute (FIII), he is a Chartered Insurer by profession. Dr. Alwis is also a Fellow of the Institute of Directors, UK.

Dr. Alwis joined Ceylinco Insurance Company in March 1988 as the Reinsurance Manager and was appointed to the Board as the Director (Technical) in January 1993. Presently holds the Executive Chairman of Ceylinco General Insurance Ltd. He is also heading the Education Sector of Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC) as the Chairman of CEG Education Holdings which is the largest private education conglomerate in Sri Lanka. He is one of the past Presidents of the Insurance Association of Sri Lanka (IASL) and is presently an Executive Committee Member. Dr. Alwis was also the President/ Chairman of the Executive Board of the Association of Insurers and Reinsurers of Developing Countries (AIRDC) for the years 2012 to 2014 and is presently a member of the Board of Trustees.

Dr. Jagath Alwis is on the Academic Board of the Sabaragamuwa University of Sri Lanka and was a member of the Academic Board of the Faculty of Science of the University of Peradeniya. He was conferred a Doctorate from the University of Middlesex, United Kingdom in 2013. Dr. Alwis won the Award for the 'Personality of the Year' at the 18th Asia Insurance Industry Awards Ceremony held in Taipei in November 2014 and also won the Awards for 'Outstanding Contribution for Education' and 'Educational Entrepreneur of the year' at the World Private Universities Awards held in Mumbai, India in 2014. Dr. Alwis has also presented Technical Papers at many International Insurance/ Reinsurance Conferences and is a regular contributor to the International Insurance/ Reinsurance press. Dr. Alwis was inducted to the Hall of Fame of Insurance Institute of Sri Lanka in 2024.



MR. P.D.M. COORAY
DIRECTOR / HEAD OF TRAINING

Starting his career in the Sri Lanka Air Force as a commissioned officer, he joined Key Security Services Limited in 1985. He was transferred to Ceylinco Insurance on 1st July 1987 at its inception, and has served the Company ever since. He commenced his Insurance career as an Assistant Manager (Training) and was promoted to Manager of Human Resource Development on 1st January 1990. Subsequently, he held the posts of Assistant General Manager (Administration, Training and Human Resources). In 1998 He was promoted to Deputy General Manager (Training). In September 2001 Mr. Cooray was appointed to the Board of Ceylinco Insurance. Currently he serves as Director/ Head of Human Resources and Training of Ceylinco Life Insurance Limited and as a Director of Serene Resorts Limited.

Mr. Cooray is a Fellow of the Life Underwriters Training Council (LUTCF) U.S.A., a Chartered Insurance Agency Manager (CIAM), a Certified Manager of Financial Advisors (CMFA), CII (Award) on Financial Planning from the Chartered Institute of Insurance, London and has an Executive Diploma in Business Administration from the University of Colombo. He played a key role in setting up the Sales Force of Ceylinco Life. He is an internationally reputed speaker who has addressed several Life Insurance Conventions and was the first South Asian non-member to address the Million Dollar Round Table (MDRT), the most Prestigious Life Insurance convention in the world.



MR. S.R. ABEYNAYAKE
DIRECTOR

Mr. Ranga Abeynayake counts over 25 years in handling key management positions in the areas of Finance, Risk Management, Strategic Planning, Treasury Management and Project Planning. He holds a Master of Business Administration (MBA) from the Postgraduate Institute of Management (PIM), University of Sri Jayawardhanapura. He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and, of the Institute of Certified Management Accountants of Sri Lanka.

He joined the Life Division of the Company in March 1998 as a Financial Accountant and held many senior positions before appointing to the Board. He was appointed to the Board of Ceylinco Holdings PLC on 1st February 2011.

Mr. Abeynayake currently serves as the Director / Chief Operating Officer of Ceylinco Life Insurance Limited and also serves as a Director of Serene Resorts Limited. He was the Non-Executive Chairman of Citizens Development Business Finance PLC and retired on completion of his term in office.

BOARD OF DIRECTORS



MR. P.A. JAYAWARDENA
DIRECTOR

Mr. Palitha Jayawardena counts over 40 years of experience in the field of finance. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of the Certified Management Accountants of Sri Lanka. He joined the Life Division of the Company in 1990 as Chief Accountant (Branches) and was invited to the Board in 2005.

He currently serves as the Senior Executive Director/ Chief Financial Officer of Ceylinco Life Insurance Limited and also as a Director of Ceylinco Healthcare Services Limited, Serene Resorts Limited and Kings Hospital Colombo (Pvt) Ltd.



MR. V.G. DE ALWIS
DIRECTOR

Mr Visvajit De Alwis is a highly experienced professional with 48 years of expertise in the global tea industry. Throughout his career, he has lived and worked in various countries across Asia, Europe, Africa, and America, gaining valuable insights and knowledge in the field.

With a vast career that spans eight countries, including Sri Lanka, Singapore, Pakistan, Indonesia, the United Kingdom, Malawi, Kenya, and the United States, Mr Visvajit has honed his skills in leadership roles within procurement and tea buying operations. During his 36 years at Unilever (Lipton & Brooke Bond), he made significant contributions to the company's success in different regions.

Currently, Mr Visvajit serves as the Senior Vice President of Procurement at Harris Tea Company USA, a position he has held since March 2016. In this role, he oversees a diverse portfolio that includes tea buying and blending, herbs and flavours, sugar, and sea freight, managing a budget ranging from \$50 to \$75 million. His strategic decisions directly impact the company's profitability, and he plays a crucial role in managing operations in the USA, UK, India, and Vietnam.

Prior to his current role, Mr Visvajit held the position of Vice President of Procurement and Global Head of Tea Buying at Keith Spicer Limited in the UK, an affiliate of Harris Tea USA. His extensive background also includes serving as Managing Director in various Unilever tea operations in Indonesia, Kenya, Malawi, and Sri Lanka, as well as holding senior procurement positions across Southeast Asia and Australasia.



MR. C.M. FERNANDO
DIRECTOR

Chrishan Fernando is a veteran leader with nearly 25 years of experience in the global IT industry. His international career began with Compaq Computer in 1997, where he was based in Singapore, overseeing markets across South Asia. Following the merger with HP, Chrishan returned to Sri Lanka, his homeland, and established the HP office there. In 2009, Chrishan was headhunted by IBM to serve as the Country General Manager for Sri Lanka, leading the country's largest IT company. During his tenure, he introduced new lines of business, including software and IBM's Global Business Services, to the Sri Lankan market. As Country Manager for Dell Technologies in Sri Lanka and the Maldives, Chrishan led the organization to achieve the No. 1 position in market share for both consumer and commercial business segments in Sri Lanka. Additionally, he contributed to the growth of Fiserv as Director of Sales in Sri Lanka.

Currently, Chrishan serves on the boards of several Sri Lankan startups. A passionate advocate for skills-based education, he is committed to empowering Sri Lanka's adaptable human resources, believing they hold the key to the nation's progress. Chrishan holds an MBA in Marketing and is a Certified Professional Marketer (Asia Pacific). He is also a Certified Director of the Sri Lanka Institute of Directors.

Beyond his professional achievements, Chrishan is deeply involved in religious and social work. He actively participates in numerous social service initiatives and serves on the Standing Committee of the Colombo Diocese of the Church of Ceylon. Chrishan is married and has two daughters. In his leisure time, he enjoys socializing, capturing the beauty of nature through photography, and watching sports.



MR. D.R.P. GOONETILLEKE
DIRECTOR

Mr. Ranil Goonetilleke, FCMA, is a member of the Chartered Institute of Management Accountants UK (CIMA). His career began at KPMG Sri Lanka, where he underwent training before joining Haycarb PLC in the Finance Division. Through hard work and dedication, he rose to the position of Divisional Manager – Finance.

In 1998, Mr. Goonetilleke transitioned to Ceylon Brewery PLC as its Financial Controller. In April 2004, he was appointed Director of Finance at Lion Brewery Ceylon PLC, a role he held until his retirement in December 2023. Currently, he serves as a Non-Executive Director on the boards of Lion Brewery Ceylon PLC, Pegasus Hotels of Ceylon PLC, and Namunukula Plantations PLC. He also plays a vital role in their Audit Committees and Related Party Committees.

Mr. Goonetilleke's leadership extends beyond the corporate world, as he served as the Chairman of the Exporters Association of Sri Lanka at the Ceylon Chamber of Commerce. With over 40 years of experience, he has developed expertise in finance, manufacturing, legal, logistics, governance, audit, insurance, procurement, risk management, and cost restructuring.

In his working career he has undergone training in Strategic Cost Management at INSEAD France, Formulating & Actioning Strategy at Wharton University in Philadelphia including many others both locally and globally.

Additionally, he contributes to the National Council for Child and Youth Welfare as a dedicated Board Member.

BOARD OF DIRECTORS



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 the 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 the 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 as full-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. N. VASANTHA KUMAR
DIRECTOR

Mr. N Vasantha Kumar holds a Master's Degree in Business Administration and a Diploma in Professional Treasury Management. He joined People's Bank in 2001, prior to which he served as Treasurer at ANZ Grindlays Bank, Colombo for many years and retired as CEO/General Manager of People's Bank in April 2019.

He currently serves as a Director of Senkadagala Finance PLC, Asset Trust Management Pvt Ltd, DFCC Bank, Wealth Lanka Management Pvt Ltd. and Chairman of Safe Capital Pvt Ltd.



MR. G.D. NELSON
DIRECTOR

Mr. Deepal Nelson boasts over 40 years of extensive experience spanning various industries, including apparel, cosmetics, hospitality, and healthcare.

Currently, he holds the position of Managing Director at Great Southern Hotel, an esteemed Australian hotel group expanding its footprint in Sri Lanka. Additionally, he serves as the Managing Director of Ogabo Global Parfumerie (Pvt) Ltd., a company specializing in the production and distribution of high-end designer fragrances in Sri Lanka. He is also the Director of the Bellose Group of Companies, a leading enterprise in the cosmetics industry, specializing in the manufacturing, marketing, and global distribution of high-quality beauty and personal care products.

He is the immediate past President of the prestigious National Chamber of Commerce of Sri Lanka, where he played a pivotal role in strengthening international business relations, fostering SME development, and advocating for policy reforms to enhance Sri Lanka's economic landscape. Furthermore, he serves as a Consultant to the Suwa Seriya Foundation (1990 - National Emergency Ambulance Service). His illustrious career includes serving as President of the Sri Lanka Chamber of Garments Exporters, a Technical Committee Member of the Sri Lanka Inventors Commission, and a Member of the Steering Committee for the National Policy for Industrial Development. Moreover, he has contributed to the National Economic Development Council of Sri Lanka and the High-Level Steering Committee for the National Single Window System Project under the Ministry of Finance, Economic Stabilization, and National Policies.

Mr. Nelson's diverse expertise and influential roles underscore his commitment to driving economic growth and fostering innovation in Sri Lanka's business landscape.



MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS	29
OPERATING ENVIRONMENT	29
SUSTAINABLE DEVELOPMENT GOALS (SDGS)	32
OPERATIONAL REVIEWS	
SECTOR REVIEW:	
CEYLINCO GENERAL INSURANCE	35
CEYLINCO LIFE INSURANCE	50
EDUCATION	62
RENEWABLE ENERGY	76
SHARE INFORMATION	81

MANAGEMENT DISCUSSION & ANALYSIS

OPERATING ENVIRONMENT

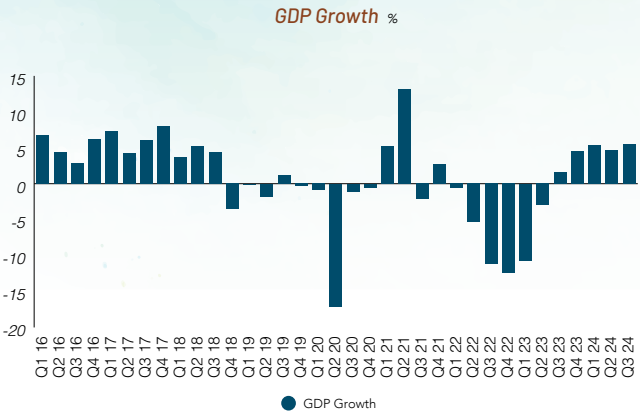


MACROECONOMIC OVERVIEW

Sri Lanka is now on a path of gradually recovering from the economic crisis, with well-established structural reforms underway. The following provides an overview of key highlights, which shaped our operating environment in the year under review.

GDP Growth

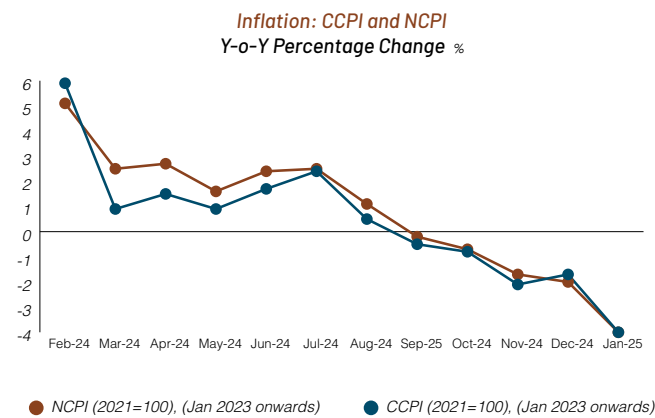
Following its sharp contraction in 2022, the local GDP growth has stabilised with expanded activities contributing to an upward trajectory. This was driven by positive developments in tourism, export sectors and workers' remittances. The growth for 2024 has been estimated at 5%, which comes after several quarters of continued growth.



MANAGEMENT DISCUSSION & ANALYSIS

Inflation

Inflation moderated considerably over the period, resulting in negative inflation. In December 2024, CCPI based headline inflation (y-o-y) showed -1.7% while the NCPI showed a negative headline inflation of -2% (y-o-y). Deflations in food and non-food prices contributed to this effect. However, there is reduced demand and declined consumer spending, especially due to elevated costs due to the previous inflation. Moreover, electricity tariff cuts had a considerable impact on the decline of non-food inflation.



Interest rates

The financial regulator took measures to ease its monetary policy outlook, setting the new Overnight Policy Rate (OPR) at 8%; this was done after considerable assessments and in order to reach the inflation target of 5%. Moreover, due to reduced lending interest rates, credit to the private sector expanded in 2024.

External Sector

Improvements in earnings from tourism activities and workers' remittances made a positive impact on the external current account. Workers' remittances increased by 10.1% to USD 6.6 Bn in 2024 while tourist earnings were estimated at around USD 3.2 Bn from over 2 million tourist arrivals.

Gross official reserves stood at USD 6.1 Bn by the end of 2024 due to the purchase of foreign exchange by the CBSL, multilateral fund inflows and the swap facility from the People's Bank of China; these are apart from the funding from IMF through the USD 3 Bn bailout package, which reached its third review in 2025.

Exchange rate

The SL Rupee recorded a y-o-y appreciation of 10.7% against the US dollar; however, a 1.7% depreciation against the USD was witnessed in January 2025. The appreciation can be attributed to a surplus in the external current account and the increased inflows of forex, as well as positive sentiments.

Debt Restructuring and Fiscal Stability

The ongoing debt restructuring process and the IMF bailout program aim to restore fiscal sustainability by reducing debt and easing external payments. With this process came significant tax hikes and enterprise restructuring.

Social Factors

High living costs and unemployment continue to limit discretionary spending, affecting non-essential purchases. However, there is a growing demand for private-sector education as capacity is constrained within the public sector.

Opportunities and Challenges the Group's Sectors (short-term)

Insurance

Opportunities

Lower inflation and interest rates improve the affordability of premiums – leading to a boost in demand.

Both companies are well-positioned to capitalise on the potentially high rise in demand for certain insurance products; these include demand for health and retirement plans due to the increasing population above the age of retirement.

Moreover, the recent relaxation of vehicle imports opens up the potential to earn high revenue from new policy premiums.

Challenges

Any economic uncertainties may lead to policy lapses, particularly in life insurance.

Renewable Energy	
Opportunities	Challenges
Sri Lanka's push for renewable energy aligns with Ceylinco's hydropower projects. The Electricity Act enacted in 2024 also provides optimism on favourable developments.	Regulatory risks and potential delays in grid integration may hinder expansion plans. Potential inefficiencies in implementing proposed reforms could further weaken trust and confidence while delaying prospects for expansions.
Education	
Opportunities	Challenges
Limited capacity and competition within the state's higher education system drive demand for private higher education services and academic placements in foreign universities.	Reduced disposable income may shift preference toward lower-cost educational programs (E.g.: online programs...)

Global Developments and Outlook

Sri Lankan businesses faced a dynamic environment in 2024, due to global forces. The following provides a brief outline of the developments that could shape the local business landscape in the coming year.

Category	Key Development	Potential Implications
Economic	Global GDP growth is forecasted at 3.3% in 2025 (IMF, Jan, World Economic Outlook)	
	Geopolitical tensions (e.g., U.S.-China trade disputes, Middle East instability) may raise commodity prices.	This could benefit local businesses by fostering economic stability, stimulating demand and improving ROIs. Potential to disrupt supply chains and energy production – leading to higher commodity prices, such as raw materials and energy. This could potentially drive local operational costs as most of our consumption relies on imports. Therefore, there is a need to monitor global trade and adjust pricing or cost structures.
	Global inflation is expected to ease to 4.2% in 2025 (IMF, Jan, World Economic Outlook)	Could provide relief to local businesses through reduced import costs, thereby creating economic stability and stimulating investments.
	Technological Rise of disruptive technologies (AI)	These technologies provide businesses the opportunity to leverage personalised customer experiences, faster processes and improved experiences. Moreover, enables companies to expand to underserved areas.
Environmental	Climate change drives high insured losses globally	Companies in insurance face rising claims and higher costs, which prompts the need for advanced risk modelling and practices to manage related challenges.

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABLE DEVELOPMENT GOALS (SDGS)



Making an Impact

Contributions to UN Sustainable Development Goals (SDGs)

We at Ceylinco Holdings contribute to the United Nations Sustainable Development Goals (SDGs) through our operations in insurance, education, renewable energy and health care and wellness. The following is an account of how our business verticals align with specific SDGs based on our activities and commitments.

Insurance

Ceylinco General Insurance Limited (CGIL) and Ceylinco Life Insurance (CLI) have played important roles in supporting financial resilience, especially amongst the deserving.



As insurers, both Ceylinco General and Ceylinco Life Insurance companies are in the service of mitigating risks and safeguarding the financial sustenance of all its policyholders. Whether its a high-income backdrop or a low-income breadwinner, Ceylinco protects all. Moreover, Ceylinco Insurance has also embraced numerous social development projects, driven by our insurance subsidiaries.

During the year, both companies served over a few millions of low-income policyholders with affordable insurance products in 2024. This is in addition to various philanthropic programs hosted and conducted by CGIL and CLI. CGIL's VIP Pihita, the philanthropic banner, delivered the following support to thousands of underserved individuals over the year.

Project	Investment 2023	Investment 2024	Number impacted
Living Assistance for 117 Families	Rs. 5.74 Mn	Rs. 5.73 Mn	117 families
Blood Donation	Rs. 1.5 Mn	Rs. 2.2 Mn	Annual Blood donation held in February 2023 in Head Office premises. Over 280 pints of blood was collected
Assistance to Passara Bus Victims			3 Families
Repair and relocation of a water cooler machine at Thalawila Church	-		Hundreds of Devotees including families and individuals



CGIL donated over 128,000 meals to over 2000 students across ten schools across the year through its meal distribution program. The initiative was aimed at improving students' health outcomes, including the reduction of malnutrition and encouraging school attendance.

Project	Investment 2023	Investment 2024	Number impacted
Providing Meals for School Children	Rs. 17 Mn	Rs. 14 Mn	Over 2,000
<ul style="list-style-type: none">Conducting health camps in rural areas to promote awareness of non-communicable diseases.Supporting the state healthcare system by setting up and maintaining High Dependency Units (HDUs) in five state hospitals, while also enhancing healthcare services in regional hospitals through infrastructure development and provision of essential equipment.			



Ceylinco Life continued to provide the Ceylinco Life Pragma Scholarships for the 23rd year, rewarding policyholders' children for academic and extracurricular excellence. Moreover, the company invested in a new building for the Elpitiya primary school, its first such building since 1935.



The insurance sector has provided employment to 2,797 through CGIL and over 720 through CLI. CGIL workforce includes 1,885 permanently recruited employees, with another 909 employees on a probationary or contract basis.



The insurance sector expanded its sales force during the year with over 20% of CGIL's workforce being female and 54% of CLI's workforce as female, promoting equality and bridging the gender divide. Moreover, the insurance products of both companies reached people in all communities while providing affordable premium solutions to those with financial constraints.



Investing human capital, funds and resources, CGIL and CLI have carried out various environmental sustainability initiatives, which will continue to benefit the environment for years to come.

- Investment of Rs 2 Bn in Sri Lanka's first Green Bond
- Reforestation project in Balangoda, covering 10 acres, which has 10,000 newly planted trees.
- Carbon footprint measurement carried out under the guidance of the CEA.
- Commitment to green buildings with 30 buildings implemented thus far.
- 1,107,660 kWh of solar power generation
- Over 2.9 million litres of rainwater harvested
- Over 1.3 million litres of water recycled
- Beach clean-up program across 100 Km

Education



The Ceylinco Education arm is dedicated to upholding educational standards that align with international academic principles. This commitment allows Sri Lankan students to access globally recognized education right within their own country. In 2024, majority of the students enrolled at ICBT, successfully completed their education, while enrolment numbers saw a considerable increase.



Through our academic institutions, we have witnessed an increase in female student enrolments. This showcases the impact we have on female social mobility and our capacity to bridge accessibility gaps within the country's education system; especially by providing world-class programs and curriculums to female students with limited financial capacity for academic migration.



The ICBT campus through its solar power panels saves 600 KWs of power on a daily basis, which has reduced its reliance on fossil fuel-based electricity.



The education group has enabled thousands of graduates and school leavers to boost their employability. Our programs at ICBT and ANC Education have helped a large number of student graduate in 2024. Moreover, students at our primary and secondary schools have received an internationally recognised education - equipping them with the right knowledge and accreditations to pursue higher education in highly demanded subjects, such as STEM.

MANAGEMENT DISCUSSION & ANALYSIS



During the year, all our subsidiaries made considerable investments in infrastructure. Two new regional facilities by ICBT in Matara and Kurunegala are spread across expansive properties. Moreover, our academic institutions have made significant investments in enhancing physical infrastructure for a holistic learning environment for students.



By offering internationally recognized educational programs, the sector is boosting human capital, fostering equality, and enabling students from diverse backgrounds to access world-class tertiary education.

Renewable Energy



The Group's hydropower plants produced nearly 14 MWs of power, collectively. This is integrated with the national grid to power the electricity and energy needs of thousands of Sri Lankans.



Our renewable energy plants have been developed through significant investments, to support clean energy without detriment to nature, the climate and the community. Sustaining this infrastructure remains an ongoing responsibility and operational task of our teams with a focus on making these power plants the engines of environmental sustainability within the areas in which they operate.



We aim to maximize the output of each plant to offset the equivalent amount of fossil fuel energy that would otherwise be needed to generate the same level of power. Ceylinco Holdings strives to integrate sustainability into its core operations through its business verticals and will continue to amplify the impact of its approaches in the future.

Cross-cutting Contributions



All subsidiaries provide technical and non-technical training to staff at all levels, throughout the organisational hierarchy. During the year, we saw comprehensive training programs being conducted for our insurance staff, with the necessary technical and soft-skills training for employees of our education services, and technical training for our staff within the renewable energy division.



All subsidiaries work with private and government organisations to create partnerships that benefit stakeholders. For instance, the power and energy sector contributes renewable energy to the national grid, while the insurance sector collaborates with international and local entities for risk management solutions. Additionally, academic institutes foster innovation through research, education facilities, and collaborations. By aligning their activities with SDGs, they drive positive change and promote equity for future generations.



OPERATIONAL REVIEWS

SECTOR REVIEW: CEYLINCO GENERAL INSURANCE



Commanding an incredible 48 billion rupees in total assets and a Gross Written Premium of Rs 24.5 Bn in 2024, Ceylinco General Insurance Limited (CGIL) continues to be at the forefront of the insurance industry in Sri Lanka. A pioneer in the sector, CGIL is widely recognised and accepted in the industry, with over 40 years to its legacy. Since 1987 it has pursued innovative insurance solutions, expanding its reach and forming strong global partnerships; making its resources and asset value an unmatched competitive advantage in the general insurance market.

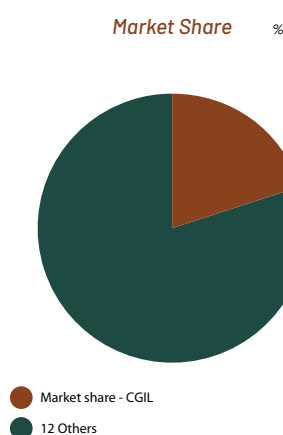
Leader in Rapid Claim Settlement

CGIL was the first to identify the potential of rapid claim settlement, as it launched Ceylinco VIP On The Spot claim settlement back in 2003. This worked overnight in becoming a household brand name and a resounding success within the market. For decades, Ceylinco VIP On The Spot has served millions of customers with fast and efficient claim settlements, providing financial assistance and relief for roadside accidents.

MANAGEMENT DISCUSSION & ANALYSIS

A Formidable Reach

The Company operates over 550 branches and customer touch points providing service across the entire island. Ranging from the northernmost point to the southern coastline, CGIL has secured a market share of over 19%, maintaining its commanding position in the non-life insurance industry.



Recognitions

The Company has been revered and honoured as the People's General Insurance Brand of the Year for 19 consecutive years – distinguishing its brand name and brand equity in a highly competitive and saturated industry.

Brand

Ceylinco VIP On The Spot is recognised as one of the most comprehensive insurance products in Sri Lanka, offering unmatched benefits, convenience, extensive coverage, and speedy claim settlement. It is renowned for its innovative approach to motor insurance, including on-the-spot claim settlement and a wide range of value-added services. With a strong commitment to customer satisfaction and reliability, it has become a leading choice for vehicle owners in the country.

Capital Management Review

Financial Capital



Financial capital is central to our objectives, as it is essential for operational stability and sustained growth. It allows us to generate increasing economic value for our stakeholders and to make strategic investments in physical expansion and brand equity development. Our primary source of financial capital is premium income; however, we also generate revenue from finance income, capital gains on foreign currency, and returns on investments.

Management Approach: CGIL applies prudent and diligent financial management practices alongside applicable accounting standards. It adopts continued vigilance over market movements to ascertain exposures to negative incidents and adjusts its approaches to revenue optimisation, including premium pricing and investment movements.

Business Performance

CGIL secured a Gross Written Premium of Rs. 24.5 Bn for the year 2024. From this, 46% is attributed to motor premium earnings, followed by income from fire and other miscellaneous forms of insurance.

GWP growth related to motor insurance was marked by 5%, which increased it to Rs. 11.3 Bn while non-motor GWP amounted to Rs. 13.2 Bn for the year under review. The latter had declined in comparison to 2023. Moreover, fire and marine insurance recorded GWPs in the line of Rs. 5.5 Bn and Rs. 1.1 Bn, respectively. Miscellaneous insurance was recorded as Rs. 5.2 Bn for 2024. Net written premium amounted to Rs. 14.7 Bn, showing a marginal increase compared to 2023.

Income from fees and commission rose to Rs. 1.4 Bn, a result of strategic sales and service approaches. Investment income slowed during the year with the reduction in interest rates. Moreover, fixed income totalled Rs. 2 Bn.

Net income was recorded as Rs. 18 Bn and recorded a 9% decline compared to 2023. Operating revenue was recorded as an increase up to Rs. 294 Mn compared to Rs. 138 Mn, the year before.

Profit Performance

Profit before tax for the financial year 2024 reached Rs. 1.5 Bn compared to Rs. 4 Bn the year before. Profit after tax plummeted to Rs. 1 Bn by 72% while underwriting profit was recorded as Rs. 5.8 Bn in the year under review.

Premium Ceded

The total premium ceded to reinsurers was Rs. 9.8 Bn for 2024. This marked a reduction of 8%, attributed to a reduction in miscellaneous reinsurance costs to Rs. 2 Bn and a marginal reduction in engineering policy-related costs. These reflect CGIL's approach to reducing such costs and optimising portfolios.

However, reinsurance costs related to fire insurance rose to Rs. 4.7 Bn, the highest in reinsurance-related outflows moreover, motor insurance reinsurance payments rose to Rs. 1.6 Bn during the year.

Claims

For the year 2024, CGIL incurred a total of Rs. 8.1 Bn in claims. The breakdown of total claims includes Rs. 4.9 Bn in motor insurance (61%) related claims and Rs. 1.1 Bn in fire-related claims (14% of total claims). Claims on miscellaneous insurance declined by 24% to Rs. 1.4 Bn for the year (18% of total claims), while employers' liability-based claims increased by 198% to Rs 254 Mn. Net benefits and claims as a ratio of NWP was 55%.

Expenditure

The total cost incurred for underwriting and acquiring new business for the year was Rs. 942 Mn - a decline from Rs. 1.3 Bn in 2023. Total operating and administrative expenses reached Rs. 5.9 Bn, which includes operational expenses, such as salaries, rent, utilities and other administrative costs. CGIL also submitted Rs. 454 Mn in income taxes, fulfilling its statutory obligations.

Financial Position

The total asset base accumulated to Rs. 48 Bn during the year 2024, increasing from the previous year's asset value: a 4% growth, this included Rs. 4.3 Bn in PPE, which included equipment and furniture purchases amongst other investments in PPE.

A major portion of the financial investment portfolio included fixed deposits worth Rs. 7.5 Bn. Treasury Bills & Bonds were recorded as Rs. 6.5 Bn while repos came into the portfolio at Rs. 2.2 Bn. Moreover, corporate bonds increased by 136% to Rs. 2.3 Bn during the year. The total financial investment portfolio stood at Rs. 22.6 Bn

During the financial period under review, the company's liabilities grew by 7%, rising from Rs. 26 Bn in 2023 to Rs. 28 Bn. Key contributors included a 5% increase in insurance contract liabilities, reaching Rs. 16.5 Bn, and a 20% rise in reinsurance obligations, to Rs. 7.5 Bn, and an increase in other financial liabilities to Rs. 4.4 Bn.

Liquidity and Capital Adequacy

CGIL maintained a healthy cash flow position with cash generated from operating activities amounting to Rs. 2.3 Bn in the year under review. Capital adequacy was maintained at sufficient levels at a commendable ratio of 267% across 2024. Trimmed expenditure and prudently retained profits, underline this level of capital adequacy.

Shareholder Value

The Board declared a dividend of Rs. 900 Mn for the financial year – contributing to shareholder wealth. CGIL's earnings per share declined to Rs. 423 in the year under review, a result of a reduction in interest-based income and a decline in exchange gains.

Manufactured Capital



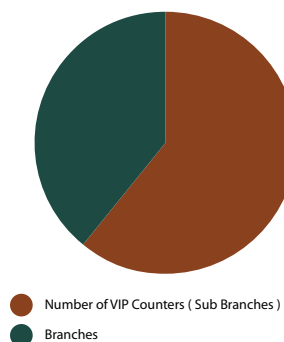
The manufactured capital of the Company refers to the physical and tangible assets as well as technological infrastructure that play a critical role in its operations and value creation. Over time, CGIL's portfolio of assets has grown through organic investments and upgrades but also through strategic acquisitions.

Management Approach: Manufactured capital management at CGIL is based on optimising physical assets and technological resources to drive operational efficiency and service excellence. By investing in infrastructure acquisitions and improvements, the company ensures seamless service delivery while aligning with its long-term goals of expanding and bolstering operations and services.

Physical Infrastructure

The Company's PPE value totalled Rs 4.3 Bn for the year. The company owned and managed 190 branches and 310 VIP counters spread throughout the country. Moreover, 13 mobile propaganda vans are also in the possession of the company. CGIL also maintains five VIP Spots (rest spaces) for the convenience of 'VIP On the Spot' customers.

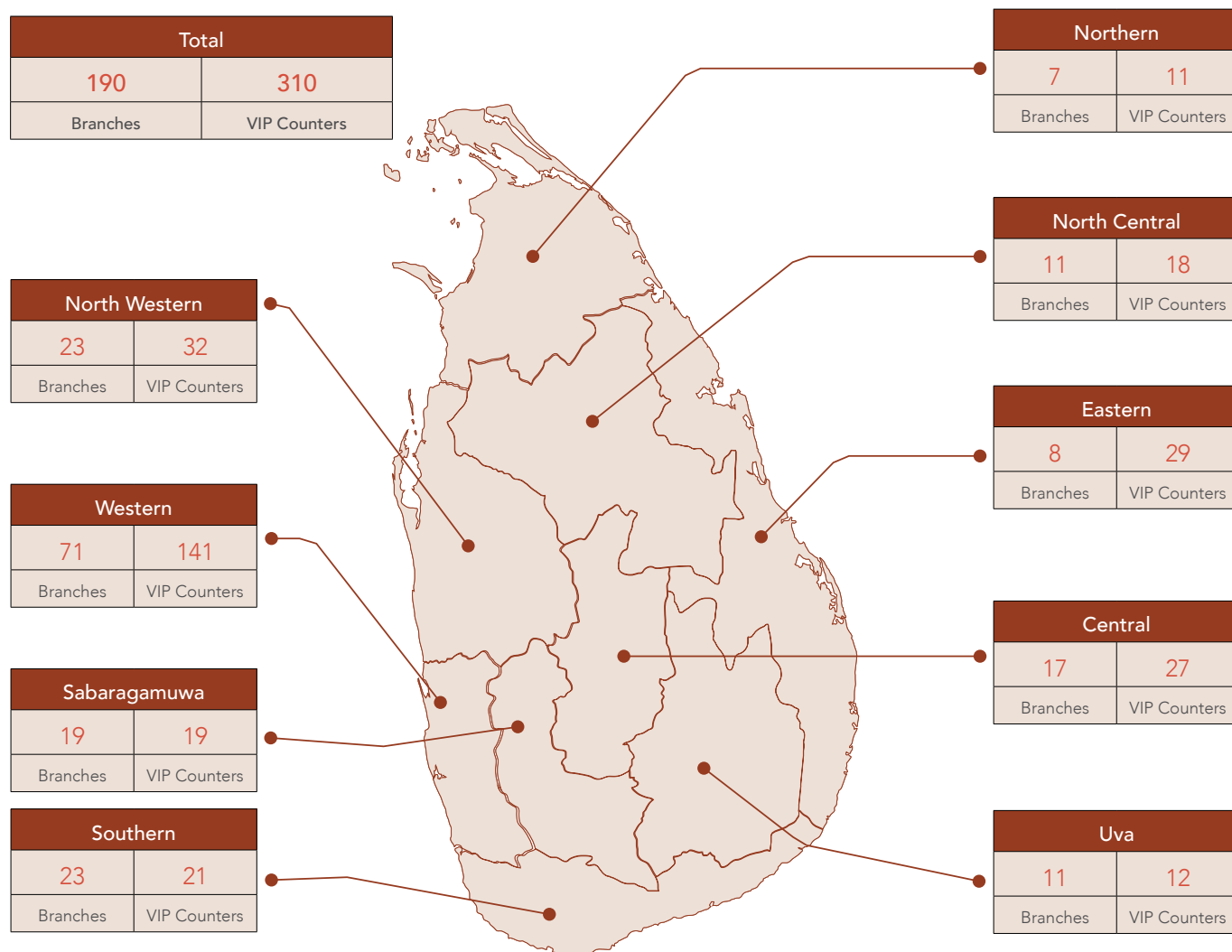
Channel Composition (2024)



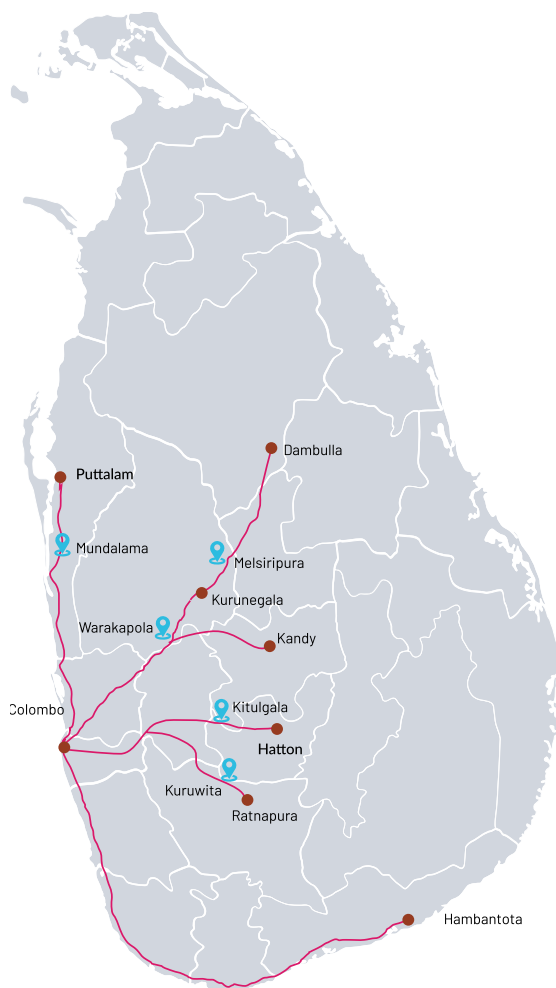
MANAGEMENT DISCUSSION & ANALYSIS

Touchpoints	Number
Number of branches	190
Number of VIP Counters	304
Number of new branches	6
Mobile propaganda vans	13
Ceylinco VIP spots	5

Branches: CGIL's 190 branches have been acquired on rent basis. The Company owns its properties in Nawam Mawatha, Gampaha, Kurunegala, Kandy and the Head Office while a majority of its branches are located in the Western Province and the North Western area. In the year under review, a branch in Kandy was inaugurated with advanced facilities to serve customers more effectively. Counters: CGIL's VIP Counters are spread across the island, with the majority located in the Western province (141).



VIP Spots: Situated as rest spots for VIP customers, the number of locations (5) remained unchanged in 2024.



Tech Infrastructure

During the year, CGIL prioritised tech adoptions and enhancements to future-proof business processes. Its highly capable IT team undertook upgrades, automation and training for non-IT employees.

CGIL also invested in upskilling IT employees through overseas training. This included a five-day Oracle APEX training in India and a 12-day program in Malaysia. This supported CGIL's strategic approach to transition from an Oracle Forms and Reports-based solution to an APEX-driven system. Additionally, a 2-member team visited Vietnam, gaining direct experience in Robotic Process Automation (RPA) which is being integrated into CGIL's processes.

The Company successfully advanced to Oracle 19c during the year, which requires modifications to systems in line with improved capabilities. RPA-based automation were also

implemented for certain core processes, including third-party auto underwriting for digital third-party channels and brokers, which streamlined operations. Moreover, its internal reporting system was upgraded to include dynamic reports for improved data-based decision-making. A task management system was also implemented, enabling users to log business-related concerns.

Digital Enhancements

The Company took strides to enhance its website performance. As a result, it gathered 271,000 visitors during the year, a substantial increase from 2023. The website achieved 1,293 qualified leads and a 5% conversion rate and generated Rs 11.5 Mn in premium collections from online inquiries. This was facilitated by AI-powered analytics, digital advertising and SEO optimisations. CGIL also revitalised the Ceylinco VIP Hub with a new payment gateway and optimised the payment process.

CGIL partnered with Fagxa, a global technology company - to improve digital services. This partnership has introduced an integrated online portal for Ceylinco customers, allowing them to manage their insurance easily; it covers tasks such as providing quotations and enabling payments.

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.



MANAGEMENT DISCUSSION & ANALYSIS

Intellectual Capital



The most predominant of the company's intellectual capital is its brand name which carries tremendous recall and recognition amongst the general public; years of targeted campaigns, word of mouth and ground-level promotions have culminated in this outcome. Moreover, its tacit knowledge, product portfolio and service innovations exemplify its most-valued intangible assets.

Management Approach: From campaigns that enhance brand recognition and promote products across the island, CGIL adopts relevant strategies to enhance its intellectual assets.

Tacit Knowledge

The Company's tacit knowledge includes the collective knowledge, experience and competencies of its staff, especially those engaged in core functions. Their vast experiences translate to undocumented explicit knowledge that cannot be easily replicated or documented.

This includes the experiences and relationships nurtured by our customer service and branch staff, which is intangible and incapable of exchange. Moreover, underwriters' abilities to intelligently incorporate their acumen and hindsight to assess the risks of a property or automobile is another key competitive leverage. Similarly, claims adjusters have an intuitive approach to identifying fraudulent claim activities through years of experience, relying on non-verbal cues.

Products

CGIL's product portfolio is its most protected intellectual asset. Its diverse portfolio covers products from motor insurance to various non-life, non-motor insurance products – developed to provide financial indemnification and assurance to policyholders. During the year, CGIL introduced the 'Ceylinco Loan Shield' for the Banking and Finance sector to safeguard their borrowers. from unexpected events that may lead to loss of income, disabilities or death.

Moreover, the 'Ceylinco Supiri Motorbike cover' was revamped during the year with a new brand name. It offers various benefits, including a cover up to Rs 2 Mn, covering riders and pillion riders. The product revamp was based on thorough research conducted amongst thousands of riders, carried out by in-house resources and sales personnel.

Awards

During the year, CGIL was recognised as the only general insurer among LMD's 25 outstanding corporates. This is a credible and tremendous feat of CGIL's unparalleled success and approach to creating value for its policyholders. Moreover, LMD also bestowed us with the recognition of being the Most Popular Insurance Company in terms of service excellence in the general insurance sector. This was based on a 12-week survey, which secured the award for CGIL.



The Company was also honoured to receive the 19th consecutive People's General Insurance Brand of the Year award at the 2024 SLIM Kantar People's Awards. It's based on a nationwide survey, which explored the true opinions of over 6100 respondents (across all provinces) undertaken by the Kantar Group, UK.



During the year, we also received recognition as the most popular insurance company in terms of 'service excellence' in the non-life insurance sector. The recognition is the result of a 12-week survey conducted by LMD magazine in 2024, where we emerged as the top company in the general insurance industry.

The recognition is a culmination of years of pioneering innovations and game-changers within the industry. The honour reflects how CGIL has consistently established benchmarks in service excellence and product innovation to benefit stakeholders and the general public.

These recognitions are the result of years and decades of innovations and continued improvements to services and efficiencies.

Brand Legacy and Value Additions

The powerful impact of Ceylinco General Insurance and Ceylinco VIP on the Spot has become significant over the years. This brand equity alone has defined the industry position of CGIL, making it a formidable product that cannot be replicated.

CGIL undertook highly impactful marketing and branding approaches via several mediums and digital channels across the year. Allocating substantial amounts, CGIL ensured optimised returns on campaign costs, leveraging the power of visual media and creativity in advertising.

Campaigns launched during the year:

- The “Ceylinco VIP Supiri Motor Bike Cover” campaign resulted in rebranded hoardings nationwide and deployed TV, radio, and digital promotions, with an investment of over Rs 30 Mn from May to December 2024. This initiative significantly boosted brand awareness among motorbike users.
- Rs 15 Mn was allocated for campaigns promoting the Insurance Guarantee and Doorstep Delivery, yielding positive results. A targeted Meta campaign for the Motorbike Cover and Suwa Sampatha International reached 3.5 million users and generated 13 million impressions.
- CGIL also spent Rs 0.5 Mn on a Google PPC campaign for motor insurance, reaching 1.08 million users and garnering 2.7 million impressions. Our content marketing efforts included a Rs 3.2 million campaign promoting the Corporate VIP policy and “Vehicle Tips” campaigns across WhatsApp, Meta, Instagram, and YouTube, costing Rs 0.5 million and generating 13.2 million impressions by year-end.

CGIL's Key Service Innovations



- Guarantee Certificate for Benefits

Every Ceylinco VIP Policy holder receives a Guarantee Certificate outlining the exclusive benefits they are entitled to when they obtain a Ceylinco VIP On The Spot vehicle insurance cover. Only Ceylinco VIP provides a Guarantee Certificate for the benefits offered to its vehicle insurance policy holders.

- Doorstep Delivery

In January 2024, Ceylinco General Insurance introduced a new service that delivered motor insurance policies to customers within 24 hours at no extra charge, highlighting their commitment to customer service.

- Swift Claim Settlements

Ceylinco General Insurance is known for its prompt and efficient claim settlements, with significant payouts that reinforce its dedication to timely resolutions.

- On The Spot Claim Settlement

The VIP On-the-Spot claim settlement service allows immediate payment for legitimate claims, redefining customer service standards in the industry.

Innovative Digital Services

The organisation has adopted a thorough digital transformation approach aimed at improving customer interaction, expanding its market reach, and driving business growth. By leveraging cutting-edge digital technologies, the seamless integration of online policy purchases, renewals, and virtual assessments has produced a streamlined customer experience.

Digital motor insurance cards provide a modern alternative to conventional plastic cards, allowing easy access through mobile devices. This not only helps reduce the risk of identity theft related to insurance fraud, but it also has a positive environmental impact by diminishing the reliance on paper and plastic cards over time.

Human Capital



CGIL prioritises human capital recognising that the collective strengths of its workforce are imperative to its success. The company views employees as a competitive advantage, and leverages their experience and relationships to create value.

Management Approach: Human Resource Management is guided by structured policies ensuring fair remuneration, training, and career growth opportunities for all employees.

The Team

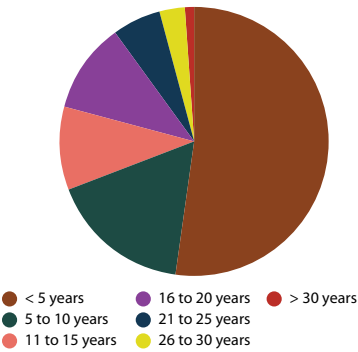
The team at CGIL is a dynamic team with an amalgamation of diverse capabilities. It is one of the industry's most exceptional teams comprising 2,794 individuals; the workforce has increased during the year owing to talent fulfilment and organisation-wide recruitments.

MANAGEMENT DISCUSSION & ANALYSIS

67% of the cadre engage in permanent employment, 22% are hired on a contractual basis and another 11% provide services on a probationary basis. During the year, CGIL's senior management, managers and sales managers increased by 22.7%.

Staff work tenure underlines a high turnover, common to the insurance industry. Over 53% of its staff has a tenure of less than five years, but 30% have remained with the company for more than a decade, while 4% have completed 25 years of service.

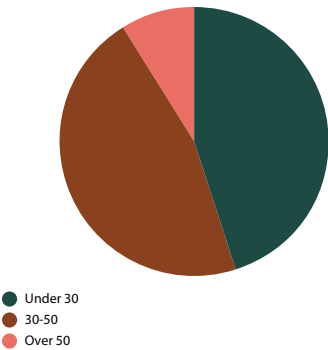
Tenure Analysis %



Diversity

The gender gap at CGIL is represented by 69% of male co-workers and 31% of female professionals. The Company has made some dedicated efforts to increase its women professionals by scouting for talent. Nevertheless, in 2024, there has been a 7% increase in the female cadre, with more women recruited to the sales force.

Age Dynamics (2024) %

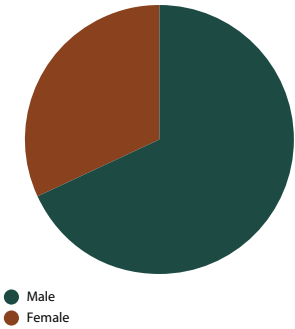


Age-based diversity demonstrates an interesting trend. CGIL's workforce is formed mainly by individuals between the age of 30-50 (46%) followed by those below 30 years (45%). 9% of employees are above the age of 50.

Recruitment

A total of 1536 individuals joined CGIL's workforce as part of its annual recruitment agenda. This was done through a combination of recruitment strategies to scout and recruit the best talent with the right experiences.

New recruits by Gender %



CGIL employs a range of recruitment strategies to appeal to a diverse and broad pool of candidates. These include leveraging online job platforms, traditional print media, and social media channels. Furthermore, professional associations and industry groups are also utilised to identify candidates with specialised expertise. These efforts have led to a 6% growth in recruitment in the year with a particular emphasis on hiring across all levels, senior executives, and junior executives.

Employee turnover

Turnover shows some improvement over the year, as 292 employees exited the company for various reasons, this is a 11% reduction since 2023 and reflects the preference for migration and retirement. Female retention shows an improvement compared to 2023. During the year, CGIL saw 29 people retiring from the company with 143 having extended retirement limits.

Remuneration and Benefits

During the year, staff remuneration and benefits reached Rs 3 Bn, which includes wages and salaries and bonuses and incentives. Moreover, training-related costs are also part of staff investments; additionally, CGIL ensured proper allocation of funds to EPF and ETF of employees. As a result, the total investment incurred on employee development and well-being amounted to Rs 13.7 Mn for 2024.

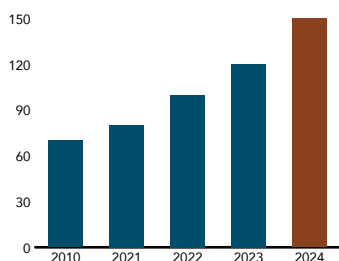
Training and Development

CGIL follows a comprehensively devised training schedule, which considers employee skill gaps and job-related training. By assessing the need for training, CGIL conducted various technical and soft skill development programs for employees of all levels and designations.



As a result, CGIL conducted 130 internal programs and 20 external training sessions, covering 2,300 participants (combined participation). Training programs were focused on senior and middle-level managers, underwriters, financial staff, automobile, call centre staff, support staff and sales personnel.

Training Programs



Performance Management and Recognition

At CGIL, performance management emphasises fair and structured evaluations to reward excellence while identifying growth opportunities for employees. Career advancement is supported through an open-door policy, enabling junior staff to gain mentorship and insights from senior management, fostering both personal and professional development.

The 'Ten Million Circle' rewards sales staff across six categories, Hall of Fame, Gold, Silver, Bronze, Certificate Member, and Member—based on merit. Top performers in the Hall of Fame enjoy exceptional benefits, including a house, a family world tour, and a new car.



Annual Overseas Tour

The annual overseas tour was organised to the great delight of our employees for the 18th consecutive year. A group of over 175 deserving staff members embarked on a journey to Pattaya and Bangkok, Thailand, for a five-day holiday and a half-day brainstorming session held in Bangkok. The staff members were accommodated in luxurious five-star facilities, including a Royal Cruise in Pattaya and Hotel Montien in the heart of Bangkok.

MANAGEMENT DISCUSSION & ANALYSIS



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

194 Employees were also provided with promotions based on individual work recognitions and performance.

Grievance Handling

CGIL has established a clear process to address employee grievances promptly and effectively. Staff members are encouraged to raise their concerns confidentially, fostering a safe environment where they can share issues or suggestions without fear of repercussions.

Corruption Free Workplace

Additionally, the company upholds a strict zero-tolerance policy towards fraud and corruption to maintain a corruption-free workplace. Employees are expected to adhere to ethical practices, act transparently, and comply with corporate protocols and industry regulations, ensuring consumer protection and financial accountability. In cases where misconduct is reported, the organisation conducts thorough and unbiased investigations, including internal audits, before enforcing disciplinary measures.

SOCIAL AND RELATIONSHIP CAPITAL



By understanding and addressing stakeholder needs, CGIL continuously explores new ways of value creation, expanding its capabilities and reinforcing mutual growth. This proactive approach drives them to establish new partnerships and

strengthen existing ones while delivering more effective and tailored services.

Management Approach: The Company's management approach focuses on creating distinct economic value by prioritising innovation, collaboration, and customer-centric services. By understanding stakeholder needs and adapting to market demands, the company designs insurance products and services that address diverse requirements and ensure sustained value creation for all.

Customers

The company serves one of the largest policyholder bases in the industry, servicing various insurance needs while fulfilling its promise of timely settlement of authentic claims. This community of policyholders have grown during the year to 3.2 Mn from 3.1 Mn in the previous year.

Main Touchpoints

As mentioned under manufactured capital, the company operates over 550 locations, which include 190 self-operated branches, 310 VIP counters and 5 VIP Rest Spots. Additionally, other customer touchpoints include CGIL's call centre, operated by over 40 agents, 13 mobile propaganda vans that promote Ceylinco General Insurance services, and a sales force of 1,975 members.

Customers have the flexibility and convenience of reaching branches in their towns and localities for premium payments, renewals, purchases or quotations.

Digital Touchpoints

The Company's digital touchpoints include diversified approaches, including a comprehensive corporate website with online payment facilities, product information and access to company details. Moreover, the Ceylinco VIP Mobile app allows policyholders to track coverage, view claim history, report accidents, make payments and locate branches, conveniently from anywhere.

Other Customer Service Experiences

- Issuing of Vehicle Insurance Certificates Digitally to Mobile Phones
- Virtual Assessor App for Remote Assessment of Accidents
- VIP Hub – Offers the Online purchasing facility for a range of policies and services, including third-party motor cover, travel insurance, serious illness cover, property insurance and expatriate family covers.

- A New Website with a Payment Gateway for Obtaining Quotations and Purchasing Comprehensive Vehicle Insurance.
- Doorstep delivery for comprehensive motor insurance

24/7 Call Centre (Operations Hub)

Moreover, the CGIL call centre operates throughout the day, and across the year, providing over-the-phone, multilingual support on policy-related information, including claim intimations, payment updates, policy information, product benefits etc.

Call centre	Information
Average response time	2 Rings
Abandoned call rate	Zero



Partners

From business partners, such as brokering firms and bancassurance partners, to global partners for strategic services, CGIL has formed sustainable partnerships with its key partner stakeholders.

- Bancassurance: These partners provide a blend of banking and insurance services to clientele – promoting CGIL's insurance products. CGIL receives the advantage of tapping into a bank's vast network of clients and resources, expanding and extending services without the need for physical infrastructure. During the year 2 new banking partners joined hands with CGIL.
- Agents and brokers: They are central to its business, driving sales growth and expanding reach across the island. Their collaboration helps uncover shared opportunities, create financial value, and contribute to the business segment's overall development.

- Strategic global partners: CGIL has partnered with global companies to drive business growth internationally. These alliances with leading insurance firms and institutions have not only expanded its global recognition but also delivered significant financial value. Such partnerships include Berkshire Hathaway, AIG, Mitsui Sumitomo Insurance, and strategic alliances in the Gulf region to deliver specialised insurance solutions, including for migrant workers.
- CGIL has partnered with some of the world's top reinsurers, leveraging their expertise to protect the financial interests and risks of the company and stakeholders. This strategic partnership allows us to manage both individual and institutional insurance needs, even those involving substantial financial risks, ensuring that unexpected events do not jeopardise our financial stability or reputation. CGIL's reinsurers are highly rated, with ratings spanning from A- to AA.

Suppliers and Service Providers

Our operations rely on a range of service providers and suppliers, covering office equipment, technology, telecommunications, waste management, maintenance, and repair services. We also work with leading banks and companies to manage investments and ensure financial security, engaging reputable institutions for optimal returns. Additionally, an independent auditing firm supports transparency and accountability in our financial practices.

Regulators

Over the course of the year, the company diligently complied with all applicable laws and regulations related to financial management, insurance practices, corporate governance, and directives from regulatory bodies. This consistent adherence prevented any violations or penalties from arising. The organisation also conformed to the regulations and guidelines established during both the prior operational year and the current one.

Community



Ceylinco General Insurance conducts various activities that promote contribution to social good governance. Community projects resulted in an investment of Rs. 25 Mn and supported over 4,300 individuals either directly or indirectly.

MANAGEMENT DISCUSSION & ANALYSIS

- Every year, CGIL hosts a beach clean-up initiative aimed at promoting a clean and safe coastal environment, benefiting both tourists and local communities. This marks the third consecutive year of the event, with 1,250 employees from CGIL actively involved. The project involved an investment of Rs 1.5 million.
- On April 11th, the Ceylinco VIP team delighted holidaymakers on their journey to Nuwara Eliya by serving invigorating hot coffee near St. Clair in Thalawakele and at the Labukele Tea Center. Travellers also enjoyed the chance to participate in lively games, with hundreds, including children, taking part and winning exciting prizes.



- Throughout the year, over 2,000 students in 10 schools benefited from this initiative, which provided balanced and nutritious lunches three times a week on Mondays, Wednesdays, and Fridays. The total cost of the project amounted to Rs. 17.2 Mn, ensuring the well-being and nourishment of these young learners.
- In 2024, CGIL collected over 280 pints of blood in a remarkable achievement and made a significant difference in the lives of those in need organising it with much dedication with an investment of Rs. 2.2 Mn
- The Anna Thanam for the Theru Festival highlights a beautiful tradition of community service and togetherness. Supporting this cultural and spiritual event has been a rewarding experience.
- Living assistance for 117 families with an investment of Rs. 5.7 Mn.
- Repair and relocation of a water cooler machine at Thalawila Church, at a cost of Rs 760,000/-.

Natural Capital



Understanding that operations carry with it an impact on the environment, CGIL continues to monitor its consumption of natural resources and optimise approaches to minimise the effect of its actions.

Management Approach: CGIL achieves the above by adopting an active stance of reducing paper consumption which is supported by digitalisations and digitisations. It has also invested time and effort in protecting the coastal environment.

Digitalisation

In 2023, the introduction of digital insurance cards brought significant advantages, such as minimising the distribution and disposal of plastic cards while promoting environmental sustainability. Moreover, it enables the company to minimise paper usage and related waste while bolstering its commitment to sustainability. Additionally, integrating digital technologies emerges as an effective solution for reducing overall waste while enhancing workplace efficiency, and supporting remote work arrangements.

Digital processes adopted by CGIL:

1. Digital Claim Approval: The implementation of a digitalized process for claim approvals significantly reduces paper usage and enhances the efficiency of the approval process.
2. Online Meetings: Virtual meetings are now more common, effectively lowering the consumption of physical resources, electricity, and water.
3. Work from Home: Whenever feasible, work-from-home schedules are still preferred, offering a more sustainable alternative as it reduces usage.
4. Digital Insurance and Policies: The Company is actively developing digital platforms that facilitate policy purchases, renewals, payments, and claim submissions, allowing employees and customers to significantly reduce paper consumption.
5. Digital Cards: The shift from plastic insurance cards to digital alternatives aims to gradually mitigate the negative impact on society and the environment.
6. Digital Payment Platforms: By moving away from conventional payment methods, these platforms help minimize resource consumption, including paper and other materials.

Resource Conservation

We have embraced several active measures over the years, to reduce consumption and optimise usage of electricity, fuel, and gas. Due to the ever-expanding nature of our operations and broad geographical spread of our branch network, assessing the true impact of our operations on the environment remains a challenge.

During the year under review, we continued efforts to optimize electricity usage across the Head Office and branches. These initiatives included adopting LED lighting, setting air conditioners to energy-efficient levels, and ensuring lights, fans, and electronic devices were switched off when not in use.

Nature Conservation



Ceylinco General Insurance's annual beach cleanup stretched over an area of 100 kilometres of coastline and engaged 1,250 employees during the year under review. Employees gathered to clear debris and plastic waste to restore natural beauty, protect marine life, and promote environmental responsibility. Collected waste was separated and handed over to the local municipality for proper disposal.

Outlook

Driven by strategic initiatives to value creation, CGIL continues to strengthen its market position. Innovative services, and customer centricity, alongside sustainable value for partners and bolstered regulatory processes will continue to enable CGIL's sustained and stable growth. Moreover, the Company exhibits a strong outlook, underpinned by its strategic management of integrated capitals and commitment to sustainable growth. The company effectively leverages its financial, human, manufactured, and intellectual capitals to enhance operational efficiency and deliver innovative financial solutions.

MANAGEMENT DISCUSSION & ANALYSIS

CHAIRMAN'S REFLECTIONS



Looking back at 2024

The financial year under review was manoeuvred strategically, amidst the task of keeping operational expenditure at bay while tackling higher income tax expenses from wringing our profit margins.

Our management team has approached our financial planning with caution and strategy. We have implemented necessary financial controls and optimised costs, while also capitalising on premium income to ensure a profitable financial year. Looking back over the past several years, I recognise that our company has managed to endure various challenges. After overcoming the worst effects of the pandemic, including a severe economic crisis, Ceylinco General Insurance has maintained both financial stability and business growth, all while meeting stakeholder expectations without compromise.

Financial Focus

During the year, we delivered Rs. 8.1 Bn in claims and benefits to our policyholders, maintaining our assurance for financial protection. As the year progressed, we handled our risks prudently, balancing our exposures with financial stability.

Our net claims and benefits as a percentage of Net Written Premiums stood at 55% - demonstrating our ability to prudently manage the inflow of premiums and the outflow of claims. Moreover, this also emphasises the approaches taken to ascertain genuine claim intimations. Our claims adjusters and assessors have worked diligently to ensure that claims align with policy terms.

I am also pleased to say that diligent strategies have resulted in a 25% reduction in underwriting and net acquisition costs. I must also rationalise that our operating and administrative expenses have risen during the year in line with our operational requirements and capital expenditures aligned with physical expansions. In reducing our acquisition costs, we leveraged AI-driven technologies, digitization and automation, which were implemented by our IT team.

Profit after tax for the year stood at Rs. 1.1 Bn. premium income Rs. 24.5 Bn compared to Rs. 25 Bn reported in the previous financial year. A detailed analysis of the year's financial performance, alongside positive indicators, is included in the capital management review of CGIL.

Diversifications and Innovations

Portfolio diversification is an inherent part of CGIL's corporate blueprint as we continuously aim to cover gaps within the insurance market or provide better solutions. During the year, we introduced 'Ceylinco Loan Shield', designed specifically for the Banking and Financial services sector, to safeguard customers from threats to income due to sudden events, such as pandemics, thereby providing a protective barrier to BFSIs.

Additionally, based on research-driven insights, we redesigned the Ceylinco Motorbike Cover into the Ceylinco Supiri Motorbike Cover, offering enhanced benefits for both riders and pillion riders. Throughout the year, we continued to provide doorstep delivery for Ceylinco VIP on-the-spot policyholders. This added service saw increasing demand, as it prioritised customer convenience.

Digital Focus

By establishing a comprehensive digital transformation strategy, we focused on enhancing customer experiences and driving business growth while optimising cost and investments. Enhancing digital service channels, such as an integrated web portal, VIP Hub and our Ceylinco VIP app, have all been instrumental in reducing intermediaries and saving costs associated with commission and fees.

During the period, we witnessed an increasing preference from customers to obtain digital motor insurance cards, which replaces plastic insurance cards of Ceylinco Motor insurance policyholders. Moreover, doorstep delivery of Ceylinco VIP on the Spot covers experienced increasing demand, as it offers unmatched convenience for customers.

The use of digital channels through a well-rounded digital marketing strategy helped CGIL to capitalize on targeted marketing campaigns and online advertisements. Moreover, by optimising the VIP Hub portal, corporate website and related functionalities, we enabled customers to purchase policies, including motor and health insurance and enhanced accessibility. As a result, we experienced 400% growth in online purchases.

ESG Focus

Ceylinco General Insurance has carried out highly impactful social and environmental initiatives throughout the year. These include various financial and non-financial contributions under the 'Ceylinco VIP Pihita' philanthropic banner, which provided meals, financial assistance and other donations to students, families and religious institutions, respectively.

Our biggest achievement during the year was providing over 2,000 meals to students in several rural schools for a consistent period. These fresh meals provided nourishment and a reason for students to regularly attend school, despite undergoing harsh financial realities within their families. We also assisted 117 families with financial assistance.

In a similar manner, CGIL focused on making increased contributions to Environmental sustainability. Our annual beach cleanup drive took place for the 3rd successive year with a coastal stretch of 100 Km cleaned and cleared from debris and waste. This was done with the involvement of 1,250 employees from CGIL offices, making it a community project that also enhanced employee engagement and social consciousness.

Strategic Approaches

The year 2025 holds better financial growth, as we envision further reductions in underwriting and acquisition costs, as well as optimised operational expenditure. We anticipate revenue growth with the entry of new vehicles into the market through the relaxation of import controls. To capitalise on this development, CGIL will continue to expand and refresh its motor insurance offerings; tailored policies and add-ons will continue to be developed based on research and market insights.

Acknowledgments

My gratitude goes to Mr Ajith Gunawardena Chairman of Ceylinco Holdings PLC and the Board of Directors for their strategic intents and guidance. Their leadership has been a constant source of inspiration and influence in securing industry leadership. I am also thankful to Mr P Kariyawasam, who was appointed as the Chairman of the Board, and CEO, Mr R Gunathileke for taking on the reigns in continuing the Company's legacy. I am also grateful to our senior and corporate management spread throughout the CGIL network and for our staff stationed across the country; I immensely value your individual and collective contributions, which have ensured continued value creation for all stakeholders.

I am grateful to our 2.3 million policyholders; thank you for entrusting us to provide financial indemnity and for trusting us to safeguard your life's interests. I must also convey my appreciation to our reinsurers, reinsurance brokers, and business partners including our agents and brokerage firms for maintaining partnerships and for reinforcing their business efforts.

MANAGEMENT DISCUSSION & ANALYSIS



OPERATIONAL REVIEWS

SECTOR REVIEW: CEYLINCO LIFE INSURANCE



REACHING OUT TO OUR STAKEHOLDERS
THROUGH DIFFERENT PLATFORMS

SCAN THE QR CODE FOR A QUICK AND
EASY CONNECT ON YOUR SMARTPHONE.



Ceylinco Life Insurance (CLI) has retained its top position as Sri Lanka's preeminent life insurance provider, marking its 21st consecutive year of leadership. The Company enhanced its financial position with a GWP of Rs 37.1 Bn, bolstering its total income to Rs 65 Bn.

Operationally, Ceylinco Life continued to expand and innovate in the areas of product and services, as well as sustainable business initiatives. CLI continued to intertwine its brand reputation as an organisation that is conscious and active in environmental and social sustainability: this was exemplified by many actions and initiatives by the insurer, including expansions of its green branch model, continuation of its community empowerment projects, as well as approaches to reducing its environmental footprint.

Ceylinco Life maintained its commitment to stakeholders with substantial payouts in claims and benefits to its policyholders – reinforcing its promise of indemnity. Its ongoing innovations and product developments continue to enhance its portfolio of policies and services while providing convenience to customers.

The Company made several milestones within the year, including the investment of Rs 2 Bn in a green bond, the first of its kind to be listed under the Colombo Stock Exchange in Sri Lanka.

CLI earned top accolades during the year, including the 'Best Life Insurer in Sri Lanka by World Finance for the 11th consecutive year and clinched the title of Sri Lanka's most popular life insurer for the 18th consecutive year, awarded at the 2024 SLIM Kantar People's Awards.

The year's performance and achievements reflected a blend of growth, sustainability and strong financial position. By navigating challenges and maintaining strong relations with stakeholders, the Company has ensured continued success into its third decade of leadership.

Capital Performance Review

FINANCIAL CAPITAL



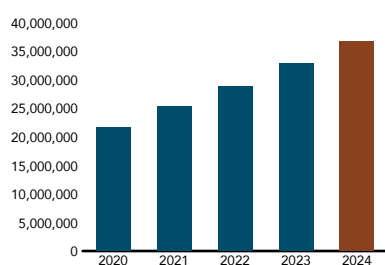
Ceylinco Life has solidified its position as a market leader in the life insurance industry through a strong focus on resilience, value creation, and customer loyalty. The company holds 20.2% of the industry's Gross Written Premium (GWP) and has seen a 20% growth in this area. It paid out 30.1% of the industry's total benefits, with a steady 10% growth. Ceylinco Life's investment income reached Rs. 27.74 Bn, accounting for 27.5% of the industry's total, while its profits before tax stood at Rs. 10.05 Bn, representing 30.5% of the market share.

With total assets of Rs. 251.44 Bn and a growth rate of 13%, the company continues to strengthen its financial position. Its capital adequacy ratio of 448% further highlights its strong stability and risk management. Ceylinco Life's ongoing growth and commitment to customer satisfaction ensure its continued market leadership and long-term success.

GROSS WRITTEN PREMIUM

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

Net Written Premium Rs. Mn



GWP NATURE-WISE

New Business: New business premiums surged by 58%, reaching Rs. 9,314 Mn in 2024 compared to Rs. 5,903 Mn in 2023

INVESTMENT INCOME

The Company maintained a stable investment income, despite a significant drop in market interest rates. The company's prudent investment strategy allowed it to achieve a new record, reaching Rs. 28,408 Mn, surpassing the previous year's total of Rs. 27,991 Mn.

GROSS CHANGE IN CONTRACT LIABILITIES

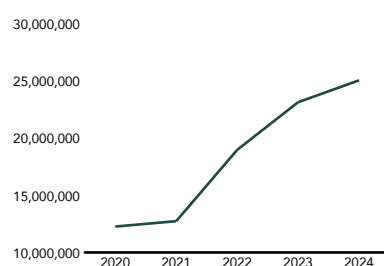
During 2024, the Company transferred a significant amount of Rs. 23,052 Mn to the Long-Term Insurance Fund following a transfer of Rs. 3,007 Mn to the Shareholder's Fund (2023: Rs. 1,977 Mn). This reflects an increase of 52% from the preceding year. This transfer was made possible by the GWP growth and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

NET BENEFITS AND CLAIMS PAID

In 2024, the company experienced an increase in net claims, primarily due to policy maturities, as the company is well-established with a large number of matured policies. However, policy surrenders decreased, thanks to several factors including favourable economic conditions, improved customer retention strategies, higher policyholder awareness, and more flexible product designs.

The company's incurred claims ratio was 68%, well within the industry benchmark of 50%-100%. This reflects the company's effective and efficient management of the claim settlement process.

Net Claims and Benefits Rs. Mn



EXPENDITURE

The total operating and administration expenses increased by 12%, primarily due to a rise in employee benefit expenses, including salary and medical fund contributions. The company allocated Rs. 129.3 Mn to reward employees for their service. Selling expenses grew by 24% due to higher rewards for sales staff and increased advertising.

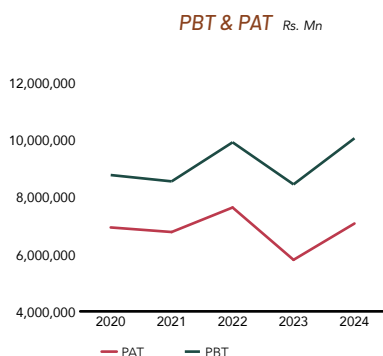
However, administrative expenses were reduced by 4%, driven from digitalization and sustainability initiatives. This led

MANAGEMENT DISCUSSION & ANALYSIS

to savings of Rs. 149 Mn on various maintenance costs, and a 10% reduction in stationery costs. Additionally, electricity expenses were cut by 18%, saving Rs. 13 Mn due to solar panel investments. Professional fees increased by 5% due to costs related to the SAP upgrade and SLFRS implementation.

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

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



CAPITAL LEVEL

Capital adequacy level was maintained well above the statutory minimum, ensuring adherence to regulations and adequate financial buffers to absorb sudden risks. The Company's CAR was 448 % for 2024, while the industry Capital Adequacy Ratio was 338%.

DIVIDENDS

In 2024, the Company paid Rs. 750 Mn in dividends, compared to Rs. 912.5 Mn in 2023, achieving a dividend payout ratio of 12.52%. While ensuring a sustainable dividend distribution, the Company continues to allocate adequate funds for future business expansion. The Board of Directors has proposed a final dividend of Rs 17.70 per share for the financial year 2024, amounting to Rs. 885 Mn.

FINANCIAL POSITION

As of December 31, 2024, the company has demonstrated strong financial growth, with its total assets increasing by 12%, reaching Rs. 251,437 Mn compared to Rs. 224,746 Mn in 2023. This growth was primarily driven by an increase in financial investments, which rose by 13%, totalling Rs. 213,601 Mn. The company's property, plant, and equipment, along with intangible assets, grew by 6% to Rs. 13,914 Mn, while its investment property saw a modest 2% increase to Rs. 4,755 Mn.

The company's employee gratuity and pension benefit asset also experienced growth, rising by 13% to Rs. 9,186 Mn, indicating a solid long-term liability management strategy. Loans to life policyholders grew by 3%, reaching Rs. 3,008 Mn, reflecting continued engagement with policyholders. Additionally, other assets increased by 17%, totalling Rs. 680 Mn, reflecting the company's efficient use of resources.

On the liabilities side, total liabilities increased by 12%, reaching Rs. 190,692 Mn. The primary driver of this increase was the rise in insurance contract liabilities for life policies, which grew by 15%, amounting to Rs. 180,896 Mn. This reflects the company's strong performance in the life insurance business and its commitment to fulfilling policyholder obligations. Meanwhile, other liabilities decreased by 24% to Rs. 9,796 Mn, indicating effective cost management.

Ceylinco Life's total equity grew by 12%, reaching Rs. 60,745 Mn, underlining the company's solid financial health and capacity for growth. Overall, the total equity and liabilities stood at Rs. 251,437 Mn, reflecting a well-balanced financial position and a strong foundation for continued success.

SLFRS STANDARDS

From the 1st of January 2026, SLFRS 17 will replace SLFRS 4 – Insurance Contracts, for which preliminary transition work began in 2023 with the expertise of KPMG and Willis Towers Watson India Private LTD. Moreover, SLFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement and will take place with the implementation of SLFRS 17.

The company has voluntarily adopted the Sustainability Disclosure Standards S1 and S2 from this year onwards.

MANUFACTURED CAPITAL



The branch network and physical infrastructure, which include buildings, furniture, office equipment, and vehicles, play a crucial role in the systematic delivery of services. The company's properties, whether owned or leased, are vital in creating and delivering value to stakeholders and fostering corporate growth.

The company's branch network holds a central position in its manufactured capital. In 2024, these branches were consolidated to create a unified presence across all districts and regions of Sri Lanka. Additionally, Ceylinco Life has consistently invested in enhancing its company-owned buildings to improve operational efficiency and manage increasing maintenance costs. Given the rise in expenses during the year, more effective management of manufactured capital was necessary to maintain asset value and ensure higher future returns.

As of the end of the fiscal year, Property, Plant, and Equipment (PPE) amounted to Rs.13,721 Mn, up from Rs. 12,820 Mn the previous year.

The total number of company branches was 127, with PPE accounting for 5% of the company's total assets by year-end.

Green Buildings:

Ceylinco Life has invested in 30 green buildings at the end of 2024. These buildings incorporate sustainable design concepts throughout both the pre-construction and post-construction stages. Notably, the company completed its first pre-cast building in Minuwangoda, where parts of the structure were built off-site and assembled on-site. Other eco-friendly practices include using cut-cement flooring to address tile shortages and repurposing materials from previous renovations, such as glass, aluminium extrusions, doors, and GI pipes, to complete construction projects.

The construction of the Nittambuwa and Ambalanthota Green buildings commenced, and they are expected to be completed in 2025.

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

HUMAN CAPITAL



Ceylinco Life's focus on human capital has been central to its market leadership for over 21 years. The company strategically balances achieving business goals with fostering employee growth and development, ensuring that talent development is prioritised at every stage, from recruitment through to recognition. In 2024, Ceylinco Life continued to invest in the potential of its workforce, providing numerous opportunities for employees to enhance their skills and build rewarding careers.

Employee Overview:

- Total Employees: 729, with 95% holding permanent positions.
- Gender Distribution: 162 females: 567 males
- Total Promotions 114
- Training: The average employee received 19.87 hours of training during the year.

Diversity and Inclusion:

Ceylinco Life has made substantial progress in enhancing gender diversity, with a focus on increasing the number of women in its workforce, as seen in the 57% female recruitment rate for 2024. Additionally, the company ensures that all senior management positions are filled by individuals from local communities, supporting regional growth and providing equal opportunities for career advancement.

Work Environment and Employee Well-Being:

The company emphasises fairness, transparency, and equitable treatment for all employees, supported by a robust framework of policies designed to protect employee rights.



Women's Day Celebration

These include:

- Grievance Handling Policy
- Sexual Harassment Policy
- Whistleblower Policy
- Anti-Corruption and Bribery Policy
- Prevention of Money Laundering and Terrorist Financing Policy
- Data Protection Policy
- ESG policy

Employee well-being is a priority at Ceylinco Life. The company offers a comprehensive range of health benefits, such as life and health insurance, a contributory medical fund, critical illness cover, and retirement schemes. These benefits are unique within the industry, helping to ensure the financial and physical well-being of its employees.

The company fosters a healthy work-life balance by offering flexible working hours, short leave (2 hours per month), and other perks. Additionally, employees enjoy family-friendly initiatives, including excursions, CSR activities, and recreational events, which help create a vibrant, engaged workforce.

MANAGEMENT DISCUSSION & ANALYSIS

Employee Engagement:

Ceylinco Life promotes employee engagement through a variety of channels, from sporting events and religious activities to CSR projects and family outings. These activities allow employees to bond outside of the office, reinforcing a sense of community and collective achievement.



Annual Sportsmeet

The company also encourages employees to maintain a balanced work-life schedule, ensuring that they leave the office by 5:00 PM. This policy, along with additional perks such as annual leave and short leave, demonstrates the company's dedication to employee well-being and productivity.



Christmas Carols

Training and Development:

Ceylinco Life offers comprehensive training programs aimed at professional development. In 2024, employees received an average of 19.87 hours of training, contributing to a total of 14,482 training hours across the workforce.



Training on Leadership Development

The training programs cover functional skills, soft skills, workshops, and webinars.

Training at Ceylinco Life is closely linked to reward and recognition, with employees earning Continuous Professional Development (CPD) points upon completion of training. These points are integrated into performance reviews and play a key role in decisions regarding pay increments, promotions, and other forms of recognition.

Ceylinco Life also offered 11 internships to graduates and undergraduates, thereby facilitating the development of future generations and preparing them for the workforce.

- Training Hours per Employee: 19.87 hours
- Total Training Hours: 14,482 hours across 729 employees
 - Functional Training: 10,927 hours
 - Soft Skills Training: 834 hours
 - Workshops & Webinars: 2,721 hours

Performance Appraisal and Recognition:

Ceylinco Life follows a bi-annual performance evaluation process to assess employee performance, ensuring alignment with corporate objectives. The performance appraisal system includes a 180-degree feedback mechanism, which incorporates self-assessments and evaluations from department heads. The company's HRIS system uses KPIs to track and assess individual performance, providing valuable insights into the contribution of each employee to overall company success.

The company uses the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) framework to evaluate performance, with 70% of the performance appraisal marks tied to job-related KPIs. Additionally, employees are encouraged to contribute ideas and suggestions to improve productivity through an online platform.

Sales Force:

Company's sales force plays a crucial role in the company's success. In 2024, the company continued to place emphasis on recognising and rewarding its sales professionals. Notably, the company honoured 313 sales force members who achieved the esteemed Million Dollar Round Table qualification for 2024.

21.2 training hours were provided per sales agent while 10,454 total sales agents participated in the training programmes during the year.

This qualification is a prestigious achievement in the life insurance industry, highlighting the exceptional performance of these individuals in driving the company's business forward.

The recognition event, which celebrated these high achievers and their families, underscores Ceylinco Life's commitment to rewarding its sales force and encouraging a culture of excellence. The sales team is recognised not only for their performance but also for their contribution to building the company's long-term relationships with clients and expanding market presence.



Annual Sales Awards

INTELLECTUAL CAPITAL



The most pertinent indicators of the Company's unequalled intellectual capital are the IT advancements towards the improvement of the processors of the company.

Financial Performance:

- **Automation & Cloud:** Streamlines routine tasks (e.g., billing, claims) and enhances scalability, security, and cost efficiency through cloud-based systems like SAP.
- **Data Analytics:** Provides actionable insights for accurate financial decision-making.

- **ESG Integration:** Aligns financial planning with Environmental, Social, and Governance (ESG) goals.
- **Digital Payments & Engagement:** Improves customer experience and boosts productivity using digital platforms and Robotic Process Automation (RPA).
- **Compliance & Risk Management:** Ensures adherence to regulations with automated reporting and audit transparency.

Safeguarding Policyholders' Needs:

- **Customer-Centric Digitization:** Enhances the customer experience but requires attention to data privacy and cybersecurity.
- **Governance & Risk:** Digital tools improve risk management and protect policyholders.

Growing Partnerships with Agents:

- **Empowering Sales Teams:** Streamlines operations, supports sales with real-time insights, and improves service through digital tools (CRM, tracking, communication platforms).
- **Sales Force Mobility:** Reduces costs and enhances convenience for agents using mobile devices and remote work tools.
- **Lead Generation:** Technology (e.g., the Ceylife app) creates new sales opportunities through referrals.

Empowering People:

- **Employee Empowerment:** Reduces routine tasks with automation, allowing employees to focus on higher-level work.
- **Remote Work & Onboarding:** Facilitates paperless processes, remote onboarding, and overseas customer service.
- **Mobile Device Management:** Ensures secure remote work and connectivity for employees using MDM solutions.
- **Data Protection & IT Governance:** Strengthens security and data protection through robust governance.

ACCOLADES

World Finance Awards

Ceylinco Life was recognised as the Best Life Insurer in Sri Lanka, a testament to its leadership and innovation in the life insurance sector. This accolade underscores the company's commitment to providing top-tier services and products to its customers.

MANAGEMENT DISCUSSION & ANALYSIS

SLIM Awards

The organisation secured multiple honours at the SLIM KANTAR Peoples Awards, including the title of Most Popular Life Insurance Company in Sri Lanka. Additionally, the company earned Silver in the Local Brand of the Year category and a Bronze for Service Brand of the Year at the SLIM Brand Excellence Awards, showcasing its strong brand presence and consumer trust in the local market.

SAFA (South Asian Federation of Accountants) Awards

At the SAFA Awards, the company was awarded Bronze for the Best Presented Annual Report in the Life Insurance Category further solidifying its transparency and commitment to quality in corporate reporting.

ACCA Sri Lanka Sustainability Reporting Awards

The organisation earned recognition as the Runner-up in the Other Financial Services Category, reflecting its efforts in sustainability and responsible business practices.

CMA Excellence in Integrated Reporting Awards

In the CMA Excellence in Integrated Reporting Awards, the company achieved First Runner-up in the Insurance Category, highlighting its strength in integrated reporting and transparent communication with stakeholders. Additionally, the annual report was recognised among the Top Ten Excellent Annual Reports in 2023.

ARC – The MerComm Annual Report Competition

The company received accolades in several categories at the ARC Annual Report Competition, including:

- Gold in Design and Graphic
- Bronze in Script and Writing
- Bronze in Specialised Annual Report

These awards recognise the company's exceptional annual report design, writing, and specialised content that communicates its corporate story effectively.

TAGS Awards – The Institute of Chartered Accountants of Sri Lanka

At the TAGS Awards, the company received the Silver Award in the Insurance Sector (Gross Premium above LKR 10 Bn), demonstrating its strong financial performance. It also won a Joint Winner - Bronze in the Special Awards Category for Corporate Governance Disclosure - Financial Sector, acknowledging its commitment to transparency and best practices in corporate governance. Furthermore, the company was recognised for its efforts in Digitally Transformative Reporting, Sustainability Reporting, and Integrated Reporting, winning a Certificate of Recognition for its excellence in these areas.

SOCIAL AND RELATIONSHIP CAPITAL



Ceylinco Life's community efforts are deeply aligned with its vision of protecting every family and securing their future, focusing on two primary areas:

- Strengthening the nation's healthcare sector
- Supporting educational infrastructure development.

These initiatives are actively led and monitored by Ceylinco Life employees, ensuring that they engage meaningfully with the community while upholding the organisation's core values.

Healthcare Sector Support

Ceylinco Life has significantly contributed to the healthcare system through the Waidya Hamuwa Programs and the construction and maintenance of High Dependency Units (HDUs) in key government hospitals across Sri Lanka.

These HDUs help manage patients transitioning from critical care, alleviating pressure on intensive care units. In 2024 alone, the company invested over Rs. 459,000+ in maintaining five HDUs, benefiting over 1,000 patients.

Additionally, the Waidya Hamuwa Program saw over 2,609 participants engage in health screenings, with more than 5,000 km travelled to provide healthcare services.

Through these efforts, 345 individuals were identified with non-communicable diseases (NCDs) for the first time, with 59% of the beneficiaries being women. More than 4,600 tests were conducted, including 663 ECG tests and 622 spectacles prescribed.

Educational Infrastructure Support

Ceylinco Life has also invested heavily in educational infrastructure, constructing 89 classrooms to date across Sri Lanka. These projects are part of the company's commitment to supporting educational development and providing better learning environments.

During 2024, in Elpitiya Bogaha Kanishta Vidyalaya and Thalankudah Sri Vinayagar Vidyalayam in Batticaloa classrooms were built with an investment of Rs. 3.5 Mn, benefitting a total of 649 students.

Through these initiatives, 22 employees were actively engaged, reinforcing Ceylinco Life's commitment to employee involvement in community welfare.



Community Engagement and Investment

Ceylinco Life's community initiatives have resulted in over 3,700 man-hours invested by 211 employees, with an overall investment of Rs. 40 Mn in various projects.

These efforts not only serve the immediate needs of the community but also reflect the company's long-term commitment to societal development, ensuring that its employees play an active role in making a positive impact.

These ongoing projects in healthcare and education are a testament to Ceylinco Life's dedication to improving the quality of life for Sri Lankans, particularly through collaborative efforts involving both employees and the broader community.

Ceylinco Life has launched several impactful initiatives aimed at enhancing the well-being of its policyholders

The Family Savari program is a pioneering loyalty initiative that recognises and rewards loyal customers with a range of benefits, including overseas tours and theme park excursions, distributing Rs. 28 Mn worth of rewards to 1,060 beneficiaries.

Additionally, the Pranam Scholarships provide academic and extracurricular support to the children of policyholders, with Rs. 22 Mn allocated to reward 152 recipients who excel in exams or reach national/international standards in areas like sports and innovation.



Ceylinco Life also supports its policyholders through its Cancer Fund, which offers financial assistance to those diagnosed with cancer, including up to 50% discounts on radiation treatments. This fund has helped 19 policyholders, distributing Rs. 4.3 Mn in assistance. These programs underline Ceylinco Life's unwavering commitment to the health, education, and overall well-being of its policyholders.

NATURAL CAPITAL



To enhance its sustainability efforts, the company focus on main four areas such as sustainable business expansion, resource conservation, climate action, and stakeholder engagement.

At the end of 2024, the company owned 30 green buildings. These buildings were designed with sustainable construction methods, including precast construction at Minuwangoda to minimize timber use. All branches are equipped with solar power installations and backup systems to reduce dependency on the national grid. The buildings maximize natural light and utilize energy-efficient lighting and power-efficient air conditioning.

The company achieved a 7.3% carbon reduction in 2024, surpassing its annual target of 5%, through careful management of paper, energy, and fuel usage.

The company employs the 6Rs of resource management (Reduce, Reuse, Recycle, Repair, Refurbish, and Rethink) to ensure efficient use of resources and minimize waste across its operations.

MANAGEMENT DISCUSSION & ANALYSIS

Ceylinco Life has made significant strides in resource management and environmental sustainability, aiming to create long-term value through energy conservation, waste reduction, and responsible water use. Here's a summary of the key metrics and initiatives:

Energy Consumption & Solar Investment

- Rs. 26 Mn invested in solar power, generating 1,108 MWh. This supports the company's commitment to reducing its carbon footprint and advancing sustainable energy practices.

Water Conservation & Management

- Water consumption and management initiatives include the use of well water at 16 branches and rainwater harvesting at 19 branches.
- A total of 1,320,000 litres of water was recycled, while 2,926,000 litres of rainwater were harvested.
- The company also operates a wastewater treatment plant to ensure sustainable water use across its facilities.
- Through these efforts, Rs. 0.63 Mn was saved through water conservation initiatives.

E-Waste Management

- The company conducted a successful e-waste campaign, collecting 2,850 kg of e-waste, involving 65 employees. This was responsibly disposed of through an accredited third-party recycler, highlighting Ceylinco Life's commitment to reducing environmental impact through proper waste management.



Paper Consumption

- The company has seen an increase in paper consumption, from 6.6 Mn A4 sheets in FY21 to 14.4 Mn A4 sheets in FY24. While this increase might reflect business growth, efforts to reduce paper use and improve digitalization are essential for future sustainability.

Reforestation Efforts

Ceylinco Life has undertaken significant environmental sustainability initiatives, starting with the reforestation of the Rajawaka Forest Reserve in Balangoda. This project aims to restore 10 acres of degraded land, with 5,000 trees planted to date. The restoration efforts will improve carbon sequestration, enhance biodiversity by planting 50 species of native trees, and create long-term benefits for the local environment. These actions are part of a broader strategy to combat climate change, improve soil fertility, and restore natural habitats for pollinators.



Beach Clean-Up Programs

As part of its commitment to environmental preservation, Ceylinco Life also launched beach clean-up programs in collaboration with the Clean Ocean Force. In 2024, 600 kg of waste was removed from coastal areas in Mattakkuliya and Akkarai. The company engaged 152 employees in these activities, alongside 41 other participants, helping to reduce pollution, protect marine life, and raise awareness about the harmful impacts of pollution on coastal ecosystems. These clean-up efforts also contribute to making the area more attractive to tourists by reducing litter and debris.



Climate Change Mitigation Strategy

Ceylinco Life recognizes the risks that climate change poses to its operations and has developed a comprehensive climate change mitigation strategy. The company is committed to reducing its carbon footprint by 5% annually as part of a long-term goal to achieve net-zero greenhouse gas emissions by 2050. This strategy includes both financial materiality and environmental/social materiality. Financial materiality focuses on how climate risks can impact the company's financial position, while environmental/social materiality addresses how the company's operations affect the environment and society. By taking a dual approach, Ceylinco Life strengthens its long-term sustainability and resilience.

GHG Emissions Assessment

Ceylinco Life has conducted a comprehensive Greenhouse Gas (GHG) emissions assessment in alignment with the ISO 14064-1:2018 standard. The company's emissions have been reported in tonnes of CO₂ equivalent (tCO₂e) to provide a clear overview of its environmental impact.

The breakdown of emissions for 2023 and 2024 is as follows:

- **Scope 1 (Direct emissions):** A reduction of 22.6% was achieved, from 320.27 tCO₂e in 2023 to 247.74 tCO₂e in 2024.
- **Scope 2 (Indirect emissions from purchased electricity):** There was a 2.8% reduction, from 634.14 tCO₂e in 2023 to 616.22 tCO₂e in 2024.
- **Scope 3 (Other indirect emissions):** This category saw a 6.3% decrease, from 2,134.22 tCO₂e in 2023 to 1,999.18 tCO₂e in 2024.

Total GHG Emissions

Overall, the company achieved a 7.3% reduction in total GHG emissions, dropping from 3,088.63 tCO₂e in 2023 to 2,863.14 tCO₂e in 2024, demonstrating a positive year-on-year decrease in environmental impact.

Collaboration for Environmental Sustainability

Ceylinco Life firmly believes in the power of collaboration to drive results. The company engages a diverse range of stakeholders, ensuring broad-based participation and awareness of its environmental sustainability efforts.

Environmental Integration

Environmental initiatives are championed at all levels within the organization. Starting with the Board of Directors, all employees are involved in leading, planning, and executing environmental actions both at work and at home. The Green Club, comprising representatives from key business units, spearheads the initiatives. The company also ensures that new recruits are oriented on its environmental commitments through an introductory video. Additionally, industry experts provide training to integrate sustainability-related accounting standards into the organization's practices.

Key Environmental Initiatives

- **Green Club Members:** 22 members actively engage in sustainability projects.
- **Employee Participation:** 281 employees are involved in various environmental initiatives across the company.
- **Digital Engagement:** 3,728 policyholders were onboarded digitally, with 12,134 active users of the customer app.
- **Seed Donation Programmes:** 4 seed donation programmes, with 818 seed packets distributed, were conducted as part of the company's community outreach.
- **Building Supervisors & Electricity Monitoring:** 32 building supervisors and 175 employees monitor electricity usage across branches to maintain sustainability standards.

Community Engagement

As part of the Waidya Hamuwa health programmes, Ceylinco Life distributed vegetable seeds in selected locations across Sri Lanka, including Aralaganvila, Dehiattakandiya, Neluwa, and Deniyaya. These seed donation programmes not only help combat climate change but also contribute to creating healthier ecosystems and improving food security.

MANAGEMENT DISCUSSION & ANALYSIS

CHIEF EXECUTIVE OFFICER'S REFLECTIONS



Life Insurance Performance & Market Leadership

Ceylinco Life Insurance Limited (CLI) has once again demonstrated its resilience and market leadership in Sri Lanka's life insurance sector. The company has retained its position as the market leader for an impressive 21 consecutive years, underscoring its unwavering commitment to excellence, innovation, and policyholder-centric strategies. CLI's ability to navigate economic challenges while seizing opportunities has resulted in another year of remarkable performance.

Financial Performance

In the financial year ending December 31, 2024, CLI delivered a strong performance, driven by strategic revenue enhancements and disciplined cost management. The company's total income reached Rs. 65 Bn, reflecting a 7% year-on-year (YoY) increase. Notably, Gross Written Premiums (GWP) rose to Rs. 37.1 Bn, marking an 11.16% growth despite prevailing economic headwinds. This growth trajectory highlights the sector's resilience and CLI's ability to sustain its leadership amidst market volatility.

CLI sustained its upward trajectory, recording a pre-tax profit of Rs. 10.05 Bn and reinforcing its position as the market leader for the 21st consecutive year. Gross written premiums remained strong, supported by robust policyholder confidence and strategic growth initiatives. Cost efficiency remained a priority, with operating and administrative expenses increasing by only 12.04% despite rising commodity and energy prices. Investments in process automation and sustainability practices played a pivotal role in optimising costs and driving operational efficiencies.

With total assets reaching Rs. 251.4 Bn, reflecting an 11.9% year-on-year (YoY) increase the Company focussed on balance sheet strength. Insurance contract liabilities (Life Fund) rose to Rs. 180.9 Bn, marking a 14.8% YoY growth, while total equity increased by 11.7% to Rs. 60.8 Bn, largely driven by retained earnings. These indicators underscore CLI's financial stability and prudent capital management.

Investment income remained a key contributor to CLI's financial stability, totalling Rs. 27.8 Bn for 2024. However, the overall investment landscape faced challenges due to the Central Bank of Sri Lanka's policy rate reductions, which led to a decline in returns from variable investment portfolios. Despite this, the demand for CLI's short-term to medium-term endowment products continued to rise, reinforcing customer confidence in the company's financial strength and product offerings.

Strategic Focus on Sustainability and Innovation

CLI's long-term success is anchored in its commitment to sustainability and customer-centric innovation. The company has consistently adapted to industry trends, integrating digital transformation and financial inclusion initiatives to enhance policyholder benefits. By prioritising sustainable business practices and introducing innovative insurance solutions, CLI continues to set benchmarks in the life insurance sector.

Aligned with global ESG standards and the United Nations Global Compact – Ten Principles, CLI continues to embed sustainability into its business strategy. The company actively contributes to the United Nations Sustainable Development Goals (SDGs) through responsible investments, community engagement, and climate-conscious operations.

The company has also embraced the new sustainability disclosure standards, S1 and S2, effective from this year. These standards are designed to enhance transparency and accountability in reporting environmental, social, and governance (ESG) performance, aligning the company with global best practices.

Environmental Responsibility and Operational Efficiency

CLI has made notable progress in reducing its environmental footprint, guided by four key focus areas.

CLI made significant strides in sustainability this year, expanding its green building initiatives by upgrading two branches with eco-friendly designs and increasing its renewable energy capacity with solar systems at multiple locations. The company also focused on resource conservation by transitioning to paperless operations and implementing water recycling and

rainwater harvesting at several branches, leading to notable cost savings. Additionally, CLI continued its commitment to climate action by reducing its greenhouse gas emissions by 7.3%, surpassing its annual target, and ensuring transparency through the annual GHG measurement, which was verified by the Sri Lanka Climate Fund.

CLI's continued commitment to financial resilience and sustainability reinforces its leadership in the insurance sector, setting a benchmark for responsible growth and long-term value creation.

Nurturing Empowered, Progressive People

As we move forward, we remain committed to fostering an inclusive, empowering, and rewarding workplace. Recognising the importance of diversity and equity, we have strengthened our efforts to empower women within our workforce, ensuring equal access to career growth opportunities. This year, 57% of new recruits were female, reaffirming our dedication to gender balance. Additionally, we take great pride in promoting talent from within, awarding 114 promotions this year, 18% of which were within our female workforce.

Employee well-being remains a cornerstone of our people strategy, with a strong emphasis on holistic health and work-life balance. Leveraging synergies within our group, we offer exceptional healthcare benefits through Kings Hospital. To further enhance workplace engagement, we introduced 'Log Your Concern,' a platform that allows employees to voice their perspectives, enabling proactive resolution of workplace matters and reinforcing a culture of transparency.

Investing in our people's growth and development is fundamental to our success. This year, we allocated Rs. 92.5 Mn towards training and development, resulting in an average of 19.87 learning hours per employee, an increase of 1.15 hours from 2023. This sustained focus on professional development ensures our employees are equipped with the skills and knowledge to drive innovation and service excellence in an evolving business landscape.

Pioneering Progress Through Innovation

Innovation is deeply embedded in CLI's culture, guiding us in shaping the future of insurance. Our commitment extends beyond process improvements to the implementation of cutting-edge solutions that create lasting impact. This year, we advanced innovations across multiple fronts, from process enhancements to the adoption of transformative technologies such as Robotic Process Automation (RPA), workflow solutions, and Artificial Intelligence (AI).

Among our key AI-driven initiatives, we are researching an advanced fraud detection system and a knowledge management platform designed to streamline access to policies, procedures, and guidelines enhancing efficiency and governance across the organisation.

Understanding that a significant portion of the workforce may not have access to government pension schemes, we have also been developing innovative financial solutions to provide long-term stability and security for our customers.

Synergy from Subsidiaries and Associates

Fully owned subsidiaries of Ceylinco Life Insurance Limited, Ceylinco Healthcare Services Ltd and Serene Resorts Ltd along with Associate companies Citizens Development Finance PLC and Kings Hospital Colombo (PVT) Ltd performed well during the year 2024. The Group turnover exceeded Rs 65.5 Billion, with Profit Before Tax (PBT) amounting to Rs 11.1 Billion with an impressive growth of 22.7%. The total assets of CLI, Subsidiaries and associates grew to Rs 258.1 Billion achieving a growth rate of 12 %.

A Strong Outlook for the Sector

As the life insurance sector evolves, CLI's performance highlights the critical role of financial discipline, adaptability, and strategic foresight in sustaining growth. With a steadfast focus on resilience, excellence, and sustainability, CLI remains well-positioned to navigate future challenges while reinforcing its leadership in Sri Lanka's life insurance landscape.



OPERATIONAL REVIEWS

SECTOR REVIEW:
EDUCATION



2
Higher education
companies

Rs 14.3Bn
in total assets

4
International Schools

CEG Education Holdings (Pvt) Ltd., the educational arm of Ceylinco Holdings, manages a diverse portfolio of institutions engaged in all levels of education - from foundational primary tiers to advanced higher education.

The Group encompasses internationally acclaimed preschools and secondary schools, run by experienced educators and academic experts. The organization includes several of Sri Lanka's most prestigious educational institutions, celebrated for fostering and enhancing the academic success of the country's most talented individuals.

The CEG Group companies have combined market share of above 60% of the Postgraduate market where they offer various British MBAs and other Masters programmes particularly in Information Technology, Psychology, Business Management, Engineering and Law to name few areas of studies.

In spite of all barriers the group managed to improve the turnover by 16% and profit before tax by 11%. Total assets of the Group stood at Rs. 14 Bn as at 31st December 2024.

ANC Education

Providing academic services for Sri Lankan students for over two decades, ANC Education has become a prominent name in the sector. The largest transnational service provider in the country, ANC brings to reality the overseas academic dreams of many. It is also the provider of US education to the country's student population and provides academic placements in the United States, United Kingdom, Canada, Germany, Australia, New Zealand and Universities in several other countries, enabling thousands to benefit from overseas higher education.

The Company also has a prominent medical placement service, which is the top choice of many prospective medical students. It is accredited with ISO 9001:2015 certification.

Foundation and Higher Diplomas offered by ANC are accepted by Universities in Australia, Canada in the UK to proceed with Degree programs in respective countries in a wide range of disciplines.

The US Degrees offered by ANC could be completed in Sri Lanka and with their British University partner they offer Degree completion in Sri Lanka for Bachelors and Masters Degrees.

To provide better academic and infrastructure ANC academic building will be shifted to a new state of the art facility in close proximity to the head office building in Colombo.

ANC Modern Montessori International (MMI)

The school operates under the collaboration of ANC and the Modern Montessori International (MMI) Group based in London. MMI is one of Asia's leading providers of preschool education, with around 100 preschools and teacher training centres across 16 countries, including 12 in Asia. It has also received the 'Top Brand' award in the preschool sector in Singapore.

For generations, the Montessori approach has uniquely nurtured children's intrinsic desire to learn by focusing on their cognitive, social, emotional, and physical development. Educators have recognized its significance in promoting confidence and self-driven learning in children. Currently, ANC MMI operates in three locations: Colombo 05, Dehiwala, and Kotte, with plans underway to expand to other major cities.

International College of Business & Technology Ltd (ICBT Campus)

The International College of Business & Technology (ICBT Campus) is recognised as the leading private higher education institution in the country. It offers a variety of academic programs across business, engineering, technology, and the sciences. These programs include certificate courses, diplomas, higher diplomas, pre-university foundation courses, undergraduate degrees, and master's programs. ICBT partners with prestigious

universities and educational institutions in the UK and Australia to provide these offerings.

The main campus is a state-of-the-art building located in Colombo 4, with additional branches in Kandy, Matara, Galle, Nugegoda, Kurunegala, Jaffna, Batticaloa, and Gampaha. Currently, over 18,000 students are pursuing various qualifications. The institution has an alumni network of more than 70,000 graduates and is supported by a team of 350 full-time staff members, including academics and personnel from other departments. Additionally, ICBT has over 800 professional and academic staff members who serve on the visiting faculty.

Since 2012, ICBT has earned numerous local and global accolades for educational excellence. It offers students UGC-approved undergraduate degrees in Business Management, Software Engineering, Data Science, Artificial Intelligence, and cybersecurity, all approved by the University Grants Commission (UGC) of Sri Lanka. In 2020, ICBT received degree-awarding status and has been listed as an internationally recognised campus by the Association of Commonwealth Universities. It also holds the ISO 9001: 2015 certification.

In 2024, ICBT completed the construction of a modern nine-story building in Kurunegala and acquired a five-story facility in Matara.

NetAssist International

Established in 2002 as a BOI-approved initiative, NetAssist focuses on providing IT training and professional certifications. The company delivers advanced IT training and internationally recognised certifications at affordable rates, making them accessible to Sri Lankan students.

Through its affiliation with the VUE Authorized Test Centre, NetAssist offers online exam facilities for certifications from Microsoft, Oracle, Cisco, CIW, VMware, CPA Australia, Red Hat, EMC, Novell, HP, ITIL, and Kryterion. Microsoft has acknowledged NetAssist as a Gold Certified Partner for learning solutions, awarding it the title of Best Learning Partner for multiple consecutive years. Oracle has also designated NetAssist as its Authorized Education Centre for Sri Lanka and the Maldives.

Additionally, NetAssist provides key IT consultancy services, including software development, network design, network security, data storage solutions, communication servers, and certifications for Microsoft and project management.

Wycherley International School Colombo

Established in 1985, it is among the country's pioneering international schools. Located in a historic 'heritage building', Wycherley stands as the first and only fully integrated Cambridge education centre, offering programs from Year 1 to 13, and delivering academic excellence that meets global

MANAGEMENT DISCUSSION & ANALYSIS

standards. To accommodate the growing demand, a six-story building, designed to preserve the heritage structure, was inaugurated in 2024.

Wycherley International School Gampaha

Previously known as Regent International School, Wycherley International School Gampaha was established in 2001 and is located in Gampaha. This well-equipped international school offers classes from Nursery to Advanced Level and follows the Cambridge curriculum. As an independent Cambridge exam centre, the school is preparing to construct a six-story building in 2025 to accommodate its growing student population.

Wycherley International School Dehiwela

Academic life at the school begins from grade 1 and leads up to university entrance into the Cambridge curriculum. It was formerly known as Alethea International School (Pvt) Ltd. until it acquired Wycherley. The school maintains an untarnished reputation for an exceptional soccer team. Wycherley Dehiwela is a Cambridge independent exam centre. It acquired land to construct a larger space due to the growing demand it receives from prospective students.

Alethea School

Founded in 1928, this 95-year-old establishment is a government-approved private school licensed to teach students in all three mediums up to advanced level. CEG assumed its management in 2023, taking over the reins from the family of Mrs Katharin Hapugalle, who was the school's founder. CEG plans to expand the school to five locations, for which the Government license of the school will be extended.

CEC Events (Pvt) Ltd

CEC Events is an event management firm offering a plethora of services. It has thus far organised numerous mega events in the commercial capital and major cities. It further provides pre and post-event activities including, research, planning, marketing, promoting, stall construction and photography. Despite taking a severe beating from the pandemic and thereafter, the economic crisis due to the halting of several events, it has performed exceptionally well in 2023/24.

CSR Activities

We integrate CSR for a well-rounded academic experience. First-year degree programs involve fundraising projects and expediting projects related to, fostering social responsibility and awareness.

Operational Risks

The following section outlines various operational risks alongside measures to mitigate them.

Operational risks	Mitigation action
A lack of qualified academic staff in specialised fields is largely driven by the migration of skilled professionals.	The sector is actively working to recruit qualified academic professionals from neighbouring countries. Plans are underway to implement staff development programs aimed at retraining current employees in specialised fields. Additionally, new scholarship and staff support initiatives have been introduced to motivate junior academic staff to pursue master's and PhD degrees in their areas of expertise.
Possible changes in government legislation related to internationally franchised private higher education provision	ICBT has received institutional approval from Sri Lanka's Ministry of Higher Education to operate as a degree-awarding institution. Additionally, it is actively developing several degree programs with the approval of the University Grants Commission (UGC). Similarly, ANC is working on achieving these milestones.
We currently provide franchised degree programs, but changes in partner university policies or strategies pose a risk to sustaining these partnerships.	The risk is managed by maintaining diverse university partnerships and fostering strong relationships with the top management of partner institutions. Additionally, the Group's companies are engaging with new university partners to launch fresh degree programs.
Unexpected events, such as epidemics, riots, and natural disasters, could disrupt operations and lead to temporary closure.	Enhance online delivery platforms and provide staff training to ensure effective program delivery, subject to approval from partner universities.



CAPITAL MANAGEMENT REVIEW

ANC EDUCATION

For over 22 years, ANC Education has been fostering young learners and professionals to achieve their academic and career goals through its on-demand, transnational programs. ANC is unique in that it offers both US and UK tertiary educational programs and degree qualifications. Further, as the largest provider of US-based education in Sri Lanka, ANC has successfully placed over 3,000 students in top universities in both the US and Canada.

With over 15,000 local graduates, including both undergraduate and postgraduate students, ANC continues its quest to be at the forefront as a quality education provider in the Sri Lankan tertiary education marketplace. Certified with ISO 9001:2015, ANC Education remains committed to providing high-quality academic programs and creating both educational and career pathways for student success.



Financial Capital



Management Approach: At ANC, financial management involves meticulous planning, encompassing precise forecasting, efficient budgeting, and compliance with best financial practices. The organization is dedicated to allocating resources effectively to support its operational needs and long-term objectives, including strategic investments. ANC conducts regular audits and adheres to applicable financial regulations, reflecting its commitment to financial integrity.

During the year under review, ANC recorded a total Income of Rs. 1.2 Bn and recorded a profit before tax of Rs. 371 Mn. Strategically, the company's growth with regards to both revenue and student count depended on enrolling both the after O/L, after A/L and higher national diploma (HND) market student segments. While a mere 10% of students who sit for their local A/Ls each year gain entrance to state universities, a vast majority of potential student candidates seek private university education for both local diploma and degree completion, as well as to find study abroad placements.

Macroeconomically, the country was in a recovery stage, while also experiencing a presidential election during the year in review. The USD and the GBP had stabilized themselves from the severe exchange fluctuations experienced the year before which was an added benefit for students in terms of making their foreign university payments.

While the amount of eligible, mid-career postgraduate student migration count reduced from the previous year, the increases in income taxes from the year before continued to raise concerns among postgraduate students. However, these challenges were addressed strategically with flexible student payment plans being introduced to cushion the financial burden on both students and parents.

In the year in review, ANC invested in capital expenditure of Rs. 36 Mn. The institute's total assets amounted to Rs. 2.6 Bn, compared to Rs. 2.4Bn the year before.

Human Capital



Management Approach: At ANC, its employees are considered its most valuable asset. During the year under review, ANC Education adopted holistic initiatives to cultivate an engaging learning environment and support its employees in realising their maximum potential, which included staff recreational events, a team-building outbound training program, an annual staff trip and a year-end Christmas event to celebrate the season and the hard work put in by the employees for the year. The company ended the calendar year with a total of 106 full-time employees.

Staff Growth and Development

ANC's commitment to staff growth and development is a top priority. The team has expanded over the years, reflecting a dedication to building a strong, capable workforce. Investments are made in employees through various programs that help them gain new skills, improve their knowledge, and perform their roles more effectively.

MANAGEMENT DISCUSSION & ANALYSIS

Engaging in Continuous Professional Development (CPD) initiatives, whether provided within the organisation or through outside sources, enables employees to unlock their full capabilities and enhance the company's overall success. The aim is to foster a nurturing atmosphere where each employee is equipped with the necessary tools to excel and make a significant contribution to their positions.

Faculty Engagement and Excellence

ANC Education is committed to delivering top-notch educational experiences by collaborating with a skilled team of full-time and visiting faculty members, drawn from both academic circles and the industry. These professionals contribute their expertise and insights to the programs, enhancing the educational outcomes for students.

The full-time faculty is highly qualified, with many holding advanced degrees. They are passionate about teaching and supporting students in their academic journey. In addition, visiting faculty collaborate to share their expertise, providing students with fresh perspectives and real-world insights.

At ANC, a supportive environment has been created where faculty members feel valued. Opportunities for professional growth are offered, with potential exchange programs being on offer for dedicated faculty members with our partner universities in the US and UK, while also encouraging innovation and continuous improvement.

Student-centred Growth

ANC annually enrolls over 2,000 students across twenty-five different programs, showing a steady increase in demand for quality higher education. This growth reflects the trust students and their families have placed in ANC as their preferred choice for tertiary education. As ANC expands its programs and improves the student experience, it remains focused on making education accessible, affordable, and life-changing. ANC Education's commitment to educational excellence has resulted in numerous partnerships with top international universities.



Manufactured Capital



Management Approach: ANC has consistently prioritised strategic infrastructure developments to drive expansion and growth. In the year under review, the company undertook several key initiatives to enhance its operational capabilities and service offerings.

Infrastructure Development

ANC Education is excited to announce the addition of a new academic building. This addition marks an important step in the growth of ANC Education, showcasing the institution's commitment to providing high-quality infrastructure to support its educational goals. The new building will include modern classrooms, advanced technology, and flexible spaces for learning, and student relaxation, aiming to create a great holistic environment for students and teachers. In addition, the current admin building went through renovations of Rs. 90 Mn to upgrade its classrooms, science labs, IT labs and a Moot Court for our undergraduate law students.

Intellectual Capital



ANC Education is a leader in advancing knowledge, offering a wide range of programs including an International University Foundation Year (IUFY) program for students to pave their way towards study abroad opportunities in Australia, New Zealand and the UK, along with, BTEC Higher National Diploma programs offered in partnership with Pearson International and undergraduate degrees, and master's degree programs.



Strategic partnerships with top international universities, have enabled ANC to equip students with access to world-class degrees from leading universities in countries such as the US, UK, Canada, Australia, New Zealand, UAE, Malaysia, Belarus

and Georgia. Upon graduation, students receive the opportunity to secure employment through internships or work permits with the potential to reach permanent residency.

Social and Relationship Capital



Management Approach: ANC Education emphasises building strong social and relationship capital, focusing on fostering connections within its community and beyond. The institution engages with its alumni network, promoting networking activities. ANC also participates in community outreach programs through various social responsibility initiatives. By prioritizing these relationships, ANC creates a supportive and interconnected environment that enhances career prospects, drives innovation, and contributes to communal development.

Community Engagement and Collaboration through CSR

ANC Education recognises that social capital encompasses the relationships it nurtures and the beneficial effects it brings to the communities it supports. To fulfil its dedication to strengthening social capital, ANC Education integrates Corporate Social Responsibility (CSR) efforts into its programs, giving students the chance to participate, collaborate, and effect social change.

These CSR activities give students the chance to use what they have learned to help solve real-world problems and make a difference in their communities. By partnering with local organisations and non-profits, ANC works on projects that bring together the knowledge and resources of all involved.

Alumni Engagement and Networks

ANC Education values its alumni and recognises the important role they play in the institution's community. The institution works to maintain strong connections with its graduates by offering ongoing support, networking opportunities, and resources for personal and professional growth.

A dedicated team (Student Affairs Office) at ANC takes the initiative and hosts various events and programs where alumni can meet, share experiences, and expand their networks. These events help strengthen the bond between graduates and the institution. To stay connected, ANC also maintains its social platforms, where alumni can access news, and updates, and stay in touch with fellow graduates.

Alumni are encouraged to mentor current students, providing valuable career guidance and support. This mentorship helps students grow and prepares them for the future by learning from the experiences of those who have gone before them. Through

these initiatives, ANC Education ensures that its alumni continue to be an integral part of the institution's network, supporting one another's growth and success.

Strategic Outlook and Future Expansions



Along with the new building in Colombo, ANC Education is looking for more ways to expand and improve its educational services. The institution continues to focus on providing the best quality education to students.

MANAGEMENT DISCUSSION & ANALYSIS



CAPITAL MANAGEMENT REVIEW

INTERNATIONAL COLLEGE OF BUSINESS & TECHNOLOGY
LTD (ICBT CAMPUS)



Total assets expanded to Rs. 8.7 Bn compared to Rs. 8 Bn due to the growth in physical infrastructure and assets ICBT acquired and developed.

Profitability

During the year, ICBT achieved a profit before tax of Rs. 1.3 Bn compared to the previous year's PBT of Rs. 1.1 Bn and a profit after tax of Rs. 903 Mn compared to Rs. 893 Mn, an increase of 1%. PBT growth was a substantial 25%. This was despite issues that lingered due to the economic crisis and pandemic. Students and parents continued to face financial hardship due to the cost of living.

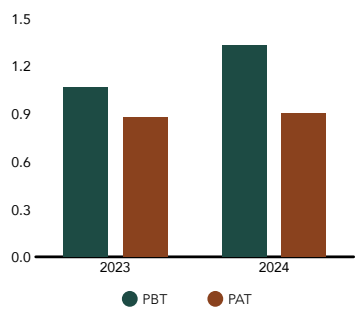
Financial Capital



The financial resources of ICBT comprise funds generated from its business operations, investments, and assets. These resources are bolstered by following best practices in financial management and complying with national accounting and auditing standards.

Management Approach: Across 2024, ICBT prudently undertook infrastructure development and significant capital expenditure while balancing bottom-line growth. By prudently managing its financial resources, ICBT achieved increased profitability and minimised risks to its financial health; moreover, this was achieved through a concentrated approach to balancing financial resources between operational expenditure and capital investments.

Profitability Rs. Bn

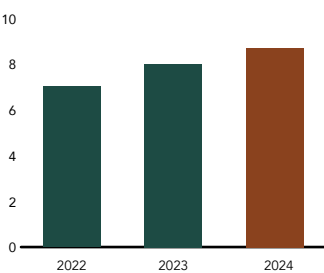


Revenue

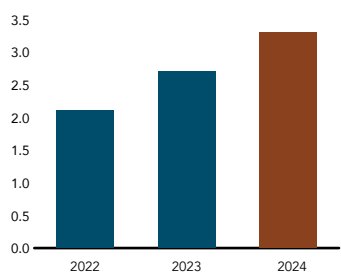
Revenue was optimised during the year through calculated approaches to leveraging student enrolments and income from financial investments. The Company capitalised on the potential to attract school leavers and professionals as college entrants, harnessing the demand for migration and academic placements abroad.

Assets

Total Assets Rs. Bn



Revenue Rs. Bn



Consolidation of student services and increase in quality through re-pricing of products to balance the portfolio of students became key strategies for enhancing top-line growth; moreover, a higher priority was given to undergraduate service provision. Consequently, revenue improved by 22% to Rs. 3.3 Bn compared to Rs. 2.7 Bn gained in 2023.

During the year, ICBT negotiated favourable fee structures and scholarships for students from its UK partner university – focused on alleviating financial concerns; moreover, ICBT introduced flexible payment options.

Investment income decelerated during the year, contrasting the considerable gains made in 2023 due to higher interest rates. A lower interest rate environment decreased related earnings to Rs. 178 Mn compared to Rs. 293 Mn in 2023.

Expenditure

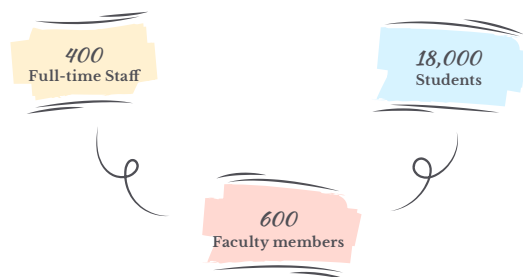
Capital expenditure for the year under review reached Rs. 1.4 Bn due to the considerable infrastructure developments. This was compared to Rs. 492 Mn in 2023. Moreover, operational expenditure catapulted by 16% to Rs. 2.2 Bn compared to Rs. 1.9 Bn in the previous financial year.

	2024	2023
Capital expenditure	1,363,041,926	492,307,718
Operational expenditure	2,172,962,931	1,858,440,186

Human Capital



The key to ICBT's progress is its dedicated staff and talented and highly experienced faculty. They are the reasons for ICBT's innovative approaches to value creation and drivers of its strategic objectives.



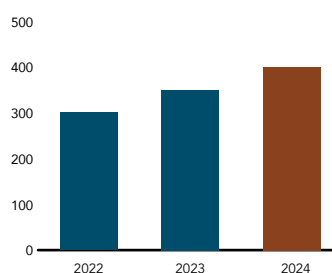
Management Approach: Recognising the power of human capital, ICBT invests in their growth to reach academic excellence, harness innovation and provide transformative educational experiences. In the year under review, ICBT committed time and investments to provide a dynamic

environment, with a focus on strengthening its workforce, enhancing faculty engagement, and expanding opportunities for success. The latter was ensured through strategic recruitment, specific development programs, and actions for continuous improvements.

The Team

The team at ICBT has reached 400 full-time employees, surpassing the number that remained at the beginning of the year under review. This is the successful outcome of the aforementioned efforts to attract the right talent and the right fit for the ICBT culture. It is also part of efforts to ensure high-quality standards and services to students.

Full-time Staff



Staff Growth

During the year, ICBT invested considerably in professional development, including upskilling of staff. They conducted a range of programs and opportunities to empower employees with skills, knowledge and resources required to thrive in their roles while contributing to organisational success.

Delivering Academic Excellence through Faculty & Industry Engagement

The ICBT campus works with over 600 visiting faculty members, academics and industry experts, who have brought on board a wealth of knowledge and expertise. Their collective experiences and acumen provide students with real-world exposure and well-rounded academic learning.

Their contributions are integral to shaping students' learning experiences and to ensuring that our curriculum remains relevant and rigorous. ICBT strives to cultivate an inclusive and supportive atmosphere that appreciates and acknowledges the contributions of its faculty. By providing ample opportunities for career development and recognition, it empowers educators to inspire and shape the future leaders and innovators of tomorrow.

MANAGEMENT DISCUSSION & ANALYSIS

Producing Future Ready Graduates

To consistently deliver academic value and high standards on par with international learning, ICBT continues to enhance its curriculum: during the year, ICBT introduced new programs in line with trends while bolstering existing partnerships with its globally recognised universities and professional bodies.

ICBT has unfailingly offered diverse academic pathways from foundation level to postgraduate degrees, ensuring inclusivity and accessibility to students from all backdrops. Their focus is to provide higher education opportunities to all for a future-ready workforce.

Student-Centred Growth

At ICBT, every mission to enhance human capital is driven by its commitment to ensure students' success. ICBT, together with international universities and institutes are dedicated to its high-quality programs that will ultimately contribute to a productive and highly competent economic workforce.

Attracting students for its best standards and academic diversifications, the campus now caters to a population of 20,000 currently enrolled students. This has grown 25% from 16,000 in the previous year. This reflects the growing demand for quality higher education and underscores the trust and confidence that students and their families place in ICBT Campus as their preferred academic institution.

ICBT will continue to diversify and improve the standard of its academic programs while delivering affordability and inclusivity to meet the needs of prospective and existing students. ICBT prioritises students' ability to compete in the global business world, allowing them to combine real-world incidents with theory and learning.

Social Capital



The Campus places great emphasis on nurturing its social capital, a vital aspect of its institutional fabric. This includes relationships, networks, and connections within and beyond the campus community. It brings to focus ICBT's competitive power through collaborations and partner services that have enhanced its local and global standing. Its social acceptance is now unparalleled by any other private institution and continues to reach greater heights each year.

Management Approach: ICBT's social capital is enriched through CSR campaigns along with internal and external stakeholders. Moreover, alumni are a large part of what bolsters their social connections.



Community Engagement and Collaboration Enhanced through CSR

The campus strives to make a tangible impact on the community; as a result, ICBT has undertaken numerous CSR initiatives related to student learning, creating opportunities for engagement and social change. CSR initiatives enable students to combine real-world instances with theoretical learning and make real-world connections outside of the comfort of classrooms. This enables them to address real-world challenges and catalyse positive changes.

ICBT has integrated CSR initiatives into program curriculums and extracurriculars, which prompt student-led initiatives; together, these foster students' civic duty and community spirit – enriching their experiences across their academic journey. Moreover, they help cultivate sparks for empathetic outlooks and awareness of larger social issues. Furthermore, ICBT has formed numerous strategic alliances with local and state entities and non-profit entities, facilitating collaborative projects to collectively harness the resources and strengths of these stakeholders for the greater good of the community.

Alumni Engagement and Networks

ICBT Campus understands the invaluable role that its alumni play in strengthening its social capital. Our graduates serve as ambassadors, mentors, and advocates, contributing to the institution's success and reputation on a global scale. Building and maintaining strong connections with our alumni community is a cornerstone of our social capital strategy.

ICBT is dedicated to providing ongoing support, networking opportunities, and lifelong learning resources to its alumni. Through alumni reunions, networking events, and professional development programs, we create opportunities for graduates to connect, share experiences, and collaborate professionally. Our online platforms and alumni networks foster continuous engagement, allowing alumni to remain actively involved with the institution and contribute to the growth and success of future generations of students.

Intellectual Capital



ICBT Campus stands as a leader in the advancement of intellectual capital, offering a comprehensive portfolio of over 70 programs, including Diplomas, Higher Diplomas, Undergraduate Degrees, and Master's Programs across a wide range of disciplines.

Management Approach: ICBT's programs are designed not only to meet the evolving educational needs of students but also to serve as a foundation for developing critical thinking, fostering innovation, and promoting academic excellence. By equipping students with the knowledge and skills needed to thrive in a competitive global environment, ICBT Campus reinforces its commitment to intellectual growth and academic distinction.



Student Research Projects and Academic Engagement

The campus provides the groundwork for a culture of knowledge-based exploration that empowers students and faculty to undertake projects of significant impact on the fields of academic and respective disciplines. Students are mentored to develop research skills and capabilities in formulating hypotheses, conducting empirical studies and deriving valuable insights and discoveries.

Simultaneously, the institution's academic members are actively involved in research endeavours, conducting pioneering studies and publishing scholarly works in renowned local and global journals. Their research outputs not only enhance the academic standing of the ICBT Campus but also foster intellectual advancement and innovation in their respective areas of expertise.

Annual International Research Symposium

A cornerstone of ICBT Campus's intellectual capital strategy is the Annual International Research Symposium, a prestigious event that attracts academics, researchers, and industry leaders from around the world. This symposium serves as a platform for the exchange of ideas, interdisciplinary collaboration, and the dissemination of pioneering research.

The event features keynote addresses by renowned scholars, research presentations, and panel discussions covering a broad spectrum of disciplines. The participation of international university academics and industry experts enriches the dialogue and creates opportunities for meaningful networking

and future collaboration. By showcasing innovative research and facilitating cross-cultural engagement, the symposium reflects ICBT Campus's commitment to creating a globally connected academic community. It highlights the institution's role as a leader in fostering intellectual discourse and advancing knowledge on an international scale.

In summary, ICBT Campus is committed to advancing intellectual capital through a comprehensive approach that encompasses student research projects, academic engagement, and global collaboration. By fostering a vibrant research culture and encouraging intellectual inquiry, the institution empowers students and faculty members to make significant contributions to scholarship, innovation, and societal progress.

Manufactured Capital



ICBT's physical infrastructure is its strongest asset and holds tremendous value in taking its services to the reach of thousands outside of Colombo. The Company runs 10 branches across the island, providing academic services to urban- semi-urban and rural student populations.

Management Approach: In the pursuit of excellence and expansion, ICBT Campus embarked on two significant ventures during the past year by completing the construction of a new purpose-built campus facility in Kurunegala and acquiring new land and building and re-purposing it to become a state-of-the-art campus facility in Matara at a total cost of 1.4 Bn rupees. This undertaking underscores the institution's commitment to providing state-of-the-art infrastructure to support its educational mission and strategic objectives.



New Campus Facility in Kurunegala

During the year, the Campus invested in the construction of its Kurunegala University, a milestone in its strategic growth. The nine-story campus spans 50,000 square feet and is envisioned to be a hub for learning, innovation and community engagement.

The facility has been carefully designed to meet the changing requirements of students, faculty, and staff. It features modern amenities and state-of-the-art learning environments, including fully-equipped classrooms, laboratories, collaborative workspaces, and recreational areas. This new campus has been intentionally built to create a welcoming environment for education, research, and interaction.

MANAGEMENT DISCUSSION & ANALYSIS



New Campus Facility in Matara

Another state-of-the-art facility was opened in Matara, marking another historic step towards growth and expansion in the country. Spread across 80 perches of land, the facility spans 30,000 square feet, housing a modern learning environment and facilities that provide a unique environment and academic excellence.

The facility has been repurposed to incorporate cutting-edge technology and contemporary infrastructure apart from a comfortable and academically stimulating environment. The campus includes spacious lecture halls, fully equipped laboratories, modern study areas, and dedicated student spaces to foster collaboration and innovation. The campus environment is ideal for students to engage in both academic and extracurricular activities.

Strategic outlook and future expansions

As the institution grows its physical facilities and educational programs, it is committed to maintaining top-tier academic quality, innovation, and student achievement. The recent campuses established in Kurunegala and Matara reflect ICBT Campus's steadfast dedication to enhancing education, empowering local communities, and fostering a brighter future for everyone.

Natural Capital



At ICBT Campus, there is a steadfast commitment to the responsible stewardship of natural capital, recognising its fundamental importance in sustaining ecosystems, supporting life, and enriching human experiences.

Management Approach: As stewards of the environment, the institution is dedicated to integrating principles of sustainability into its operations and decision-making processes, ensuring the preservation and enhancement of natural resources.

Water Conservation

Water conservation is a core focus of sustainability initiatives at ICBT Campus. Rainwater harvesting systems have been installed in campus buildings, enabling the capture and utilisation of rainwater for irrigation, flushing, and other non-potable uses. This initiative reduces reliance on municipal water sources and minimises the institution's environmental impact.

Energy Efficiency and Renewable Energy

ICBT Campus demonstrates its commitment to reducing its carbon footprint through energy efficiency measures and investments in renewable energy. Solar power generation systems have been implemented on campus, harnessing sunlight to produce clean, renewable electricity and advancing sustainable energy practices and environmental stewardship.

Waste Management and Recycling

ICBT has adopted certain responsible waste management practices; these include comprehensive waste reduction, recycling, and composting programs to minimise its environmental footprint. The Campus that minimal waste leads to landfills by adopting and promoting recycling practices that reduce pollution.

Environmental Education and Engagement

ICBT views it as a shared responsibility to safeguard the environment and natural resources. Therefore, it undertakes actions to increase awareness and knowledge while prompting action to face environmental concerns within its immediate community.

ICBT organises environmental education programs, workshops, and outreach initiatives that empower students, faculty, and staff to become sustainability advocates and inspire positive change. This commitment to environmental stewardship is central to ICBT's sustainability principles and its campus aims to foster collaboration for an environmentally resilient future.

Outlook

Next year's strategic priority is to consolidate the growth in student enrolment, with an emphasis on enhancing the quality of education delivery. While student numbers remain important, the primary focus will shift toward achieving revenue growth through targeted price adjustments rather than solely expanding enrolment figures.



CAPITAL MANAGEMENT REVIEW

WYCHERLEY INTERNATIONAL SCHOOL (PVT) LTD



Financial Capital



Amidst challenges, Wycherley has achieved profitability for the financial year 2024. As an education service provider, Wycherley faces the challenge of managing significant operating expenses required to sustain its educational services, all while maintaining the high-quality standards and values it upholds.

Management Approach: The Company has adopted prudent financial planning to balance operational requirements with future-oriented growth. The Company's financial position is stable with assets exceeding liabilities and a prudent portfolio of investments, which grew by 56% during the year. Moreover, the Company's shareholder equity also grew by 18% to Rs 1.5 Bn in the year under review.

Income

Net income was reported as Rs. 1.3 Bn, an increase by 33% from Rs. 980 Mn gained in 2023. This includes Rs. 1.1 Bn in fees and commission income, Rs. 146 Mn in operating revenue and Rs. 36 Mn in investment income. 87% of Wycherley's income derives from fees and commissions.

Profitability

Profit has declined for the financial year being reviewed. This was an impact of higher operational expenditures and a rise in financial liabilities. There is a 2.6% decline in profit before tax while profit after tax has declined by 47%.

Bottom-line Indicators	2024 Rs. '000	2023 Rs. '000
PBT	248,221	254,886
PAT	136,487	259,902

Expenditure

Total expenditure for the year amounted to Rs. 679 Mn compared to Rs. 423 Mn the previous year. Expenses have accelerated during the year, indicating expanding operations and inflationary impacts. Moreover, income tax rose sharply to Rs. 111 Mn due to the higher corporate tax structure.

Financial Position

Liabilities	2024 Rs. '000	2023 Rs. '000
Total Assets	3,862,405	3,442,269
Total Liabilities	2,368,920	2,184,977
Total Equity	1,493,485	1,257,292

Manufactured Capital



Wycherley's manufactured capital includes state-of-the-art facilities, such as modern classrooms, laboratories, and libraries, ensuring a comprehensive learning environment. Recent infrastructure upgrades, such as the new building in Colombo 7, reflect their commitment to providing world-class education.



MANAGEMENT DISCUSSION & ANALYSIS



Management Approach: The Institute allocated resources and investments to enhance the efficiency of its physical assets across the year. This also included the improvement and upgrading of school equipment and ICT infrastructure. This was necessitated to improve students' learning environment that matches the standards of an international curriculum.

Property, plant and equipment

Property, plant and equipment amounted to Rs. 2.5 Bn for the year under review, the direct result of an increase in capital expenditure to acquire and improve existing infrastructure. PPE by the end of the financial year, held Rs. 1.6 Bn in buildings. The cost of maintenance spent on the upkeep of these assets amounted to Rs. 16 Mn along with a repair and maintenance cost of Rs. 26 Mn.

Investments supporting growth and operations

During the year under review, the Institute spent a total capital expenditure of Rs. 198 Mn due to various upgrades, improvements and purchases of PPE, including Rs. 68 Mn in school equipment and Rs. 43 Mn in computers and equipment.

Depreciation of assets shows an increase of up to Rs. 104 Mn during the year from Rs. 98 Mn reported in the previous financial year. The rise in depreciation indicates ageing assets, which lowers the net book value of assets. Moreover, the Institute completed the construction of its building at No.232, Baudhaloka Mawatha, Colombo 07, as part of its strategic objectives to improve its infrastructure.

Human Capital



The Institute's staff increased to 427 from 361 in the previous financial year. This 18 % increase is the result of accelerated recruitment to fill staff gaps within the Institute. The school has a high proportion of female employees compared to male co-workers. Total staff includes 331 academic staff and 96 non-academic staff. During the year 2 employees retired from the cadre while there were 17 employees with extended retirement limits.

Investments in Staff Growth

Investments in staff professional remuneration and related costs rose to Rs. 286 Mn during the year; this reflects an increase in the number of staff at Wycherleys and also indicates increments and other financial benefits provided to staff over the year.

A total of 158 individuals were recruited to the school, this includes 125 academic and 33 non-academic staff. The need for additional staff has increased during the year, compared to the 142 employees recruited during 2023. The majority of those recruited are within the range of 25-35 years. During the year, 4 employees took parental leave, from which only 1 returned to work before the end of the year under review. A higher number of recruitments were necessitated to fill the gaps left by those who completed their tenure or resigned within the year.

CHAIRMAN'S REFLECTIONS



Dear Stakeholders of Ceylinco Holdings PLC,

Let me commence this message by highlighting the successful year of many positive developments, which have delivered value not only to our students but also to all our stakeholders within CEG's academic and institutional fraternity.

Sector Review

According to the most recently available information, the Government's spending on university education was 1.6% of the GDP, which leaves scope for increased allocations for critical areas, such as infrastructure development and crucial collaborations with local and global institutions. With the increasing demand for STEM subjects within the primary, secondary and higher education institutions, both state and private sector institutions have commenced incorporating subjects, such as AI, Data Analytics, Cyber security and various Engineering disciplines. Nevertheless, the local education sector is challenged by the need for relevance as well as a need for research and innovation to expand the scope of academics.

Group Review

Across our academic and higher education establishments, we embraced the transformative power of digital technologies and modern pedagogy, ensuring that students receive the best classroom experiences mixed with practical exposure. Our management and operational teams continued to ensure that projects on facilities and infrastructure improvements were completed on time - ensuring students received the best learning environments.

Our faculty continued to be a core contributing factor to our promise of world-class education. Comprising dedicated educators, industry experts, and thought leaders, they bring a wealth of knowledge and passion to the classroom. Their role extends beyond teaching; they are mentors who inspire, guides who challenge, and champions who celebrate every milestone our students achieve. I extend my deepest gratitude to them for their unwavering dedication, which forms the bedrock of our success.

Financial Snapshot

For the year under review, the group maintained a consolidated turnover of Rs 6.2 Bn; this was a 15% increase in comparison to the previous year's revenue of Rs 5.4 Bn. The Group's bottom line indicated an after-tax profit of Rs 1.37 Bn. Total assets of the educational arm amounted to Rs 14.3 Bn, which increased during the year due to increased capital infrastructure developments – particularly related to ICBT.

The financial position of Wycherley International remained stable as it witnessed a 56% growth in its investment portfolio and 8% growth in shareholders' equity. ICBT showed a well-rounded growth in its financial performance – balancing bottom-line growth with capital and operational expenditures. ANC Education also remained profitable in the financial year under review, while making necessary allocations for operational improvements.

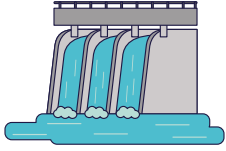
The Future

Looking beyond the short term, the Group will allocate exponentially higher funds and resources to advance students' learning experiences aligned with international pedagogical standards. We will continue to adopt and invest in new avenues to enhance students' accessibility to flexible and comprehensive learning material; moreover, we will enhance our curricula with cutting-edge disciplines, such as AI and sustainability, and strengthen our collaborations with global academic institutions. Our goal is to sustain an educational legacy that endures—one that equips our students to navigate complexity, thrive in diversity, and make meaningful societal impacts.

Appreciation

I convey my appreciation to the CEO and corporate management of CEG for making prudent decisions, amidst a myriad of operational challenges. The year's achievements are a result of timely decisions by all our academic management across each organisation. I would also like to extend my appreciation to our students, partner universities, faculty and service providers, for being part of the Ceylinco family, and for continuing to place their trust in our capabilities.

MANAGEMENT DISCUSSION & ANALYSIS



OPERATIONAL REVIEWS

SECTOR REVIEW: RENEWABLE ENERGY



The Group's renewable energy sector is primarily shaped by a four-plant network of hydroelectric power plants that play a vital role in meeting the country's electricity needs. The segment includes the Rajjamma, Kumburuthaniwala, and two phases of the Loggal Oya power plants. These initiatives fall under three distinct subsidiaries: Ceyhydro Developers Pvt Ltd, Energy Generators (Pvt) Ltd, and Ceypower Cascades (Pvt) Ltd.

The Power and Energy Sector has been guided by Mr. Upali Witharana, who has led the sector since its inception. Over the last 20 years, the sector has surpassed numerous challenges

and achieved several milestones, establishing itself as a reliable entity in Sri Lanka's energy sector.

Energy Lanka Holdings Ltd (ELHL) possesses interests in several subsidiaries responsible for managing these energy projects. Notably, Ceyhydro Developers operates a hydroelectric power plant in Badulla district, while Ceypower Cascades has developed a 2.4 MW facility in BelihulOya, Ratnapura.

Hydropower plants	COD	Capacity (MW)
Kumburuthaniwala	Oct 2005	2.4
Loggal Oya Phase 2	July 2008	4.0
Rajjammana	May 2013	6.0
Loggal Oya Phase 1	Dec 2017	1.6
Total		14

Capital Management Review

FY 2024	Ceypower Cascades (Pvt)	Ceyhydro Developers (Pvt) Ltd	Energy Generators (Pvt) Ltd
Capacity	2.4 MW	5.6 MW	6 MW
PAT	Rs. 35 Mn	Rs. 156 Mn	Rs. 408 Mn
Revenue	Rs. 161 Mn	Rs. 377 Mn	Rs. 1.2 Bn

Financial Capital



The Group's overall profit was reported as Rs 599 Mn, of which the primary contributor was Energy Generators (Pvt) Ltd, followed by Ceyhydro Developers (Pvt) Ltd and Ceypower Cascades (Pvt) Ltd during the reviewed year. Compared to the previous financial year, the Group's recorded a significant increase in profit.

The overall group profit was supported by a total revenue of Rs 7.4 Mn, with Energy Generators (Pvt) Ltd accounting for 68% and Ceyhydro Developers (Pvt) Ltd contributing 22%. This marked a significant rise in total revenue, up 50% from Rs 941 Mn in the last financial year.

For the year concluded on December 31, 2024, the Group's total tax contribution reached Rs 300 Mn, with Ceyhydro Developers contributing Rs. 76 Mn and Energy Generators contributing Rs 223 Mn. Additionally, the sector's operational and production expenditures totalled Rs 901 Mn, with Energy Generators incurring the highest expenses among all subsidiaries.

Total group assets amounted to Rs 3.9 Bn while liabilities show a total of Rs 1.2 Bn for the financial year 2024. Rs. 2.5 Bn in assets are part of Energy Generators and Rs. 1.1 Bn is attributed to Ceyhydro Development; assets of Ceypower Cascades amounted to Rs. 321 Mn.

Manufactured Capital



The collective and combined value of the sector's PPE was recorded as Rs 1.9 Bn in the year under review. This takes into account property, plant and all equipment within the four hydropower plants. Inventory forms a significant portion of the physical assets, as spare part stocks are maintained to ensure uninterrupted operational continuity of all plants with minimal disruptions.

During the year, the energy division has not made any significant investments in infrastructure developments; this is due to the costs of materials pertaining to construction and energy. The group has kept capital expenditures at a prudent level to optimise its financial position and stability.

Intellectual Capital



The Group's intellectual prowess is tied directly to the highly technical nature of plant operations. Employees, including engineers and technicians, carry tremendous explicit knowledge, which can be transferred through training and experience; moreover, there is also a level of implicit knowledge acquired by staff over the past two decades, which involves experiences in operating within their specific geographical terrains, climates and resources.

Throughout the year, they achieved notable process efficiencies by updating the skills of their maintenance team. The emphasis on training has not only led to improved efficiency but also facilitated optimal power generation, all while maintaining high productivity levels with minimal disruptions.

Human Capital



The sector prioritises the financial well-being of its workforce through several support measures. These include an annual bonus distributed over four months, a cost of living allowance, comprehensive health and personal accident insurance, and recreational activities to encourage work-life balance. In total, the group allocated Rs. 85.5 Mn for staff-related expenses in the year under review. The sector also acknowledges that its employees are the cornerstone of value creation and the key drivers of success and growth. Their expertise, skills, and potential for development are vital to achieving sustainability. In 2024, the sector implemented various initiatives to enhance

MANAGEMENT DISCUSSION & ANALYSIS

employee capabilities, including workshops, training programs, and participation in exhibitions, all aimed at fostering professional growth.

Social and Relationship Capital



The renewable energy subsidiaries have adopted community development initiatives to improve the lives of deserving persons. Therefore, the sector has allocated funds to support such individuals, particularly those residing around the plants located areas.

The sector's principal customer is the Ceylon Electricity Board (CEB); this mandates our subsidiaries to ensure sustainable relations with the state power regulator and work towards mutual growth. The subsidiaries maintained continued communications with CEB, ensuring that information on power requirements and payments were exchanged without significant delays.

Additionally, the sector stayed dedicated to ensuring prompt payments to all suppliers and maintained clear communication to express requirements and facilitate timely procurement. By identifying mutual needs, the Group ensured that suppliers received fair compensation for the services provided to all subsidiaries.

Natural Capital



The power and energy sector significantly interacts with and utilises natural assets, such as water and fossil fuels, directly influencing the land. Hydroelectric energy production affects aquatic systems, and the presence of power plants alters the surrounding air quality and environment.

While contributions to sustainable energy are made through renewable water sources, the sector faces challenges in amplifying positive impacts. In one initiative aimed at fostering environmental benefits, companies within the industry managed to cultivate and care for a total of 120 trees across plant facilities during the year.

Outlook

The power sector will continue to explore opportunities within the energy landscape. Due to the proposed Electricity Act, the sector could reap the benefits of the proposed decentralisation of power generation, transmission and distribution within the country. However, the new act could also result in stricter compliance standards; it could also likely lead to enhanced competitiveness in the power sector, which will enhance innovation and collaboration.

While addressing environmental impacts associated with energy production, efforts such as tree-planting programs signal its commitment to ecological stewardship. As it advances, the sector is poised to explore opportunities for increased efficiency, innovation, and alignment with global renewable energy trends.

CED'S REFLECTIONS



The Sri Lankan electricity sector in 2024 was characterised by significant regulatory reforms and ongoing initiatives aimed at addressing long-standing structural challenges. These developments occurred within a dynamic context of broader political and economic shifts that influenced the sector's trajectory.

Sri Lanka's electricity sector demonstrated a growth of approximately 5% in 2024. This represents the highest annual growth rate recorded since 2017 and signals a recovery from the substantial economic contractions experienced in preceding years.

A landmark development was the enactment of the Sri Lanka Electricity Act, No. 36 of 2024. This legislation seeks to restructure the sector by unbundling the Ceylon Electricity Board (CEB) into separate corporate entities responsible for generation, transmission, and distribution. The Act also emphasises promoting private sector participation through public-private partnerships (PPPs) and facilitating stock market listings, thereby establishing a competitive market framework and introducing open access to the transmission network.

Our company, with its interests in the renewable energy sector and a broader perspective on investing in large-scale RE projects, anticipates the new business opportunities that will emerge from these transformative changes.

We strongly believe that the integration of renewable energy sources and a reduction in reliance on fossil fuels is essential to meeting the country's growing electricity demands.

The significant contribution of the rooftop solar sector is particularly noteworthy. It now plays a pivotal role in Sri Lanka's renewable energy landscape. As of the end of 2024, a substantial 88% of Sri Lanka's solar power is generated from rooftop installations.

However, this growth has implications for grid stability and infrastructure. There is now a need for investments in transmission and distribution networks to enhance grid reliability and mitigate transmission losses. Furthermore, we urge the government to prioritise the deployment of smart grid technologies and the development of energy storage solutions, such as battery storage.

Our company's focus and long-term strategy involve active participation in the growth of Sri Lanka's renewable energy sector. We intend to invest primarily in ground-mounted solar projects and aim to capitalise on emerging opportunities in the power storage market.

Our four hydropower plants, namely Rajjammana, Kumburuthaniwala, Loggal Oya Phase 1 and Phase 2, performed well during the year. Specifically, Kumburuthaniwala (2MW) achieved 99% of its projected performance, Loggal Oya Phase 1 (1.6MW) surpassed expectations with a performance of 85%, and Loggal Oya Phase 2 (5MW) operated at 85% capacity. Rajjammana recorded the highest performance, reaching 109%.

All projects operated without major breakdowns. However, certain scheduled maintenance and replacement works for hydropower plants, including Rajjammana, were postponed during the year. We have decided to prioritise this critical maintenance before April 2025, even at the cost of foregoing revenue, as any further postponement is not prudent. Our plants maintain a substantial inventory of spare parts, and technical services are available to ensure continuous operation.

Electricity tariffs in Sri Lanka were increased to alleviate the CEB's financial challenges and align pricing with generation costs, in line with IMF-supported reforms. These tariff adjustments led to a substantial increase in the CEB's revenue. The tariff increases, combined with other factors, such as rupee appreciation (which reduced imported fuel costs), contributed to significant profit growth for the CEB in 2024. For the full year, the CEB reported profits of 144 billion rupees, including capital gains. The positive impact made CEB pay off all outstanding invoices payable for RE companies by Dec 2024.

MANAGEMENT DISCUSSION & ANALYSIS

Despite the hardships faced by the public and the closure of tens of thousands of SME businesses, triggered by the free-floating of the USD since March 2022 and the subsequent adjustment of electricity consumer tariffs to reflect costs, this situation has served as a catalyst for change. It has compelled policymakers to adopt a new perspective, offering a measure of optimism.

Moving forward, the country requires greater encouragement and a transparent, effective procurement process to integrate more renewable energy into the national electricity grid. In this context, we strongly advocate for the procurement of renewable energy resources with vast potential, such as wind and solar power, through competitive bidding, given the constraints on available grid capacity.

I commend the efforts of our power sector team for achieving these targets, maintaining a healthy fleet of plants, and ensuring continuous operation.

SHARE INFORMATION

	31-Dec-24	31-Dec-23
Net Assets Per Share		
Book Value	3,636	3,334
Earnings		
Earnings Per Share	359	409
P/E (Voting)	8.4	6.0
P/E (Non-Voting)	3.8	2.0
Dividends		
Interim & Final Dividend	51.00	48.00
Share Price (LKR)		
Voting		
High	3,200.00	2,696.25
Low	2,100.00	1,951.75
Last Transaction	3,000.00	2,450.00
Non-Voting		
High	1,445.00	1,189.75
Low	780.00	811.00
Last Transaction	1,375.00	820.00
Share Trading		
Voting		
No. of Transactions	671	791
No. of Shares Traded	566,968	195,936
Value of Shares Traded (LKR Mn)	1,633.73	446.03
Non-Voting		
No. of Transactions	3,480	3,521
No. of Shares Traded	2,260,569	552,507
Value of Shares Traded (LKR Mn)	1,940.53	477.91
Days Traded		
Total No. of Market Days	240	242
Voting		
No. of Days Traded	136	159
% of Market Days Traded	57%	66%
Non-Voting		
No. of Days Traded	225	203
% of Market Days Traded	94%	84%
Market Capitalisation		
Total Market Cap (LKR Mn)	68,815	54,259
Voting		
Value (LKR Mn)	60,000	49,000
% of Market	1.05%	1.15%
Non-Voting		
Value (LKR Mn)	8,815	5,260
% of Market	0.15%	0.12%
Price Movements		
CSE ASPI Index	15,944.61	10,654.16
S&P SL20 Index	4,862.10	3,068.36
CINS.N0000	3,000.00	2,450.00
CINS.X0000	1,375.00	820.00



GOVERNANCE

CORPORATE GOVERNANCE	83
REPORT OF THE SENIOR INDEPENDENT DIRECTOR	89
BOARD AUDIT AND RISK COMMITTEE REPORT	90
REPORT OF THE REMUNERATION COMMITTEE	92
REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	93
NOMINATIONS AND GOVERNANCE COMMITTEE REPORT	94
STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING	95
FINANCIAL CALENDAR - 2025	96

CORPORATE GOVERNANCE

Ceylinco Holdings PLC approach to corporate governance allows cohesive thinking and decision-making that balances the achievement of our strategic priorities over time and resolves the interests of the Company and its subsidiaries, stakeholders and society in generating and protecting sustainable shared value and safeguarding against value erosion in the short, medium and long term.

The Company's purpose, values and ethics are the basis on which we institutionalize an ethical culture across the entity and in the delivery of our strategy. The Code of ethics provides practical guidance on how to behave, outlines acceptable conduct and empowers them to make faster, more confident decisions within clearly defined parameters.

Accordingly, the Company policies, in pursuing its strategic objectives, have in place comprehensive policies and processes that are designed to ensure that the Company is well managed with effective controls and oversights. Execution is carried out within a framework of whole commitment and fairness reflecting ground realities, and emphasized by corporate values of honesty, fairness, integrity and accountability. Such internal governance policies and procedures are subject to periodic review to ensure that they remain relevant and reflect progress in official values, and shareholder and stakeholder expectations.

The Board has collective responsibility for the supervision, direction, and performance of the Company and its subsidiaries, ensuring due regard is paid, always, to the interests of its stakeholders. The detailed governance structure ensures the Board has the right level of oversight for matters that are material to the Company. The Board, with the support of its Sub Committees, places great importance on ensuring we achieve a high level of governance across the Company and its subsidiaries.

The Board has ultimate responsibility for ensuring adequate resources are available to meet agreed goals and strategy. It ensures such resources are reliably and effectively deployed. Having the right systems and controls across the Company and its subsidiaries facilitates effective management and sound decision making. This is essential to our governance structure. Efficient internal reporting, effective internal controls, and oversight of present and emerging risk themes are implanted into our business processes, which align to our strategy, purpose, and culture.

The list of policies together with details with regard to the corporate governance under section 9.2.1 of Listing Rules are readily available in the Company website.

The Company is constantly committed to ensuring that its operations are embedded with a sound corporate governance culture, which provides assurance to all the stakeholders of ethical and professional corporate performance and conduct.

The operation of Ceylinco Holdings PLC is governed by the Companies Act No.7 of 2007, and subsequent amendments thereto and the Listing Rules Requirements of the Colombo Stock Exchange.

Board of Directors

The Group operations are governed under the supervision of the Board. The Board is responsible for

- Providing strategic direction to the Group.
- Evaluating, assessing and approving corporate strategy and the performance objectives for the Company and Group.
- Authorizing and monitoring financial and other regulatory reporting practices adopted by the Group.
- Effectively reviewing and positively challenging management performance in meeting the agreed goals.
- Monitoring the reporting of performance and ensuring that the necessary financial and other resources are in place for the Company and the Group to meet their objectives.

The profiles of the Board of Directors are given on pages 18 to 27 of this Annual Report.

Board Balance and Engagement

The Company's policy is to have an appropriate combination of Executive, Non-Executive, and Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

As at 31 December 2024, the Board comprised of 16 Directors, of which 05 were Non-Executive Directors, 05 were Independent Non-Executive Directors and 06 Executive Directors, including the Chairman/Chief Executive Officer (CEO). In the opinion of the Board, the composition mix of the Executive and Non-Executive Directors satisfies the requirements of the Listing Rules of the CSE. Further, the Board, through the Nominations and Governance Committee, reviews the composition of the Board on an ongoing basis.

During the year under review Mr. N.D. Nugawela resigned w.e.f. 20.09.2024 and Mr. V.G. De Alwis was appointed to the Board as an Independent Non-Executive Director on the same day itself. Since Mr. V.G. De Alwis would attain age of 70 years on 29.08.2025, the Nominations and Governance Committee has recommended to the Board that his appointment be continued as Independent Non-Executive Director, having reviewed non impairment against any of the criteria set out in Rule 9.8.3 of Listing Rules of the CSE.

Mr. K.P. Ariyaratne has resigned w.e.f. 01.10.2024 and Mr. G.D. Nelson was appointed to the Board as Independent

CORPORATE GOVERNANCE

Non-Executive Director on the same day itself. Mr. D.H.J. Gunawardena and Mr. S.H.J. Weerasuriya retired w.e.f. 31.12.2024 and Mr. D.R.P. Goonethilleke and Mr. C.M. Fernando were appointed to the Board w.e.f. 01.01.2025 as Independent Non-Executive Directors. Further Dr. W.C.J. Alwis who served the Board as Non-Executive Director up to 31.12.2024, was appointed as Executive Director w.e.f. 01.01.2025.

Since Mr. D.H.J. Gunawardena, Senior Independent Director, retired w.e.f. 31.12.2024, Mr. N.V. Kumar was appointed as Senior Independent Director w.e.f. 01.01.2025.

Executive Directors bring in varied expertise with in-depth knowledge of the businesses and implement a comprehensive method of internal controls to safeguard shareholders' investment and the Company's assets. Executive Directors have established a procedure for recognizing, assessing, and controlling the significant risks faced by the Company and the Group.

The Non-Executive Directors bring substantial knowledge gained from experience, whilst serving in a variety of public and private companies in various industries. They are accountable to positively challenge the strategies proposed by the Executive Directors; examine the performance of management in achieving agreed goals and objectives; and play leading roles in the operating of the Board Sub Committees, bringing an independent view to the conversation.

As at 31 December 2024, the Board included five qualified Chartered Accountants who provide the Board with the required financial expertise and knowledge on handling financial matters.

The Board has clearly defined the division of responsibilities between the running of the Board and running the day-to-day activities of the Group. The responsibilities of the Chairman/ Chief Executive Officer, Executive Directors, Senior Independent Director, and other Directors are clearly defined so that no individual has unrestricted powers of Board's decision making on business activities.

The Chairman/Chief Executive Officer is accountable for the efficient governance of the Board, setting the agenda, ensuring its accomplishment, and sustaining a culture of openness and transparency at Board meetings. The Chairman/Chief Executive Officer also promotes effective communication between Executive and Non-executive Directors and ensures all Directors effectively contribute to discussions and feel comfortable in engaging in healthy discussion and productive challenge. Further he confirms that all Directors get accurate, timely and clear information to contribute in Board Meetings.

Executive Chairman/ Chief Executive Officer

The Chairman/ Chief Executive Officer has committed leadership responsibility and day-to-day responsibility for the effective management of the Group's businesses and for ensuring that Board decisions are executed in a transparent manner. He plays an executive role in devising and reviewing Group strategies for discussion and approval by the Board. The Chairman/ Chief Executive Officer is also tasked with providing regular operational updates to the Board on all matters of significance relating to the Group's businesses or reputation, and for ensuring effective communication with shareholders and other key stakeholders.

The responsibilities of Chairman & Chief Executive Officer are entrusted into one person due to the variety and scale of operations of the Group and the Board is of the view that this is the most suitable arrangement for Ceylinco Holdings PLC. The Board has also appointed a Senior Independent Director to facilitate board balance and ensure effective engagement with Non-Executive Directors.

Senior Independent Director

The Senior Independent Director facilitates to have fruitful conversation in board meetings for the Chairman and acts as an intermediary for the Non-executive Directors. Mr. D.H.J. Gunawardena functioned as the Senior Independent Director up to 31.12.2024 and due to his retirement, Mr. N.V. Kumar was appointed to the post of Senior Independent Director w.e.f. 01.01.2025. In order to strengthen further, Mr. R. Renganathan functions as Non-Executive Deputy Chairman to provide an effective mechanism to maintain efficiently stable Board. The Senior Independent Director is available to shareholders in the event they have any concerns where communication through normal channels has not been successful or where such channels are improper. The Senior Independent Director meets with the Non-executive Directors to facilitate board balance and ensure effective engagement in Board activities.

Board Appointments

New Board appointments are carried out in a formal and transparent process and are governed by the Articles of Association and the Company. Board appointments are accompanied in a formal and transparent manner, as determined by the Nominations and Governance Committee which assesses the Group's strategic demands as well as the skills and competencies of the Board. Further, The Nominations and Governance Committee annually evaluates the combined experience, expertise and diversity of the current Board, in order to identify if additional attributes are required for the Board. The appointment of the new Director to the Board will be communicated to the Colombo Stock Exchange (CSE) and the shareholders through an announcement.

Performance of the Board

The performance of the Board is evaluated through a formalized process and details are presented to the Board. The Board conducts regular assessments to ensure alignment with the responsibilities outlined in the Board Charter. This assessment process involves a Self-Assessment conducted by the Board of Directors. The Nominations and Governance Committee is tasked with evaluating the self-appraisals of Directors and subsequently presents its recommendations to the Board.

Board Meetings and Attendance

The Board meetings for each financial year are scheduled in advance to enable the directors and management to plan accordingly and fit the year's Board meetings into their respective calendars. The Board's annual meeting calendar (including Board meetings and Board Sub Committee meetings) is prepared with the consensus of all directors and is tabled at the Board meeting in the fourth quarter of each preceding year. In addition to these scheduled Board meetings, the Board of Directors communicate, as applicable, when issues of strategic importance requiring broad negotiations arise.

Members of the management and external advisors are invited as and when required to attend Board meetings to present proposals and provide further clarity to the Board.

Six Board meetings were conducted during the year 2024. The attendance of Directors at these meetings is set out in this Annual Report page 99.

Board Committees

The Board has delegated authority to its Board Sub Committees and management. All Board Sub Committees have written Terms of Reference approved by the Board and the Board receives reports of their proceedings and negotiations. In instances where Committees have no authority to make decisions on matters reserved for the Board, recommendations are highlighted for approval by the Board. The Chairpersons of each of the Board Sub Committees report the outcome of the Committee meetings to the Board and the relevant decisions are incorporated in the minutes of the Board meetings.

The Board is assisted by the following Board Sub Committees which have been delegated with specified duties –

1. Board Audit and Risk Committee
2. Nominations and Governance Committee
3. Related Party Transactions Review Committee
4. Remuneration Committee

The Committees' composition and areas of oversight activities for the year 2024 were given in each Board Sub Committee report.

Board Communication with Shareholders

The Company is committed to having regular, proactive and efficient communication with shareholders and other stakeholders. The Company values the rights of the shareholders and seeks to empower them by communicating effectively and providing transparent and timely disclosure about the Company. The Company strives to upbringing mutually-value adding, reflective interactions with all stakeholders.

The Company communicates with the shareholders through the following means of communication: -

1. Annual General Meeting (AGM)
2. Announcements to the Colombo Stock Exchange
3. Media Releases
4. Company website

The Annual General Meeting provides shareholders with the opportunity to share their views and to meet the Board, including the Chairman of the Board committees and members of Key Management Personnel. Further Company's external auditors are also present at the Annual General Meeting to answer shareholders' questions. The Board of Directors look forward to obtaining feedback of Shareholders and the Board of Directors invite shareholders' recommendations and thoughts to be sent to ciccosec@ceyins.lk

Directors' Remuneration

The Company's remuneration policy endeavors to attract, retain and motivate Directors of the quality and experience appropriate personnel with the stature and operational complexity of the Group. The remuneration policy for Directors is proposed, evaluated and reviewed by the Remuneration Committee, in keeping with criteria of reasonability. The remuneration of Non-Executive Directors comprises fee for being a Director of the Board and an additional fee for being a member of a committee.

The compensations paid to the Directors for the financial year 2024 is given in note 47 (a) to the Financial Statements on page 212.

The report of the Remuneration Committee is presented on page 92.

Statement of Compliance

Statement of Compliance under Section 9 of the Revised Listing Rules of the CSE on Corporate Governance, effective as at 1st April 2024.

CORPORATE GOVERNANCE

CSE Rule		Compliance Status	Reference within the Annual Report	Page No.
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	83
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	83
9.3 Board Committees				
9.3.1	Minimum required Board Committees	Yes	The required Committees are maintained, and are functioning effectively	85
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	85
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	85
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	83
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.	Yes	Refer Corporate Governance Report	84
9.6.2	Market announcement on the rationale behind the appointment of a SID	Yes	Market Announcement Done	-
9.6.3 (a)	Requirement for a SID	Yes	Refer Corporate Governance Report	84
9.6.3 (e)	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	Yes	Refer Report of SID	89
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	Yes	Refer Corporate Governance Report	84
9.7 Fitness of Directors and CEO				
9.7.1 to 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	99

CSE Rule		Compliance Status	Reference within the Annual Report	Page No.
9.8 Board Composition				
9.8.1-9.8.2	The Board consists of 16 Directors and 05 are Independent. Hence 1/3 of the number of Directors are independent	Yes	Details of the independence criteria are explained within the Corporate Governance Report	83
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	84
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	Timely market announcements of the new NED/IDs appointed are made through the CSE	-
9.10.4	Details in relation to the Board members	Yes	Refer Board of Directors section	99
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	94
9.11.4	Composition of the Committee	Yes	Refer Nominations and Governance Committee Report	94
9.11.5	Functions of the Committee	Yes	Refer Nominations and Governance Committee Report	94
9.11.6	Disclosures of the Committee	Yes	Refer Nominations and Governance Committee Report	94
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	92
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	92
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	92
9.12.6	Composition of the Committee	Yes	Refer Remuneration Committee Report	92
9.12.7	Functions of the Committee	Yes	Refer Remuneration Committee Report	92
9.12.8	Disclosures of the Committee	Yes	Refer Remuneration Committee Report	92

CORPORATE GOVERNANCE

CSE Rule		Compliance Status	Reference within the Annual Report	Page No.
9.13 Board Audit and Risk Committee				
9.13.1	The Audit Committee additionally perform the risk management function of the Company	Yes	Refer Board Audit and Risk Committee Report	90
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Yes	Refer Board Audit and Risk Committee Report	90
9.13.3	Composition of the Committee	Yes	Refer Board Audit and Risk Committee Report	90
9.13.4	Functions of the Committee	Yes	Refer Board Audit and Risk Committee Report	90
9.13.5	Disclosures of the Committee	Yes	Refer Board Audit and Risk Committee Report	90
9.14 Related Party Transactions Review Committee				
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	93
9.14.3	Functions of the Committee	Yes	Refer Related Party Transactions Review Committee Report	93
9.14.4	General Requirements	Yes	Refer Related Party Transactions Review Committee Report	93
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Refer Related Party Transactions Review Committee Report	93
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	93
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements	212
9.14.8 (2)	Details pertaining to Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements	212
9.14.8 (3)	Report of the Related Party Transactions Review Committee	Yes	Refer Report of the Related Party Transactions Review Committee	93
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 Report of the Board of Directors	104
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	-

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

The Board of Directors of Ceylinco Holdings PLC consists of six Executive Directors and ten Non Executive Directors, five of whom are independent. The Directors are senior professionals drawn from various disciplines who are capable of using their independent judgement in exercising their responsibilities on matters of strategy, resource and risk management, statutory compliance and standards of basic conduct. The Board is committed towards safeguarding the interests of the shareholders whilst maintaining the highest standards of corporate governance in line with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange (CSE).

The Board is collectively responsible towards ensuring the success and long-term sustainability of the company whilst adding value to the interests of shareholders and policy holders. The directors are also mindful of the Company's social responsibilities as evident from the Group's contribution to society which is mentioned elsewhere in this report. All Board Sub Committee reports are circulated to the Directors and pertinent matters are discussed at Board Meetings.

The Executive Chairman/Chief Executive Officer plays a key role in devising and reviewing group strategies for discussion and approval by the Board. The Senior Executive Director (SID) supports the Executive Chairman/Chief Executive Officer in ensuring compliance with the rules, regulations and best practices expected by the regulatory bodies referred to above. The CSE has been informed that the Board has unanimously concurred that the combined role of the Executive Chairman and Chief Executive Officer has been beneficial for the effective administration of the company in order to achieve the best results for shareholders and it does not compromise the values of good corporate governance.

The board evaluation process was implemented during the year under review and its outcome was deliberated at Board level. In keeping with Section 9 of the Listing Rules of the CSE, the Board has appointed two new Independent Non Executive Directors in place of the two directors who retire with effect from 31st December 2024, having reached the age of 70years. The Board Sub Committees have also been reconstituted accordingly.

Ceylinco Holdings PLC operates in the best interest of all its stakeholders, and it is committed towards maintaining a high standard of corporate governance. Going forward, I am convinced of the company's ability to create sustainable value into the predictable future.



D.H.J. Gunawardena
Senior Independent Director

31st December 2024

BOARD AUDIT AND RISK COMMITTEE REPORT

Objective

The Board Audit and Risk Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders and other stakeholders in relation to the integrity of the Group's Financial Statements, ensuring that a good financial reporting system is in place and is well managed in order to give accurate, appropriate and timely information. Further the Committee has a responsibility to assess the effectiveness of the control environment and ensure the objectivity and independence of External and Internal Auditors.

Composition

The Committee consists of four Non-Executive Directors of whom three are Independent Non-Executive Directors. The Board considers that the Committee members collectively have the required competence in the Company's business sectors, in addition to their general management and commercial experience.

Mr. D.H.J. Gunawardena retired from the post of Chairman of the Audit and Risk Committee w.e.f. 31.12.2024 and Mr. D.R.P. Goonethilake has been appointed as Chairman of the Committee w.e.f. 01.01.2025. He is a fellow member of the Chartered Institute of Management Accountants of the United Kingdom.

The Committee Chairman invites other regular attendees including the Director Finance, Chief Financial Officer, and representatives of the External Auditor to participate in meetings of the Audit and Risk Committee.

The Committee comprised of the following Directors of the Company as at 31 December 2024.

- Mr. D.H.J. Gunawardena (IND/NED) – Retired w.e.f. 31.12.2024.
- Mr. D.R.P. Goonethilake (IND/NED) - Appointed as Chairman w.e.f. 01.01.2025.
- Mr. N.V. Kumar (IND/NED) - Appointed w.e.f. 27.11.2023.
- Mr. G.D. Nelson (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

Audit Committee Charter

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter which has been approved and adopted by the Board. Its terms of reference comply with the requirements of the Corporate Governance Rules as per Section 9.13.4 of the Listing Rules of the Colombo Stock Exchange (CSE).

Oversight of Financial Reporting

The Committee evaluated the process to assess the effectiveness of the internal financial controls that have been designed to provide reasonable assurance to the Board of Directors that the Financial Reporting System can be relied upon in the preparation and presentation of the Financial Statements of the Company and the Group.

The Committee ensures that the Group provides accurate and timely financial results, conforms to the Sri Lanka Accounting Standards and applies its judgements effectively. During the year, the Committee considered and recommended the approval of the quarterly financial statements, annual financial statements with connected documents and ensured their compliance with the Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards.

Statutory & Regulatory Requirements

The Committee examines the systems and procedures that are in place to ensure compliance with applicable regulatory requirements on a periodic basis. The Committee reviews the regulatory compliance reports submitted and concludes that the Company and its subsidiaries' compliance framework provides reasonable assurance that all relevant laws, rules, regulations, codes of ethics and standard of conduct have been followed. This process guarantees that compliance with all statutory and regulatory requirements are effectively monitored.

In addition to the above process, the Committee updated the regulatory changes that are being implemented and reviewed the action plans to ensure preparedness of the Company and the Group in meeting such regulatory requirements.

The Committee assists the Board in discharging its responsibilities in relation to Group statutory and regulatory compliance and reviewed the monthly and quarterly compliance statements submitted to the Committee, prior to its release to the Board. The Committee discussed the mechanisms and mitigating actions deployed in support of the Group's overall compliance strategy and culture to reduce instances of fraud and compliance breaches.

Audit Committee Meetings

The Committee held four formal meetings and resolutions in writing were circulated to the Committee during the year under review. The CFO and designated management staff attended these meetings as permanent invitees. The External Auditors attended the scheduled meetings of the Committee by invitation. Other members of the senior management attended as invitees when required. The Board receives a copy of the minutes of each meeting of the Committee in a timely manner.

Risk Management and Governance

Each subsidiary company provides information pertaining to the risk management function with the purpose of keeping the Audit Committee abreast of the latest developments and in order to carry out its statutory, regulatory and other responsibilities.

The Audit Committee reviews the design and operational effectiveness of internal controls of each subsidiary company and implements changes where required and ensures that the risk management processes are effective and adequate to identify and mitigate risks.

The Company is fully compliant with the applicable rules on corporate governance under the listing rules of the Colombo Stock Exchange (CSE). In addition, the Company is compliant with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

Internal Audit

The Committee monitors the effectiveness of the internal audit functions and is responsible for ensuring the effectiveness of the internal control systems of the Group. The internal audit representatives are present at the Audit Committee meetings when discussions are conducted with regard to their respective audit reports. Follow-up reviews are scheduled to ascertain that audit recommendations are being acted upon.

The Committee was assured that the Internal Audit function is independent and that its audit functions are performed with objectivity, competency and professionally. The Committee reviewed the process to assess the effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that the assets of the Company are safeguarded and that the financial reporting system can be relied upon in the preparation and presentation of Financial Statements.

External Audit

The Audit Committee assists the Board in assessing independence and evaluating the performance of the External Auditors. It assesses the quality of the external auditor's contribution and effectiveness, considers their appointment, approves auditor remuneration and monitors the provision of non-audit services and associated fees in order to ensure that their independence as External Auditors had not been compromised.

The Committee held meetings to review the role of the External Auditors and the scope of its work. The Committee considers reports from the external auditor and management's response to recommendations.

In addition, as required by the Companies Act No. 07 of 2007 and Best Practice on Corporate Governance 2023 issued by CA Sri Lanka the Committee has received a declaration from Messrs. Ernst & Young, Chartered Accountants confirming that they do not have any relationship with the Company which may have a bearing on their independence. According to the Company policy, the lead Audit Partner is rotated every five years.

Conclusion

The Audit Committee concludes that the internal controls and processes in place for assessing and managing risks are adequately designed and operate effectively and that they give reasonable assurance that the Company's assets are safeguarded. The Committee is also satisfied that the operating controls and the application of appropriate accounting policies provide reasonable assurance that the financial statements of the Company and of the Group provide a true and fair view of its state of affairs.

The Audit Committee received information and support from the management team of Company and Group during the year under review to enable it to carry out its functions and obligations effectively.

The Audit Committee has proposed to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants be recommended for re-appointed as Statutory Auditors of the Company for the financial year ending 31st December 2025, subject to approval by the shareholders at the forthcoming Annual General Meeting.



D.H.J. Gunawardena
Chairman, Audit and Risk Committee

31st December 2024

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee plays a significant role in the governance framework of the Group as it is mandated to oversee the remuneration policies adopted by the Group, and in doing so, to review the overall remuneration policy, strategies, procedures and practices and to recommend any improvements where it is required. The Committee also reviews the performance, compensation and benefits of the Chairman/Chief Executive Officer, other Executive Directors and Senior Management. Its functions also include the performance review of the organisation's top talent for the purpose of succession planning, focusing mainly on key positions in the company and the Group as a whole.

Composition

The Remuneration Committee consists solely of Non-Executive Directors, the majority of whom are Independent Directors. The Committee is delegated with the power to assess, determine, and suggest to the Board of Directors any concern that may affect the Human Resources Management of the Company and Group.

The following Directors currently serve on the Committee.

- Mr. D.H.J. Gunawardena (IND/NED) – Committee Chairman (Retired w.e.f. 31.12.2024).
- Mr. N.V. Kumar (IND/NED) - Appointed as Chairman of Committee w.e.f. 01.01.2025.
- Mr. D.R.P. Goonathilake (IND/NED) - Appointed w.e.f. 01.01.2025.
- Mr. G.D. Nelson (IND/NED) - Appointed w.e.f. 01.01.2025.
- Dr. W.C.J. Alwis (NED) – Retired as a committee member w.e.f. 31.12.2024

The Company Secretary functions as the Secretary to the Remuneration Committee.

Committee Changes

Mr. D.H.J. Gunawardena retired w.e.f. 31.12.2024 and Dr. W.C.J. Alwis will resign from the Committee due to being appointed as an Executive Director on the Board with effect from 01.01.2025.

Duties of the Remuneration Committee

- Review and recommend overall remuneration strategies, policies and practices and performance-based pay approaches for the Group.

- Determine and agree with the Board, a basis for the remuneration of the Chairman/Chief Executive Officer and Executive Directors based on performance targets, performance-related pay schemes, industry trends and past remuneration of the entire Group.
- Ensure succession planning and talent management of Key Management Personnel.
- Safeguarding the integrity of the Group's compensation policy and practices.
- In performing the above functions, to ensure that stakeholder interests are aligned and that the Group is capable of attracting, motivating and retaining talented individuals.

Remuneration Policy

The remuneration policy of the Company is formulated towards enabling employees at all levels to deliver on their responsibilities towards the achievement of corporate goals whilst rewarding, motivating and retaining capable staff within the company and the Group as a whole. In setting its guidelines, the Committee is committed towards ensuring that the procedures and all its endeavors are in conformity with its statutory and regulatory obligations.

Meetings

The attendance of the committee members at these meetings is given on page 99 of this Annual Report. The Chairman/Chief Executive Officer, and other executive staff attended meetings by invitation.

Directors' Remuneration

Amount charged as Directors' Remuneration in Income Statement is shown in note 47 (a) of the Financial Statements.



D.H.J. Gunawardena
Chairman – Remuneration Committee

31st December 2024

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Role of the Committee

The Related Party Transactions Review Committee ("the Committee") is a formally constituted sub-committee of the Board of Directors to which it reports. The primary function of the Committee is to review Related Party Transactions as prescribed in the Listing Rules of the CSE, in order to ensure that transactions with related parties are on normal commercial terms, similar to those afforded to non-related parties by Ceylinco Holding PLC and its subsidiary companies.

The Committee is responsible for discharging its duties and functions by constantly reviewing and updating the existing framework for capturing, monitoring and reporting on related party transactions based on the policies and procedures relating to the same.

Composition

The Committee, as at 31st December 2024, is comprised of the following members.

- Mr. D.H.J. Gunawardena (IND/NED) – Committee Chairman (Retired w.e.f. 31.12.2024).
- Mr. D.R.P. Goonathilake (IND/NED) - Appointed as Chairman w.e.f. 01.01.2025
- Mr. N.V. Kumar (IND/NED) - Appointed w.e.f. 27.11.2023.
- Mr. G.D. Nelson (IND/NED) - Appointed w.e.f. 01.01.2025.
- Mr. T.N.M. Peiris – (ED) Appointed w.e.f. 01.01.2016.
- Mr. U. Witharana – (ED) Appointed w.e.f. 01.01.2016.
- Mr. P.A. Jayawardena – (NED) Appointed w.e.f. 01.01.2016.

ED - Executive Director

NED - Non - Executive Director

IND/NED - Independent Non - Executive Director

Mr. D.H.J. Gunawardena retired on 31st December 2024 and Mr. G.D. Nelson was appointed to the Committee on 1st January 2025 and serve as a member of the Committee from that date. Due to the retirement of Mr. D.H.J. Gunawardena, Mr. D.R.P. Goonathilake will be appointed as the Chairman of the Committee w.e.f. 01.01.2025.

The Company Secretary functioned as the Secretary to the Committee during the year under review.

Policies and Procedures adopted by the Committee

The Company identifies related parties as defined by LKAS 24. The Board of Directors of the Company have been identified as Key Management Personnel. Declarations are obtained from each Director/ Key Management Personnel of the Company and its subsidiaries for the purpose of identifying parties related to them. The related party transactions are identified from the information furnished in these declarations and the data base of the Company,

All projected recurrent related party transactions are submitted by the Management on a quarterly basis to the Committee for consideration and review. Non-recurrent related party transactions are also reviewed and approved by the Committee prior to the transaction being recommended by the Committee for board approval.

The Committee will continue to assist the Board of Directors by reviewing all Related Party Transactions, to ensure,

- that there is compliance with the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka and with Section 9 of the Listing Rules of the Colombo Stock Exchange.
- that the shareholder interests are safeguarded and fairness and transparency are maintained.

Meetings

The Committee held four meetings during the year 2024. The attendance of the members at these meetings is given on page ... of this Annual Report. The Chairman, Chief Executive Officer and other Key Management Personnel attended meetings by invitation to assist the Committee's discussions.

Declaration

The Committee assessed the process of capturing Related Parties of the Company. 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.

The Committee is satisfied that all related party transactions reviewed by the Committee during the year 2024 were compliant with the CSE Rules pertaining to Related Party Transactions, Related Party Transactions principles and were at arm's length terms and not prejudicial to the interests of Company and its minority shareholders. The comments and observations of the Committee have been duly communicated to the Board. Details of other related party transactions entered by the Company during the year are disclosed in Note 47 to the Financial Statements.

A declaration is given by the Board of Directors on the Annual Report page 95 as a negative statement to the effect that no related party transactions falling within the Listing Rules of the Colombo Stock Exchange were entered into by the Company during the year.



D.H.J. Gunawardena

Chairman - Related Party Transactions Review Committee

31st December 2024

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Scope and Objectives

The scope and objectives of the Nominations and Governance Committee ("the Committee") are set out in its Terms of Reference. The Committee's primary responsibility is to make recommendations to the Board of Directors regarding the appropriateness of a director's appointment when a vacancy in the Board has to be filled or to recommend the re-election of a Director retiring from the Board, in keeping with the provisions of the Company's Act and the Listing Rules of the Colombo Stock Exchange.

Succession planning is a key priority for the Committee to ensure that a structured and systematic process is in place to warrant the right composition of professional skills and experience amongst the members of the Board. To support the succession planning process, the Board skills are periodically examined to assess whether the Board and its committees have maintained the skills required to deliver on the corporate objectives of the Company.

The Nomination Committee also ensures compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and recommended best practices.

Composition of the Committee

The Committee comprises five Non-Executive Directors appointed by the Board of the Company.

The following Directors currently serve on the Committee.

- Mr. D.H.J. Gunawardena (IND/NED) – Committee Chairman (Retired w.e.f. 31.12.2024).
- Mr. N.V. Kumar (IND/NED) - Appointed as Committee Chairman w.e.f. 01.01.2025.
- Mr. D.R.P. Goonathilake (IND/NED) - Appointed w.e.f. 01.01.2025.
- Mr. G.D. Nelson (IND/NED) - Appointed w.e.f. 01.01.2025.
- Mr. R. Renganathan (NED) - Appointed w.e.f. 30.01.2020
- Mr. P.A. Jayawardena (NED) - Appointed w.e.f. 30.01.2020

NED - Non - Executive Director

IND/NED - Independent Non- Executive Director

The Company Secretary serves as the secretary to the Committee.

Key Functions

- Consideration of any new appointment and re-election of current Directors based on their performance and contribution made to the Company.
- Provide recommendations to the Board on any such appointment.
- Review the performance and conduct of each Director, CEO and Key Management Personnel to assess whether they are fit and proper persons to hold office in terms of the applicable rules and regulations.
- Recommending succession planning for retiring Directors and Key Management Personnel.

Meetings

The committee held two meetings during the year 2024.



D.H.J. Gunawardena

Chairman – Nominations and Governance Committee

31st December 2024

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 93.

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 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 judgements 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 and provide the information required by the Companies Act No. 7 of 2007. They are also responsible for taking reasonable measures to safe-guard 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 2024 to 2025 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

1st April 2025

COMPLIANCE REPORT

In respect of the financial year ended 31st December, 2024 of Ceylinco Holdings PLC:

- 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.
- All Dividend cheques have been dispatched by the due date.



Mrs. Nilika Abhayawardhana
Company Secretary

1st April 2025

FINANCIAL CALENDAR - 2025

Annual Report 2024	1st April 2025
Annual General Meeting	20th May 2025
Interim Report - 1st Quarter	15th May, 2025
Interim Report - 2nd Quarter	14th August, 2025
Interim Report - 3rd Quarter	14th November, 2025
Interim Report - 4th Quarter	27th February, 2026



FINANCIAL STATEMENTS

REPORT OF DIRECTORS	98
INDEPENDENT AUDITOR'S REPORT	106
STATEMENT OF FINANCIAL POSITION	109
INCOME STATEMENT	110
STATEMENT OF COMPREHENSIVE INCOME	111
STATEMENT OF CHANGES IN EQUITY	112
STATEMENT OF CASH FLOWS	114
INSURANCE REVENUE ACCOUNT	115
NOTES TO THE FINANCIAL STATEMENTS	116

REPORT OF DIRECTORS

The Directors are pleased to submit their report together with the Audited Statements of Income, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flow and the Statement of Financial Position of Ceylinco Holdings Group for the year ended 31st December 2024, and the Report of the Auditors thereon.

REVIEW OF OPERATIONS

The Chairman's and the Deputy Chairman's Reviews on pages 8 to 14 contain a detailed description of operations carried out in the year under review and projected developments.

The principal activities of the Group constitute Management of Investment, Insurance Operations, Health Care Operations, Education and Power Generation.

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit After Taxation (After Non - Controlling Interest)	9,469,669	10,794,505	1,548,314	1,508,574
Add : Balance Brought Forward	75,442,602	66,713,406	14,723,765	14,403,842
Other Comprehensive Income for the Period	(1,368,917)	(2,305,044)	-	-
Funds Available for Appropriation	83,543,354	75,202,867	16,272,079	15,912,416
Appropriation : Dividend Paid - Final	(1,267,895)	(1,188,651)	(1,267,890)	(1,188,651)
Transfer to Long Term Insurance Fund from Retirement Benefits	591,685	1,568,623	-	-
Transfer to Retained earnings	99,938	(140,237)	-	-
Unappropriated Profit Carried Forward	82,967,082	75,442,602	15,004,189	14,723,765

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

During the Financial year under review, no shares were issued.

The Stated Capital of the Company as at 31st December 2024 was Rs. 1,324,822,000 and is represented by issued and fully paid 20,000,000 voting ordinary shares and 6,414,480 non voting ordinary shares.

DIVIDENDS

The Directors recommend payment of a final dividend of Rs.51/- per share for the year ended 31 December 2024 payable on 27th May 2025.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Hettiarachige Don Kamal Patrick Alwis, Mr. Takashi Kishi, Mr. Peter Devaan Marlon Cooray and Mr. Sri Ranga Abeynayake retire by rotation and being eligible, offer themselves for re-election.

Mr. Nugent Duncan Nugawela, Non Executive Director resigned on 20th September 2024 and Mr. Visvajit Gerald De Alwis was appointed to the Board of Directors as an Independent Non Executive Director in place of Mr. Nugawela. Mr. Kapila Ariyaratne Independent Non Executive Director resigned on 01st October 2024 and Mr. George Deepal Nelson was appointed to the Board of Directors as an Independent Non Executive Director.

Independent Non Executive Directors Mr. D.H.J. Gunawardena and Mr. S.H.J. Weerasuriya retired with effect from 31.12.2024 and Mr. D.R.P. Goonetilleke and Mr. C.M. Fernando was appointed as Independent Non Executive Directors with effect from 01.01.2025. Mr. N.V. Kumar was nominated as the Senior Independent Director of the Board with effect from 01.01.2025, due to retirement of Mr. D.H.J. Gunawardena. Dr. W.C.J. Alwis was classified as an Executive Director with effect from 01.01.2025.

The newly appointed Directors would seek re-election to the Board at the forthcoming AGM.

Mr. Rajkumar Renganathan and Mr. Visvajit Gerald De Alwis will be 72 years and 70 years of age respectively in December 2025. In accordance with the Companies Act No. 07 of 2007 they will retire and thereafter being eligible offer themselves for re-election. Special notices have been received from shareholders to move ordinary resolutions at the next Annual General Meeting that Mr. Rajkumar Renganathan and Mr. Visvajit Gerald De Alwis be re-

elected 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. Visvajit Gerald De Alwis to continue as a nevertheless Independent Director despite attaining age of 70 years in August 2025 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.

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 PERFORMANCE EVALUATION

Board performance was evaluated independently by all Directors as recommended by the Nominations & Governance Committee based on criteria provided in the Code of best practice on Corporate Governance issued by the Institute of Chartered Accountants.

The number of meetings attended by each Director (who are members of the committee) are as follows:

Names of Committee Member	Audit and Risk Committee	Remuneration Committee	Related Party Transaction Committee	Nominations and Governance Committee
Mr. D.H.J. Gunawardena	4/4	2/2	4/4	2/2
Mr. Takashi Kishi	4/4	Not a member	Not a member	Not a member
Mr. N. Vasantha Kumar	4/4	2/2	4/4	2/2
Dr. W.C.J. Alwis	Not a member	2/2	Not a member	Not a member
Mr. P.A. Jayawardena	Not a member	Not a member	4/4	2/2
Mr. T.N.M. Peiris	Not a member	Not a member	3/4	Not a member
Mr. U. Witharana	Not a member	Not a member	2/4	Not a member
Mr. R. Renganathan	Not a member	Not a member	Not a member	1/2

DIRECTORS' INTEREST IN SHARES

The Articles of Association of the Company does not stipulate the Directors to hold shares of the Company, as qualifying shares. Directors' Interest in Shares of the Company are as follows: (including 'Close Family Members')

DIRECTORS' MEETINGS

The number of Board Meetings held during the financial year under review were six meetings and the number of board meetings and sub committee meetings attended by each Director of the Company were as follows;

Names of Directors	No. of Board meetings attended
Mr. A.R. Gunawardena	6/6
Mr. R. Renganathan	6/6
Mr. H.D.K.P. Alwis	6/6
Mr. E.T.L. Ranasinghe	6/6
Dr. W.C.J. Alwis	5/6
Mr. P.D.M. Cooray	5/6
Mr. D.H.J. Gunawardena	6/6
Mr. P.A. Jayawardena	6/6
Mr. N.D. Nugawela	2/5
Mr. T.N.M. Peiris	6/6
Mr. U. Witharana	6/6
Mr. S.R. Abeynayake	6/6
Mr. S.H.J. Weerasuriya	4/6
Mr. N.Vasantha Kumar	6/6
Mr. Takashi Kishi	6/6
Mr. K.P. Ariyaratne	5/5
Mr. V.G. De Alwis	0/1
Mr. G.D. Nelson	1/1

REPORT OF DIRECTORS

DIRECTORS' INTEREST IN SHARES OF THE COMPANY ARE AS FOLLOWS:

(including 'Close Family Members')

	Voting Shares		Non Voting Shares	
	as at	as at	as at	as at
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Mr. A.R. Gunawardena				
(Mr. A.R. Gunawardena 130 voting shares and 55 non voting shares; and joint with Mrs. K.S. Gunawardena 121,698 voting shares and 8,600 non voting shares) (Mrs. K.S. Gunawardena 14,900 voting shares and 7,702 non voting shares)	121,828	121,828	8,655	8,655
Mr. R. Renganathan	126,897	126,897	NIL	NIL
(Mr. R. Renganathan 123,271 voting shares and joint with Mrs. T.R.S. Renganathan 3,626 voting shares)				
Mr. H.D.K.P. Alwis	3,200	3,200	NIL	NIL
Mr. H.D.K.P. Alwis joint with Mrs. S.R. Alwis	NIL	NIL	2,000	2,000
Mr. E.T.L. Ranasinghe	9,279	9,279	NIL	NIL
Dr. W.C.J. Alwis	529,031	529,031	219,041	219,041
Mr. P.D.M. Cooray	10,024	10,024	NIL	NIL
Mr. D.H.J. Gunawardena (Resigned w.e.f. 31.12.2024)	NIL	NIL	NIL	NIL
Mr. P.A. Jayawardena	3,463	3,463	134	134
Mr. N.D. Nugawela (Resigned w.e.f. 20.09.2024)	3,539	3,539	510	510
Mr. T.N.M. Peiris	24,831	24,831	2,000	2,000
(Mrs. P.S. Peiris 212 voting shares)				
Mr. U. Witharana	2,605	2,605	512	512
Mr. S.R. Abeynayake	9,790	9,790	200	200
Mr. S.H.J. Weerasuriya (Resigned w.e.f. 31.12.2024)	NIL	NIL	600	600
Mr. Takashi Kishi	NIL	NIL	NIL	NIL
Mr. K.P. Ariyaratne (Resigned w.e.f. 01.10.2024)	NIL	NIL	NIL	NIL
Mr. N.Vasantha Kumar	NIL	NIL	NIL	NIL
Mr. V.G. De Alwis (Appointed w.e.f. 20.09.2024)	NIL	NIL	NIL	NIL
Mr. G.D. Nelson (Appointed w.e.f. 01.10.2024)	NIL	NIL	NIL	NIL
Mr. D.R.P. Goonetilleke (Appointed w.e.f. 01.01.2025)	NIL	NIL	NIL	NIL
Mr. C.M. Fernando (Appointed w.e.f. 01.01.2025)	NIL	NIL	NIL	NIL

The Directors' dealings of the Shares of the Company are in line with the regulations of the Colombo Stock Exchange and in keeping with the regulations of the Company.

ANALYSIS OF SHAREHOLDERS

(Voting)

Holding Range (Shares)	Number of Shareholders	Number of Shares	%
1-1000	1,749	280,060	1.40
1001-10000	243	728,145	3.64
10001-100000	32	810,830	4.05
100001-1000000	14	6,673,202	33.37
OVER MILLION	5	11,507,763	57.54
Total as at 31st. Dec. 2024	2,043	20,000,000	100

(Non Voting)

Holding Range (Shares)	Number of Shareholders	Number of Shares	%
1-1000	1,431	297,784	4.64
1001-10000	159	522,967	8.15
10001-100000	39	1,041,420	16.24
100001-1000000	17	3,450,494	53.79
OVER MILLION	1	1,101,815	17.18
Total as at 31st. Dec. 2024	1,647	6,414,480	100

ANALYSIS OF SHAREHOLDINGS

Institutional / Non-Institutional

(Voting)

Shareholder Category	Number of Shareholders	Total Shareholdings	Holding %
Individuals	1,892	2,969,466	14.85
Institutions	151	17,030,534	85.15
	2,043	20,000,000	100.00

(Non Voting)

Shareholder Category	Number of Shareholders	Total Shareholdings	Holding %
Individuals	1,530	1,951,510	30.42
Institutions	117	4,462,970	69.58
	1,647	6,414,480	100.00

REPORT OF DIRECTORS

Share Ownership Distribution Analysis as at 31.12.2024

Local Companies %		Local Individuals %		Foreign Companies %		Foreign Individuals %	
Voting	Non Voting	Voting	Non Voting	Voting	Non Voting	Voting	Non Voting
53.10	44.15	14.82	29.91	32.05	25.43	0.03	0.51

The percentage of 'Public Holding' (as per Circular no. 05/2013 of 30/12/2013 of the Colombo Stock Exchange) is 83.91% of the issued Voting share capital (represented by 2027 shareholders).

The percentage of 'Public Holding' (as per Circular no. 06/2021 of 29/12/2021 of the Colombo Stock Exchange) is 96.25% of the issued Non Voting share capital.

Float adjusted market capitalisation as at 31st December, 2024 : Rs. 50,346,000,000.00 (voting ordinary shares)

The company is in compliance with Minimum Public Holding Requirements as at reporting date under option 1 of CSE listing rule 7.13.1(a).

The 20 major shareholders as at 31.12.2024 (Voting)

Shareholder	Holding as at 31-12-2024 No. of Shares	% of the issued share Capital as at 31/12/2024	Holding as at 31-12-2023 No. of Shares
Global Rubber Industries (Private) Limited	4,063,814	20.32	4,450,135
Mitsui Sumitomo Insurance Company Limited	3,000,000	15.00	3,000,000
Banque Pictet and Cie SA S/A Patrick Schegg	2,145,079	10.73	2,145,079
Shriram Finance Limited	1,264,470	6.32	1,264,470
Eurocorp Investments (Pvt) Ltd	1,034,400	5.17	1,017,100
Nephele Private Limited	907,018	4.54	808,710
Mr. Prabhash Subasinghe	900,881	4.50	912,981
Ceylinco Holdings PLC A/C No. 03 (Employees' Gratuity Trust Fund)	805,096	4.03	865,724
Citizens Development Business Finance Account No. 01	663,624	3.32	663,624
Dr. Watuthanthrige Chakrine Jagath Alwis	529,031	2.65	529,031
Castle Realty (Private) Limited	525,400	2.63	525,400
Ceylinco Holdings PLC A/C No. 04 (Pension Fund)	489,806	2.45	489,806
Kutrala Private Limited	463,534	2.32	463,534
Ceylinco Holdings PLC – A/C No. 05 (The Pension Trust Fund of Ceylinco Holdings PLC)	403,034	2.02	403,034
Seylan Bank PLC/Global Rubber Industries (Private) Limited	386,321	1.93	NIL
Global Sea Foods (Private) Limited	200,000	1.00	632,110
Praesidium Investments (Pvt) Ltd	150,732	0.75	150,562
Mr. Rajkumar Renganathan (Mr. R. Renganathan 123,271 shares and joint with Mrs. T.R.S. Renganathan 3,626 shares)	126,897	0.63	126,897
Mr. Ajith Rohan Gunawardena (Mr. A.R. Gunawardena 130 shares and joint with Mrs. K.S. Gunawardena 121,698 shares)	121,828	0.61	121,828
Finco Holdings (Private) Limited	100,000	0.50	NIL

The 20 major shareholders as at 31.12.2024

(Non Voting)

Shareholder	Holding as at 31-12-2024 No. of Shares	% of the issued share Capital as at 31-12-2024	Holding as at 31-12-2023 No. of Shares
Auerbach Grayson and Company LLC	1,101,815	17.18	1,058,003
J.B. Cocoshell (Pvt.) Ltd.	507,476	7.91	482,652
BBH-Tundra Sustainable Frontier Fund	289,700	4.52	289,700
Confab Steel (Private) Limited	274,509	4.28	274,509
Odyssey Capital Partners (Private) Limited	270,535	4.22	83,035
Jafferjee Brothers Exports (Private) Limited	230,300	3.59	30,300
Dr. Watuthanthrige Chakrine Jagath Alwis	219,041	3.41	219,041
Banque Pictet and Cie SA S/A Patrick Schegg	200,000	3.12	200,000
Miss. Rukaiya Husseinally Abdulhussein	179,631	2.80	121,515
Mr. Yusuf Husseinally Abdulhussein	179,564	2.80	125,697
Mr. Piyadasa Rathnayaka	175,000	2.73	175,000
Hatton National Bank PLC - Senfin Growth Fund	170,354	2.66	83,800
Mr. Husseinally Mohsinally Abdulhussein joint with Mrs. Saema Enayat Lokhandwalla	161,547	2.52	91,928
Ceylon Investment PLC A/C # 02	140,010	2.18	140,010
Akbar Brothers Pvt Ltd A/C No. 01	117,500	1.83	NIL
Ceylon Guardian Investment Trust PLC A/C # 02	115,256	1.80	115,256
E.W. Balasuriya & Company (Private) Limited Account No. 01	113,846	1.77	113,846
Deutsche Bank AG AS Trustee for JB Vantage Value Equity Fund	106,225	1.66	106,225
Commercial Bank of Ceylon PLC A/C No. 03	95,500	1.49	NIL
Rubber Investment Trust Ltd A/C No. 01	70,000	1.09	70,000

PROPERTY, PLANT & EQUIPMENT

The details of Property, Plant and Equipment of the Company are shown in the "Notes to Financial Statements"(Pages 128 to 137).

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 realisable values or adequate provisions have been made for the differences between those values.

POST-BALANCE SHEET DATE EVENTS & UNUSUAL ITEMS

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 financial year.

REPORT OF DIRECTORS

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.

RELATED PARTY TRANSACTION

The Company has complied with section 9 of the Colombo Stock Exchange (CSE) listing rules in respect of Related Party Transactions.

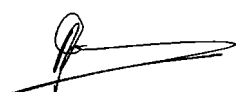
AUDITORS

The Financial Statements for the year have been audited by Messrs. 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 authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

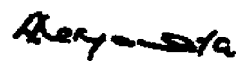
The fees paid to the Auditors are disclosed in note 36 on page 190 to the Financial Statements.

The Auditors of the Company, Messrs. Ernst & Young do not have any relationship with the Company other than that as the Auditors.

BY ORDER OF THE BOARD



A.R. Gunawardena
Executive Chairman/ Chief Executive Officer



R. Renganathan
Non Executive Deputy Chairman



Nilika Abhayawardhana
Company Secretary

1st April 2025
Colombo

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 01.01.2024 to 31.12.2024 in which this company has had transactions during the year 2024.

	Mr. A.R. Gunawardena	Mr. R. Renganathan	Mr. H.D.K.P. Alwis	Mr. Upali Witharana	Mr. T.N.M. Peiris	Dr. W.C.J. Alwis	Mr. E.T.L. Ranasinghe	Mr. P.D.M. Cooray	Mr. P.A. Jayawardena	Mr. S. R. Abeynayaka	Mr. D. H.J. Gunawardena	Mr. S.H.J. Weerasuriya	Mr. N. Vasantha Kumar	Mr. K.P. Ariyaratne	Mr. N.D. Nugawela	Mr. Takashi Kishi	Mr. G.D. Nelson	Mr. V.G. De Alwis
1 Alethea Institute of Management Services (Pvt) LTD	✓	✓	✓	✓	✓													
2 Alethea School (Pvt) Ltd	✓	✓	✓	✓	✓													
3 American Education Centre Ltd.	✓	✓	✓	✓	✓													
4 ANC Education Holdings Ltd	✓						✓											
5 ANC Modern Montessori International (Pvt) Ltd	✓			✓		✓												
6 Asset Trust Management (Pvt) Ltd				✓									✓					
7 CEC Events (Pvt) Ltd	✓	✓	✓	✓	✓	✓												
8 CEC Exhibition Services (Pvt) Ltd	✓		✓			✓												
9 CEG Education Holdings (Pvt.) Ltd.	✓	✓	✓	✓	✓	✓												
10 Ceyhydro Developers (Pvt) Ltd	✓	✓	✓	✓														
11 Ceylinco General Insurance Ltd							✓									✓		
12 Ceylinco Healthcare Services Ltd		✓					✓		✓									
13 Ceylinco Insurance Company (Pvt.) Ltd. (Maldives)	✓	✓	✓	✓	✓	✓												
14 Ceylinco International Trading Co Ltd	✓	✓	✓	✓														
15 Ceylinco Investcorp Ltd	✓	✓	✓	✓	✓	✓												
16 Ceylinco Life Insurance Ltd.		✓					✓	✓	✓	✓	✓							
17 Ceypower Cascades (Pvt) Ltd	✓	✓	✓	✓														
18 E G H L Solar Galle (Pvt) Ltd	✓	✓	✓															
19 E G H L Solar Mathugama (Pvt) Ltd	✓	✓	✓															
20 E G L Solar Ltd	✓	✓	✓	✓														
21 Energy Generators (Pvt) Ltd	✓	✓	✓	✓														
22 Energy Generators Holding Ltd	✓	✓	✓			✓												
23 Energy Lanka Holdings Ltd	✓	✓	✓	✓	✓	✓												
24 Enviro Engineering Solutions (Pvt) Ltd		✓																
25 International College of Business & Technology Ltd.	✓	✓	✓	✓	✓	✓												
26 Kings Hospital Colombo (Pvt) Ltd		✓					✓		✓									
27 Serene Resorts Ltd		✓					✓	✓	✓	✓	✓							
28 Ultratech Cement Lanka(Pvt) Ltd	✓		✓															
29 Wycherley International College(Gampaha) Ltd	✓	✓	✓	✓	✓	✓												
30 Wycherley International School (Pvt) Ltd	✓	✓	✓	✓	✓	✓												
31 Wycherley International School Colombo South (Pvt) Ltd	✓	✓	✓	✓	✓	✓												

* Mr. N.D. Nugawela resigned w.e.f. 20.09.2024

* Mr. K.P. Ariyaratne resigned w.e.f. 01.10.2024

* Mr. V.G. De Alwis appointed w.e.f. 20.09.2024

* Mr. G.D. Nelson appointed w.e.f. 01.10.2024

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
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

To the Shareholders of Ceylinco Holdings PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ceylinco Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 December 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the*

audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessing the Carrying Value of Life Insurance Contract Liabilities Life Insurance Contract Liabilities amounting to Rs. 180 Bn represent 78% of total liabilities of the Group as at 31 December 2024 and are estimated by management using actuarial methodologies as described in Note 23 to the financial statements. The Life Insurance Contract Liabilities were determined by the management specialist engaged by the Group. This was a key audit matters due to: <ul style="list-style-type: none">materiality of the reported Life Insurance Contract Liabilities; andthe degree of management judgements, assumptions and estimation uncertainties associated with the actuarial methodologies used to estimate life insurance contract liabilities and perform the liability adequacy test used to determine the adequacy of the carrying value of Life insurance contract liabilities.	<p>Our audit procedures including the following key procedures:</p> <ul style="list-style-type: none">Assessed the competency, capability and objectivity of the management specialist engaged by the Group.Obtained an understanding of the liability valuation process.Agreed key information used in estimating life insurance contract liabilities to source documents and accounting records.With the support of an expert, we assessed the reasonableness of the key judgements, assumptions and estimates made and actuarial methodology used to estimate the value of life insurance contract liabilities, and the liability adequacy test. Reasonableness was assessed by reference to market data and policyholder experience. <p>We assessed the adequacy of the disclosures in Note 23 and 44 (a) i to the financial statements.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Key areas of significant judgements, assumptions and estimates made by management include mortality rate, morbidity rate, lapses ratio and surrenders ratio, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in Note 23 and 44 (a) i to the financial statements.</p>	
<p>Assessing the Carrying Value of Non-Life Insurance Contract Liabilities</p> <p>Non-Life Insurance Contract liabilities amounting to Rs 17 Bn represent 7% of total liabilities of the Group as at 31 December 2024 are estimated by management using actuarial methodologies as described in Note 24 to the financial statements. Non-Life Insurance Contract Liabilities consist of provision for reported claims, provision for Incurred But Not Reported & Incurred But Not Enough Reported (IBNR & IBNER) and provision for unearned premiums which were determined by the management specialist engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> ☑ materiality of the reported Non-Life Insurance Contract Liabilities; ☑ the degree of management judgements, assumptions and estimation uncertainty associated with the actuarial methodologies used to estimate Non-Life Insurance Contract Liabilities and perform the liability adequacy test used to determine the adequacy of the carrying value of Non-Life Insurance Contract Liabilities. <p>Key areas of significant judgments, assumptions and estimates made by management include the determination of historical experience and business expectations such as previous claim experience, existing knowledge of risk events, industry ultimate loss ratio, claims handling expenses and management expenses, as disclosed in Note 24 and 44 (a) ii to the financial statements.</p>	<p>Our audit procedures including the following key procedures:</p> <ul style="list-style-type: none"> ☑ Assessed the competency, capability and objectivity of the management specialist engaged by the Group. ☑ Obtained an understanding of the liability valuation process. ☑ Agreed key information used in estimating non-life insurance contract liabilities to source documents and accounting records. ☑ With the support of an expert, we assessed the reasonableness of the key judgements, assumptions and estimates made and actuarial methodology used to estimate the value of non-life insurance contract liabilities, and the liability adequacy test. Reasonableness was assessed by reference to the industry data and considering both historical experience and business expectations. ☑ Checked the unearned premium and reported claim calculations. <p>We assessed the adequacy of the disclosures in Note 24 ,44 (a) ii to the financial statements.</p>
<p>Other Information included in the 2024 Annual Report</p> <p>Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>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 in this regard.</p>	<p>Responsibilities of the management and those charged with governance for the financial statements</p> <p>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.</p> <p>In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.</p> <p>Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.</p>

INDEPENDENT AUDITOR'S REPORT



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 SLAuSSs 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 SLAuSSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ☑ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☑ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- ☑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☑ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ☑ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☑ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

21 March 2025
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeevan FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCCA FCCA MBA (USJPSL), G B Goudan ACA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Snaathivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

STATEMENT OF FINANCIAL POSITION

	Page No.	Note	Group		Company	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets						
Goodwill	125	6	372,382	372,382	-	-
Other Intangible Assets	126	7	226,801	299,756	-	-
Deferred Expenses	127	8	1,450,281	1,438,654	-	-
Property, Plant and Equipment	128	9	33,068,783	31,125,336	-	-
Right of Use Asset	137	10	928,541	813,206	-	-
Investment Properties	140	11	3,952,230	3,834,432	153,332	153,332
Investment in Subsidiaries	144	12(a)	-	-	15,896,855	15,896,855
Investment in Associates	146	12(b)	10,740,127	9,312,151	92,514	92,514
Financial Instruments						
Held to Maturity Financial Assets	154	13(a)	119,965,994	112,058,479	-	-
Loans and Receivables	154	13(b)	108,272,377	84,849,761	1,739,540	1,330,355
Available-For-Sale Financial Assets	155	13(c)	13,072,987	14,747,354	1,587,576	1,218,711
Financial Assets at Fair Value Through Profit or Loss	156	13(d)	25,436	4,452,434	-	-
Employee Gratuity Benefit Asset	160	14	7,671,851	8,908,133	-	-
Employee Pension Benefit Asset	164	15	5,271,868	3,104,093	-	-
Reinsurance Receivables	167	16	9,024,328	6,757,896	-	-
Loans to Life Policyholders	167	17	3,008,273	2,930,981	-	-
Income Tax Receivable	168	18	8,478	8,111	-	-
Deferred Tax Assets	170	18(a)	38,350	46,159	20,574	15,492
Insurance Receivables/Trade Debtors	172	19	9,686,956	10,269,855	-	-
Other Assets	173	20	1,687,505	1,517,457	22,004	5,256
Cash and Cash Equivalents	173	21	3,639,534	2,878,065	22,538	225
Total Assets			332,113,082	299,724,695	19,534,934	18,712,740
Equity & Liabilities						
Equity Attributable to Equity Holders of Parent						
Stated Capital	174	22 (a)	1,324,822	1,324,822	1,324,822	1,324,822
Retained Earnings			82,967,082	75,442,602	15,004,189	14,723,765
Other Reserves	175	22 (b)	3,333,862	2,985,669	2,438,961	2,324,575
Revaluation Reserves			4,957,801	4,868,385	-	-
Restricted Regulatory Reserve	176	23 (b)	3,456,184	3,456,184	-	-
Total Ordinary Shareholders' Equity			96,039,751	88,077,662	18,767,972	18,373,162
Non-Controlling Interests	194	39 (a)	4,425,363	3,759,427	-	-
Total Equity			100,465,114	91,837,089	18,767,972	18,373,162
Liabilities						
Life Insurance Contract Liabilities	176	23	180,041,362	156,683,565	-	-
Unit Linked Fund & Other Funds-Life			647,877	661,233	-	-
Non Life Insurance Contract Liabilities	177	24	17,018,713	16,713,157	-	-
Employee Gratuity Benefit Liability	160	14	601,974	523,997	68,578	51,640
Deferred Revenue	179	25	794,015	917,233	-	-
Interest Bearing Loans & Borrowings	179	26	2,822,626	6,438,315	16,835	130,366
Deferred Tax Liabilities	171	18(b)	2,954,251	2,597,374	-	-
Reinsurance Payables	180	27	11,319,270	8,864,310	-	-
Trade and Other Payables	180	28	15,447,879	14,488,422	681,549	157,572
Total Liabilities			231,647,967	207,887,606	766,962	339,578
Total Equity and Liabilities			332,113,082	299,724,695	19,534,934	18,712,740

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007.

T.N.M. Peiris

Director/Head of Finance

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Board by:

A.R. Gunawardena
Executive Chairman/CEO

R. Renganathan
Deputy Chairman

P.A. Jayawardena
Director

Upali Witharana
Director

21st March 2025
Colombo

INCOME STATEMENT

For the Year Ended 31 December	Group					Company		
	Page No.	Note	2024	2023	Change	2024	2023	Change
			Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Net Income	184	29 (c)	91,207,525	88,113,694	4	2,021,746	1,901,054	6
Gross Written Premium	182	29 (a)	67,448,893	64,303,371	5	-	-	-
Premium Ceded to Reinsurers	183	29 (b)	(16,071,023)	(16,892,159)	(5)	-	-	-
Net Written Premium			51,377,871	47,411,212	8	-	-	-
Net Change in Reserve for Unearned Premium			98,415	(30,884)	(419)	-	-	-
Net Earned Premium			51,476,286	47,380,328	9	-	-	-
Revenue from Non Insurance Subsidiaries	120	5	6,417,207	5,624,904	14	-	-	-
			57,893,493	53,005,232		-	-	-
Fees and Commission Income	185	30	2,164,069	1,757,134	23	-	-	-
Investment Income	186	31	30,670,537	32,965,204	(7)	2,021,746	1,901,054	6
Net Realised Gains	187	32	253,731	148,072	71	-	-	-
Net Fair Value Gains and Losses	187	33	225,695	238,052	(5)	-	-	-
Other Revenue			33,314,033	35,108,462		2,021,746	1,901,054	6
Gross Benefits and Claims Paid	188	34(a)	(35,905,466)	(35,681,295)	1	-	-	-
Claims Ceded to Reinsurers	188	34(b)	1,957,236	4,586,054	(57)	-	-	-
Gross Change in Contract Liabilities	188	34(c)	(23,534,557)	(24,235,925)	(3)	-	-	-
Change in Contract Liabilities Ceded to Reinsurers	189	34(d)	1,340,217	878,187	53	-	-	-
Net Benefits and Claims			(56,142,570)	(54,452,979)		-	-	-
Cost of Sales - Non Insurance Subsidiaries	120	5	(1,574,297)	(1,577,467)	-	-	-	-
Acquisition Cost	190	35	(5,104,566)	(4,930,083)	4	-	-	-
Other Operating and Administrative Expenses	190	36	(14,413,237)	(12,354,029)	17	(415,094)	(294,574)	41
Impairment Provision			-	(13,223)	(100)	-	(30,000)	(100)
Finance Cost	191	37	(411,683)	(392,228)	5	(652)	(868)	(25)
Total Benefits, Claims and Other Expenses			(77,646,353)	(73,720,009)		(415,746)	(325,442)	28
Profit Before Share of Associates			13,561,172	14,393,685	(6)	1,606,000	1,575,612	2
Share of Profit of Associates	146	12(b)	1,281,942	568,551	125	-	-	-
Profit Before Tax			14,843,114	14,962,236	(1)	1,606,000	1,575,612	2
Income Tax Expense	192	38	(4,538,769)	(3,434,221)	32	(57,686)	(67,038)	(14)
Profit for the Year			10,304,346	11,528,015	(11)	1,548,314	1,508,574	3
Profit Attributable to:								
Equity Holders of the Parent			9,469,669	10,794,505		1,548,314	1,508,574	
Non-Controlling Interests	194	39(b)	834,677	733,510		-	-	
			10,304,346	11,528,015		1,548,314	1,508,574	
Basic/Diluted Earnings Per Share	195	40	358.51	408.67		58.62	57.11	
Dividend Per Share	195	41	48.00	45.00		48.00	45.00	

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the Year		10,304,346	11,528,015	1,548,314	1,508,574
Other Comprehensive Income					
Other Comprehensive Income to be reclassified to Income Statement in subsequent period					
Net Gain/(Loss) on Available-for-Sale Assets	42	638,708	1,169,108	114,386	18,374
Exchange Differences on Translating Foreign Operations	42	(51,901)	(305,766)	-	-
Income Tax relating to Components of Other Comprehensive Income	42	(101,458)	(292,145)	-	-
Net Other Comprehensive Income to be reclassified to Income Statement in subsequent period		485,349	571,197	114,386	18,374
Other Comprehensive Income not to be reclassified to Income Statement in subsequent period					
Revaluation Surplus/ (Deficit) During the Year	42	604,509	664,128	-	-
Actuarial Gain/(Loss) on Defined Benefit Plans	42	(1,431,914)	(2,316,242)	-	-
Income Tax relating to Components of Other Comprehensive Income	42	38,348	35,040	-	-
Net Other Comprehensive Income not to be reclassified to Income Statement in subsequent period		(789,057)	(1,617,074)	-	-
Other Comprehensive Income for the Year, Net of Tax		(303,708)	(1,045,877)	114,386	18,374
Total Comprehensive Income for the Year, Net of Tax		10,000,638	10,482,138	1,662,700	1,526,948
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		9,173,920	9,834,609	1,662,700	1,526,948
Non-Controlling Interests		826,718	647,529	-	-
		10,000,638	10,482,138	1,662,700	1,526,948

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of the Parent									
	Total									Total Equity
	Stated Capital	Revaluation Reserves	Restricted Regulatory Reserve	Other Retained Reserves	Retained Earnings	Available-for- Sale Reserve	Foreign Currency Translation Reserve	Ordinary Shareholders' Equity	Non- Controlling Interests	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance As At 1st January 2023	1,324,822	4,789,378	3,456,184	2,057,437	66,713,406	(77,943)	357,117	78,620,401	3,274,900	81,895,301
Profit for the Year	-	-	-	-	10,794,505	-	-	10,794,505	733,510	11,528,015
Other Comprehensive Income for the Year	-	794,351	-	-	(2,305,044)	815,515	(264,718)	(959,896)	(85,981)	(1,045,877)
Total Comprehensive Income for the Year	-	794,351	-	-	8,489,461	815,515	(264,718)	9,834,609	647,529	10,482,138
Final Dividend of Parent Company	-	-	-	-	(1,188,651)	-	-	(1,188,651)	-	(1,188,651)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	(163,002)	(163,002)
Transfer to Retained Earnings	-	-	-	-	(140,237)	140,237	-	-	-	-
Transfer to Long Term Fund	-	(715,344)	-	-	1,568,623	(41,976)	-	811,303	-	811,303
Balance As At 31st December 2023	1,324,822	4,868,385	3,456,184	2,057,437	75,442,602	835,833	92,399	88,077,662	3,759,427	91,837,089
Profit for the Year	-	-	-	-	9,469,669	-	-	9,469,669	834,677	10,304,346
Other Comprehensive Income for the Year	-	579,860	-	-	(1,368,917)	545,209	(51,901)	(295,749)	(7,959)	(303,708)
Total Comprehensive Income for the Year	-	579,860	-	-	8,100,752	545,209	(51,901)	9,173,920	826,717	10,000,638
Final Dividend of Parent Company	-	-	-	-	(1,267,895)	-	-	(1,267,895)	-	(1,267,895)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	(160,781)	(160,781)
Transfer to Reserve During the Year	-	-	-	-	99,938	(60,895)	-	39,043	-	39,043
Transfer to Long Term Fund	-	(490,444)	-	-	591,685	(84,220)	-	17,021	-	17,021
Balance As At 31st December 2024	1,324,822	4,957,801	3,456,184	2,057,437	82,967,082	1,235,927	40,498	96,039,751	4,425,363	100,465,114

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

Company	Stated Capital	Revaluation Reserves	Other Retained Reserves	Retained Earnings	Available-for- Sale Reserve	Total Ordinary Shareholders' Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance As At 1st January 2023	1,324,822	-	2,057,437	14,403,842	248,764	18,034,865
Profit for the Year	-	-	-	1,508,574	-	1,508,574
Other Comprehensive Income for the Year	-	-	-	-	18,374	18,374
Total Comprehensive Income for the Year	-	-	-	1,508,574	18,374	1,526,948
Final Dividend Paid	-	-	-	(1,188,651)	-	(1,188,651)
Balance As At 31st December 2023	1,324,822	-	2,057,437	14,723,765	267,138	18,373,162
Profit for the Year	-	-	-	1,548,314	-	1,548,314
Other Comprehensive Income for the Year	-	-	-	-	114,386	114,386
Total Comprehensive Income for the Year	-	-	-	1,548,314	114,386	1,662,700
Final Dividend Paid	-	-	-	(1,267,890)	-	(1,267,890)
Balance As At 31st December 2024	1,324,822	-	2,057,437	15,004,189	381,524	18,767,972

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December		Group		Company	
		2024	2023	2024	2023
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities					
Premiums/Revenue received from Customers		74,448,999	70,788,923	-	-
Reinsurance Premiums (Net of Commission) Paid		(13,616,062)	(16,320,977)	-	-
Commission Paid		(5,002,450)	(4,759,684)	-	-
Claims and Benefits Paid		(35,905,466)	(35,686,502)	-	-
Reinsurance Receipts in respect of Claims & Benefits		3,071,872	4,020,867	-	-
Interest and Dividends Received		30,670,537	21,302,040	2,114,302	1,888,620
Other Operating Cash Payments		(15,674,929)	(12,317,193)	10,782	(342,704)
Other Income		456,933	2,798,726	-	-
Contributions to Gratuity Fund/Gratuity Payments		(459,515)	(904,554)	-	-
Income Taxes Paid		(4,036,014)	(3,192,517)	(57,686)	(78,425)
Interest Paid		(388,978)	(951,848)	(74,784)	(868)
Net Cash Flows from Operating Activities (Note A)		33,564,926	24,777,281	1,992,614	1,466,623
Cash Flows from Investing Activities					
Acquisition of Financial Investments	13 (e)	(585,970,878)	(487,909,877)	(3,790,678)	(7,296,235)
Acquisition of Investment Property		(17,783)	(363,660)	-	-
Proceeds from Sale of Financial Investments		561,135,149	465,644,057	3,201,798	6,973,564
Acquisition of Property , Plant & Equipment	9	(2,653,371)	(3,181,682)	-	-
Acquisition /Disposal of Intangible Assets	7	(221,457)	(182,607)	-	-
Proceeds from Disposal of Property , Plant & Equipment		358,846	557,501	-	-
Net Cash Flows from Investing Activities		(27,369,494)	(25,436,268)	(588,880)	(322,671)
Cash Flows from Financing Activities					
Repayment of Lease Liabilities	28 (a)	(441,499)	(377,231)	-	-
Repayment of Loans	26 (a)	(4,262,544)	(1,857,805)	-	-
Loans Obtained		338,428	4,359,648	-	-
Dividends Paid to Equity Holders including WHT		(1,428,676)	(1,351,653)	(1,267,890)	(1,188,651)
Net Cash Flows from Financing Activities		(5,794,291)	772,959	(1,267,890)	(1,188,651)
Impact of Foreign Currency Translation		51,901	1,285,088	-	-
Increase / (Decrease) in Cash & Cash Equivalents (Note B)		453,042	1,399,060	135,844	(44,699)
Note A					
Reconciliation of Profit Before Tax with Net Cash Flows from Operating Activities					
Profit Before Tax		14,843,114	14,962,236	1,606,000	1,575,612
Adjustments for:					
Depreciation on Property, Plant & Equipment	36	1,029,608	1,096,092	-	-
Depreciation on Right of use Assets	10	354,658	351,949	-	-
Amortisation of Intangible Assets	7	294,412	251,709	-	-
Change in Trade and Other Receivables		(2,020,406)	(8,346,691)	(21,830)	(41,208)
Change in Reinsurance Receivable		(2,266,432)	(1,162,895)	-	-
Increase in Life Insurance Funds		23,344,441	23,013,637	-	-
Increase in Non - Life Insurance Provisions		305,556	1,700,599	-	-
Change in Trade and Other Payables		3,057,276	(4,352)	540,914	(41,208)
Realised Gain on Property Plant and Equipment		(74,021)	(39,893)	-	-
Realised Gain on Right to Use Assets		62,790	-	-	-
Fair value Gain recorded in Income Statement		(100,015)	(231,552)	-	-
Exchange Differences		51,901	(3,052,490)	(74,784)	51,852
Income Tax Paid		(4,036,014)	(3,192,517)	(57,686)	(78,425)
Share of Associate Profits	12 (b)	(1,281,942)	(568,551)	-	-
Net Cash Flows from Operating Activities		33,564,926	24,777,281	1,992,614	1,466,623
Note B					
Cash and Cash Equivalents at 1st January		1,740,598	341,538	(130,141)	(85,442)
Cash and Cash Equivalents at 31st December	Note C	2,193,640	1,740,598	5,703	(130,141)
Increase / (Decrease) in Cash and Cash Equivalents		453,042	1,399,060	135,844	(44,699)
Note C					
Cash in Hand & Cash at Bank	21	3,639,534	2,878,065	22,538	225
Bank Overdraft	26	(1,445,894)	(1,137,467)	(16,835)	(130,366)
		2,193,640	1,740,598	5,703	(130,141)

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

The cash flow statement has been prepared using the "direct method".

INSURANCE REVENUE ACCOUNT

For the Year Ended 31 December	Glossary Item	2024 Rs. '000	2023 Rs. '000	Change %
Non-Life Insurance (Sri Lankan Operations)				
Gross Written Premium	12	24,548,782	25,246,863	(2.77)
Net Earned Premium	16	14,816,037	14,510,651	2.10
Net Claims Incurred	21	(8,053,597)	(8,239,975)	(2.26)
Underwriting and Net Acquisition Costs (Including Reinsurance)	1 & 26	(942,543)	(1,256,570)	(24.99)
Underwriting Result	31	5,819,897	5,014,106	
Other Operating, Investments Related and Administrative Expenses		(5,964,579)	(5,008,307)	19.09
Investment and Other Income		1,724,556	4,129,897	(58.24)
Interest Expense		(67,136)	(57,439)	16.88
Profits From Operations After Interest Expense		1,512,738	4,078,257	(62.91)
Key Ratios Non - Life Insurance				
Net Loss Ratio	18	54	57	(4.28)
Net Expense Ratio	17	47	44	8.04
Net Combined Ratio	15	101	100	1.07
Life Insurance				
Gross Written Premium	12	37,140,416	33,411,394	11.16
Net Written Premium (Net of Reinsurance Premium and Commission)	1 & 16	36,590,453	32,771,519	11.65
Investment and Other Income Attributable to Policyholders		22,245,927	22,181,627	0.29
Net Benefits Payable		(25,048,619)	(23,135,049)	8.27
Increase in Long Term Insurance Fund		(23,051,748)	(23,015,741)	0.16
Acquisition Cost	1	(2,478,258)	(2,267,578)	9.29
Operating and Administrative Expenses Attributable to Policyholders		(3,912,180)	(3,477,557)	12.50
Interest Expense		(82,853)	(79,877)	3.73
Tax expenses		(1,255,722)	(1,000,122)	25.56
Surplus from Life Insurance Business	36	3,006,998	1,977,222	52.08
Surplus From Life Insurance Business		3,006,998	1,977,222	52
Investment & Other Income not Attributable to Policyholders		6,162,310	5,809,480	6
Operating and Administrative Expenses not Attributable to Policyholders		(372,950)	(347,071)	7
Tax expenses		(1,724,871)	(1,637,798)	5
Profits From Operations After Interest Expense		7,071,487	5,801,833	22

The Notes on pages 116 through 214 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Ceylinco Holdings PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka and its shares are publicly traded on the Colombo Stock Exchange.

The registered office and the main place of business of the Company is located at No. 69, Janadhipathi Mawatha, Colombo 1. Additional corporate information is given on page ...

In the Annual Report of the Board of Directors and in the Financial Statements, "the Company" refers to Ceylinco Holdings PLC as the holding company and "the Group" refers to the companies whose accounts have been consolidated therein.

All companies in the Group are limited liability companies incorporated and domiciled in Sri Lanka except for one subsidiary (Ceylinco Insurance Company (Pvt) Ltd., Maldives) and one associate (Sagaramatha Insurance Ltd) which are incorporated and domiciled in the Republic of Maldives and the Republic of Nepal respectively.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the group were underwriting of all classes of general insurance, life insurance, healthcare services, fund management, power generation, education and investment holding.

There were no significant changes in the nature of principal activities of the Company and the Group during the financial year under review.

1.3 Ultimate Parent Company

The Company has no identified parent Company.

1.4 Consolidated Financial Statements

The Consolidated Financial Statements of Ceylinco Holdings PLC, as at and for the year ended 31st December 2024 encompass the Company, its Subsidiaries (together referred to as the 'Group') and the Group's interest in Associates.

The assets and liabilities presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

No adjustments have been made for inflationary factors affecting the Financial Statements.

1.5 Reporting Date

The financial statements of all companies in the group are prepared for a common financial year which ends on 31st December 2024 except for few associate Companies.

1.6 Responsibility for Financial Statement

The Board of Directors is responsible for these Financial Statements of the Group/Company as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The responsibility of the Directors in relation to the Financial Statements is set out in detail in the Statement of Directors' Responsibility Report in on page ...

1.7 Date of Authorization for Issue

The Consolidated Financial Statements of Ceylinco Holdings PLC for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 21st March 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards, 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, the Regulation of Insurance Industry Act, No. 43 of 2000 and amendments thereto, rules and regulations of the Insurance Regulatory Commission of Sri Lanka and the listing rules of the Colombo Stock Exchange (CSE).

2.2 Basis of Measurement

The Financial Statements have been prepared on accrual basis and under the historical cost except for the following:

- ☑ Investment property is measured at fair value
- ☑ Available for sale financial assets and financial assets at fair value through profit or loss are measured at fair value
- ☑ Land and buildings are stated at revalued amounts
- ☑ Defined benefit obligations are actuarially valued and recognised at present value of the defined benefit obligation
- ☑ The ultimate cost of outstanding claims (IBNR) of General Insurance business is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter- Ferguson methods.
- ☑ Life insurance contract liability is valued actuarially and recognized at present 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 at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability
Or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

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 is presented in Sri Lankan rupees rounded to the nearest thousand.

The functional currency of each entity in the group is Sri Lankan rupees, except for Ceylinco Insurance Company (Pvt) Ltd. Maldives and Sagaramatha Insurance Ltd. whose functional currencies are the Maldivian rufiyaa and the Nepalese rupee respectively.

2.5 Going Concern

After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed, the Directors have a reasonable expectation that the Company and the Group 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.

2.6 Comparative information

The comparative information is consistently applied during the year.

The Consolidated Financial Statements provide comparative information in respect of the previous financial year. The

presentation and classification of assets and liabilities in the Financial Statements of the previous financial year have been amended, where relevant for better presentation and to be comparable with those of the current year.

GENERAL ACCOUNTING POLICIES AND NOTES

Accounting policies relating to each financial statement areas is given along with the relevant notes to the Financial Statements. The other significant accounting policies are described below;

2.7 Basis of Consolidation

The Group's Financial Statements comprises, Consolidated Financial Statements for the Company and its Subsidiaries in terms of Sri Lanka Financial Reporting Standards 10 (SLFRS 10); "Consolidated Financial Statements".

3. MATERIAL ACCOUNTING POLICIES

The accounting policies have been applied consistently to all periods presented in these financial statements of the Company and Group.

(a) Product Classification

Insurance contracts are those contracts when the Group (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 Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Insurance contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

Likely to be a significant portion of the total contractual benefits

The amount or timing of which is contractually at the discretion of the issuer

That are contractually based on:

- ☑ The performance of a specified pool of contracts or a specified type of contract.
- ☑ Realised and or unrealised investment returns on a specified pool of assets held by the issuer.
- ☑ The profit or loss of the company, fund or other entity that issues the contract.

NOTES TO THE FINANCIAL STATEMENTS

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the 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 the foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation is recognised in income statement. The Group's consolidated financial statements are presented in Sri Lankan rupees which is also the parent company's functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and Balances

Transaction 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 retranslated at the functional currency rate of exchange ruling at the reporting date.

All differences are taken to the income statement.

(ii) Group Companies

The assets and liabilities of foreign operations are translated into rupees at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation is recognised in other comprehensive income relating to that particular foreign operation is recognized in the income statement.

(c) 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 Group's financial liabilities include trade and other payables, borrowings, and reinsurance payables.

(d) Cash Flow Statement

The cash flow statement has been prepared using the "direct method".

(e) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in income statement.

An impairment loss in respect of goodwill is not reversed. 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 recognized.

3.1 New and amended standards and interpretations

There is no impact of standards resulted on the financial statements of the Group due to changes in Accounting Standards and disclosures during the year.

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:

Critical Accounting Judgments, Estimates and Assumptions	Disclosure Note	Reference Page
Unearned premium and deferred acquisition cost	24.(b) & 8	178 & 127
Life Insurance contract liabilities	23.(a)	176
Reserve for gross outstanding claims	24.(a)	178
Valuation of investment property	11	140
Leases - Estimating the incremental borrowing rate and determining the lease term of contracts with renewal and termination options	10	137
Deferred tax	18.(b)	171
Measurement of defined benefit obligation	14	160
Revaluation of Land & Building	9	128
Income Tax uncertainty over income tax treatment	45(a) ii 4	210
Investment in an associate	12 (b) i	146

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for

insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A simplified approach (the premium allocation approach) mainly for short-duration contracts
- A specific adaptation for contracts with direct participation features (the variable fee approach)

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The Group is currently in process of assessing and finalizing the applicable accounting policies, transition approach including the possible effects on comparative information, impact on current practices of the Group and the appropriate methodology for implementation. As such, the financial impact of initial application of SLFRS 17 Insurance Contracts has not been disclosed in these financial statements as it is not yet reasonably estimable

SLFRS 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: recognition and Measurement. SLFRS includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39. SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group meets the eligibility criteria of the temporary exemption from SLFRS 9 and intend to defer the application of SLFRS 9 until annual reporting periods beginning on or after 1 January 2026.

Lack of Exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. Group is currently assessing the impact the amendments will have on current practice

5. SEGMENT INFORMATION

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The Operating Segments represent this business structure.

For management purposes, the Group is organised into business units based on their products and services and has following reportable operating segments as follows:

- ☑ The Life Insurance Segment offers a wide range of whole life products, Endowment products, term products, universal life products and mortgage protection products.
- ☑ The non-life insurance segment comprises of products namely motor, fire, engineering, marine, employers' liability and miscellaneous.
- ☑ Healthcare Segment includes Healthcare centre for Cancer Screening, Radiation Treatment units and Diabetes Centre.

Maldives Foreign operations- this segment offers Non-Life Insurance products in Maldives.

- ☑ Education Services Segment includes Primary, Secondary, High Education courses through various subsidiary companies.
- ☑ Power generation segment business is to generate and distribute Hydro Power to the national grid.

Other segment includes investment holding associate business, investment management & hotel services.

Transaction between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments which will be eliminated on consolidation.

Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The activities of the Group are located mainly in Sri Lanka. Consequently, the economic environment in which the Group operated is not subject to risks and rewards that are significantly different on a geographical basis. Hence disclosure by geographical region is not provided.

Segment Income Statement For The Year Ended 31 December 2024

	Life Insurance		Non-life Insurance		Healthcare	Education	Power Generation	Other Adjustments and Eliminations		Total
	Rs.'000		Domestic	Foreign				Rs.'000	Rs.'000	
Gross Premium	37,140,416	24,548,782	5,759,695	-	-	-	-	-	-	67,448,893
Premium Ceded to Reinsurers	(549,963)	(9,830,750)	(5,690,310)	-	-	-	-	-	-	(16,071,023)
Change in Reserve for Unearned Premium	-	98,005	410	-	-	-	-	-	-	98,415
Net Earned Premium	36,590,453	14,816,037	69,796	-	-	-	-	-	-	51,476,286
Revenue from Non Insurance Subsidiaries	-	-	-	-	366,623	5,370,562	538,153	141,870	(1)	6,417,207
Fees and Commission Income	232,301	1,383,284	548,484	-	-	-	-	12,663	(12,663)	2,164,069
Investment Income	27,776,646	1,428,039	72,335	123,268	885,734	28,916	2,092,397	(1,736,799)	30,670,537	
Realised Gains	191,948	58,417	-	-	1,920	-	1,446	-	-	253,731
Fair Value Gains and Losses	207,342	238,100	-	-	8,955	-	-	(228,702)	225,695	
Other Revenue & Revenue from Non Insurance Subsidiaries	28,408,237	3,107,840	620,819	498,846	6,258,216	567,069	2,248,376	(1,978,265)	39,731,240	
Segment Revenue	64,998,690	17,923,877	690,615	498,846	6,258,216	567,069	2,248,376	(1,978,265)	91,207,525	
Gross Benefits and Claims Paid	(25,298,611)	(9,612,420)	(994,435)	-	-	-	-	-	-	(35,905,466)
Claims Ceded to Reinsurers	249,992	749,593	957,651	-	-	-	-	-	-	1,957,236
Gross Change in Contract Liabilities	(23,051,748)	(879,302)	396,493	-	-	-	-	-	-	(23,534,557)
Change in Contract Liabilities Ceded to Reinsurers	-	1,688,532	(348,315)	-	-	-	-	-	-	1,340,217
Cost of Sales -Non Insurance Subsidiaries	-	-	-	-	(178,142)	(1,185,893)	(129,628)	(80,634)	-	(1,574,297)
Net Benefits and Claims & Cost of Sales -Non Insurance Subsidiaries	(48,100,367)	(8,053,597)	11,394	(178,142)	(1,185,893)	(129,628)	(80,634)	-	(57,716,867)	
Acquisition Cost	(2,478,258)	(2,325,827)	(300,481)	-	-	-	-	-	-	(5,104,566)
Other Operating and Administrative Expenses	(4,285,131)	(5,964,579)	(301,025)	(371,308)	(2,861,185)	(169,760)	(496,850)	36,601	(14,413,237)	
Finance Costs	(82,853)	(67,136)	(3,253)	(181)	(254,310)	(9,136)	(2,662)	7,848	(411,683)	
Total of Other Expenses	(6,846,242)	(8,357,542)	(604,759)	(371,489)	(3,115,495)	(178,896)	(499,512)	44,449	(19,929,486)	
Segment Benefits, Claims and Other Expenses	(54,946,609)	(16,411,139)	(593,365)	(549,631)	(4,301,388)	(308,524)	(580,146)	44,449	(77,646,353)	
Share of Profit of Associates	-	-	-	-	-	-	1,281,942	-	-	1,281,942
Profit Before Taxation	10,052,081	1,512,738	97,250	(50,785)	1,956,826	258,545	2,950,172	(1,933,714)	14,843,114	
Taxation	(2,980,594)	(454,176)	(13,121)	64,611	(591,253)	(93,732)	(83,673)	(386,830)	(4,538,769)	
Profit After Taxation	7,071,487	1,058,562	84,129	13,826	1,365,575	164,813	2,866,499	(2,320,544)	10,304,346	

Adjustment and elimination mainly include elimination of inter segment dividend,rent and interest

NOTES TO THE FINANCIAL STATEMENTS

Segment Income Statement For The Year Ended 31 December 2023

	Life Insurance		Non-life Insurance		Healthcare	Education	Power Generation	Other Adjustments and Operations Eliminations	Total
	Rs.'000		Domestic	Foreign	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Premium	33,411,394		25,246,863	5,645,114	-	-	-	-	64,303,371
Premium Ceded to Reinsurers	(639,875)		(10,705,138)	(5,547,146)	-	-	-	-	(16,892,159)
Change in Reserve for Unearned Premium	-		(31,074)	190	-	-	-	-	(30,884)
Net Earned Premium	32,771,519		14,510,651	98,158	-	-	-	-	47,380,328
Revenue from Non Insurance Subsidiaries	-		-	-	378,027	4,641,084	443,972	178,941	(17,120)
Fees and Commission Income	101,657		1,123,157	532,320	-	-	-	2,400	5,624,904
Investment Income	27,530,811		4,085,847	132,146	142,887	825,948	8,960	2,009,467	1,757,134
Realised Gains	106,631		37,550	-	-	3,599	-	292	32,965,204
Fair Value Gains and Losses	252,009		6,500	-	12,643	-	-	(33,100)	148,072
Other Revenue & Revenue from Non Insurance Subsidiaries	27,991,108		5,253,054	664,466	533,557	5,470,631	452,932	2,191,100	238,052
Segment Revenue	60,762,627		19,763,705	762,624	533,557	5,470,631	452,932	2,191,100	(1,823,482)
Gross Benefits and Claims Paid	(23,425,601)		(11,095,036)	(1,160,658)	-	-	-	-	88,113,694
Claims Ceded to Reinsurers	290,552		3,952,465	1,134,820	-	-	-	-	(35,681,295)
Gross Change in Contract Liabilities	(23,015,741)		(1,058,829)	(161,355)	-	-	-	-	5,377,837
Change in Contract Liabilities Ceded to Reinsurers	-		(38,575)	124,978	-	-	-	-	(24,235,925)
Cost of Sales - Non Insurance Subsidiaries	-		-	-	(204,584)	(1,019,718)	(155,546)	(197,619)	86,403
Net Benefits and Claims & Cost of Sales - Non Insurance Subsidiaries	(46,150,790)		(8,239,975)	(62,214)	(204,584)	(1,019,718)	(155,546)	(197,619)	(1,577,467)
Acquisition Cost	(2,267,578)		(2,379,727)	(282,778)	-	-	-	-	(56,030,447)
Other Operating and Administrative Expenses	(3,824,629)		(5,008,307)	(307,061)	(196,480)	(2,505,538)	(154,739)	(354,565)	-
Impairment Provision	-		-	-	-	16,777	-	(30,000)	(2,710)
Finance Costs	(79,877)		(57,439)	(2,942)	-	(211,538)	(53,851)	(3,701)	(13,223)
Total of Other Expenses	(6,172,084)		(7,445,473)	(592,781)	(196,480)	(2,700,299)	(208,590)	(388,266)	(392,228)
Segment Benefits, Claims and Other Expenses	(52,322,874)		(15,685,448)	(654,995)	(401,064)	(3,720,017)	(364,136)	(585,885)	14,410
Share of Profit of Associates	-		-	-	-	-	-	568,551	(17,689,563)
Profit Before Taxation	8,439,753		4,078,257	107,629	132,493	1,750,614	88,796	2,173,766	14,410
Taxation	(2,637,920)		(355,251)	(14,427)	(32,577)	(363,907)	(40,388)	(73,000)	(1,809,072)
Profit After Taxation	5,801,833		3,723,006	93,202	99,916	1,386,707	48,408	2,100,766	83,249
								(1,725,823)	(3,434,221)
									11,528,015

Adjustment and elimination mainly include elimination of inter segment dividend, rent and interest

Segment Statement of Financial Position at 31 December 2024

	Life Insurance		Non-life Insurance		Healthcare	Education	Power Generation	Other Adjustments and Eliminations		Total
	Rs.'000	Rs.'000	Domestic	Foreign				Rs.'000	Rs.'000	
Intangible Assets (Incl. Goodwill)	193,120	24,567	2,674	-	20	372,957	-	5,845	-	599,183
Property, Plant & Equipment	13,721,111	4,254,439	925	-	492,284	10,224,769	863,155	29,298	3,482,802	33,068,783
Investment Property	4,755,199	2,794,500	-	-	-	-	-	153,333	(3,750,802)	3,952,230
Investment in Associates	2,641,673	-	-	-	-	-	-	7,985,980	112,474	10,740,127
Investments in Subsidiaries	1,511,000	-	-	-	-	-	-	15,896,856	(17,407,856)	-
Financial Instruments	213,600,746	19,837,981	1,265,496	-	1,206,875	1,498,304	256,760	4,279,321	(608,689)	241,336,794
Reinsurance Assets	545,635	8,071,617	407,076	-	-	-	-	-	-	9,024,328
Insurance/Trade Receivables	423,419	6,707,248	2,134,768	-	-	336,115	85,406	-	-	9,686,956
Other Assets	14,045,250	6,662,955	992,587	-	18,689	1,855,073	99,985	94,377	(64,235)	23,704,681
Total Assets	251,437,153	48,353,307	4,803,526	-	1,717,868	14,287,218	1,305,306	28,445,010	(18,236,306)	332,113,082
Insurance Contract Liabilities	181,545,971	16,504,311	514,402	-	-	-	-	-	(854,352)	197,060,075
Other Liabilities	9,145,730	11,919,562	3,753,148	-	84,565	6,824,730	447,574	1,133,143	629,183	34,587,892
Total Liabilities	190,691,701	28,423,873	4,267,550	-	84,565	6,824,730	447,574	1,133,143	(225,169)	231,647,967

Segment Statement of Financial Position at 31 December 2023

	Life Insurance		Non-life Insurance		Healthcare	Education	Power Generation	Other Adjustments and Eliminations		Total
	Rs.'000	Rs.'000	Domestic	Foreign				Rs.'000	Rs.'000	
Intangible Assets (Incl. Goodwill)	260,234	36,930	-	-	67	374,610	-	297	-	672,138
Property, Plant & Equipment	12,819,913	4,432,760	2,328	-	510,209	8,964,262	900,310	33,454	3,462,100	31,125,336
Investment Property	4,646,800	2,556,400	-	-	-	-	-	153,332	(3,522,100)	3,834,432
Investment in Associates	2,641,672	-	-	-	-	-	-	6,558,004	112,474	9,312,150
Investments in Subsidiaries	1,511,000	-	-	-	-	-	-	15,896,856	(17,407,856)	-
Financial Instruments	189,300,974	19,217,973	1,290,858	-	1,247,225	1,967,369	269,207	3,396,109	(581,688)	216,108,027
Reinsurance Assets	683,424	5,250,179	824,293	-	-	-	-	-	-	6,757,896
Insurance/Trade Receivables	405,029	7,541,403	2,170,929	-	3,713	146,854	1,927	-	-	10,269,855
Other Assets	12,477,245	6,509,506	992,715	-	12,945	1,506,317	85,540	125,930	(65,339)	21,644,861
Total Assets	224,746,291	45,545,151	5,281,123	-	1,774,159	12,959,412	1,256,984	26,163,982	(18,002,409)	299,724,695
Insurance Contract Liabilities	158,199,150	15,723,015	990,142	-	-	-	-	-	-	174,912,307
Other Liabilities	12,173,828	9,617,594	3,702,805	-	154,349	6,494,051	506,421	722,876	(396,625)	32,975,299
Total Liabilities	170,372,978	25,340,609	4,692,947	-	154,349	6,494,051	506,421	722,876	(396,625)	207,887,606

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

5 (a). Summarized information of Material Partly- Owned Subsidiaries

	Energy Lanka Holdings (PVT) Ltd	CEG Education Holdings (Group)	Ceylinco Insurance Company Ltd Maldives	Ceylinco Investcrop (PVT) Ltd	International College of Business and Technology Ltd	American Education Center Limited
	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'

Summarized Income Statement for the year ended 31st December 2024

Revenue	567,069	6,258,216	690,615	70,184	3,648,623	2,543,852
Cost of Sale	(129,628)	(1,185,893)	(289,087)	(42,459)	(549,028)	(609,568)
Administrative Expenses	(169,760)	(2,861,185)	(301,025)	(22,852)	(1,695,906)	(1,128,979)
Finance Cost	(9,136)	(254,310)	(3,253)	-	(65,560)	(188,751)
Profit Before Tax	258,545	1,956,828	97,250	4,873	1,338,129	616,554
Profit for the year from Continuing Operation						
Total Comprehensive Income	164,813	1,366,885	25,950	14,545	917,964	453,139
Attributable to Non-Controlling Interests	89	814,266	5,522	3,636	339,646	26,297
Dividends paid to Non-Controlling Interests	-	78,470	-	-	92,237	-

Summarized Income Statement for the year ended 31st December 2023

Revenue	452,932	5,470,631	762,624	125,072	3,117,384	2,338,534
Cost of Sale	(155,546)	(1,019,718)	(344,992)	(167,890)	(472,986)	(521,707)
Administrative Expenses	(154,739)	(2,488,761)	(307,061)	(13,792)	(1,439,779)	(1,053,296)
Finance Cost	(53,851)	(211,538)	(2,942)	-	(116,071)	(95,377)
Profit Before Tax	88,796	1,750,614	107,629	(56,610)	1,088,548	668,154

Profit for the year from Continuing Operation

Total Comprehensive Income	(126,334)	1,223,764	(99,693)	206,656	881,199	486,563
Attributable to Non-Controlling Interests	(2,742)	616,366	(21,215)	51,664	326,043	33,251
Dividends paid to Non-Controlling Interests	-	147,735	-	-	83,013	908

Summarized Statement of Financial Position as at 31 December 2024

Current Assets	185,391	1,659,388	3,534,431	22,003	1,492,668	1,524,055
Non-Current Assets	1,119,915	12,627,830	1,269,095	353,085	7,298,772	4,308,329
Current Liabilities	369,510	5,215,000	3,753,148	41,636	1,957,956	1,852,667
Non-Current Liabilities	78,064	1,609,730	514,402	279,337	1,245,648	1,805,994
Total Equity	857,732	7,462,488	535,976	54,115	5,587,836	2,173,723

Summarized Statement of Financial Position as at 31 December 2023

Current Assets	356,674	3,233,967	3,987,937	102,569	1,864,362	1,220,843
Non-Current Assets	900,310	9,725,445	1,293,186	206,719	6,180,709	4,040,999
Current Liabilities	309,518	5,044,560	3,702,805	256,745	1,794,583	2,083,284
Non-Current Liabilities	196,903	1,449,491	990,142	12,974	1,331,325	1,317,975
Total Equity	742,119	5,147,096	588,176	39,569	4,919,163	1,860,583

Please refer Note 39 for details of Non-Controlling Interest

	Energy Lanka Holdings (PVT) Ltd	CEG Education Holdings (Group)	Ceylinco Insurance Company Ltd Maldives	Ceylinco Investcrop (PVT) Ltd	International College of Business and Technology Ltd	American Education Center Limited
	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'

Summarized Statement of Cash Flows information for the year ended 31 December 2024

Operating Cash Flow	214,396	1,598,410	171,251	37,732	1,150,458	361,926
Investing Cash Flow	40,640	(1,093,990)	31,073	(89,675)	(654,606)	(307,030)
Financing Cash Flow	(232,317)	(250,137)	(125,650)	46,444	(366,101)	(46,436)
Net Increase /(Decrease) In Cash and Cash Equivalents	22,719	254,283	76,674	(5,499)	129,751	8,460

Summarized Statement of Cash Flows information for the year ended 31 December 2023

Operating Cash Flow	381,977	2,939,416	538,160	(46,280)	982,084	1,727,055
Investing Cash Flow	(247,383)	(2,184,668)	(287,738)	1,409,657	(510,697)	(1,341,144)
Financing Cash Flow	(73,148)	11,372	(104,548)	(1,041,290)	(344,363)	132,540
Net Increase /(Decrease) In Cash and Cash Equivalents	61,446	766,120	145,874	322,087	127,024	518,451

6. GOODWILL

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Cost		
At 1 January	379,135	379,135
At 31 December	379,135	379,135
Accumulated Impairment		
At 1 January	6,753	6,753
At 31 December	6,753	6,753
Carrying Amount		
At 31 December	372,382	372,382

The amount represents Goodwill reflected in the CEG Education Holdings (Pvt) Ltd which is included under Education Segment.

The Group performs its annual impairment test as at 31 December of each financial year. The Group considers the net assets position and future cashflows of each operating segment when assessing the recoverable amount. As at 31 December 2024, there were no potential impairment of goodwill except Net Assist International (Pvt) Ltd Subsidiary of CEG Education Holdings (Pvt) Ltd., for which provision has been made in 2015.

Accounting Judgements, Estimates and Assumptions

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

NOTES TO THE FINANCIAL STATEMENTS

7. OTHER INTANGIBLE ASSETS

ACCOUNTING POLICY

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset. The estimated useful lives for the current and comparative periods are as follows:

Item	Useful Life
Computer Software	03 - 05 Years

Intangible assets with infinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised.

The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. 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.

Year ended 31 December	Notes	Group	
		Computer Software & License	
		2024	2023
		Rs.'000	Rs.'000
Cost			
At 1 January 2024		1,794,763	1,614,163
Cost Capitalised		221,457	182,607
Disposal		-	(2,007)
At 31 December 2024		2,016,220	1,794,763
Accumulated Amortisation and Impairment			
At 1 January 2024		1,495,007	1,246,984
Amortisation During the Period	36	294,412	251,709
Disposal		-	(3,686)
At 31 December 2024		1,789,419	1,495,007
Carrying Amount			
At 1 January 2024		299,756	367,179
At 31 December 2024		226,801	299,756

7(a) Acquisition of Other Intangible Assets during the year

During the financial year, the Group acquired/capitalised Intangible Assets (Computer Software & License) to the aggregate value of Rs. 221,457,000 (2023 - Rs. 182,607,000). Cash payments amounting to Rs. 221,457,000 (2023- Rs.182,607,000) were made during the year for purchase of Intangible assets (Computer Software & License).

7(b) Title Restriction on Other Intangible Assets

There are no restrictions that existed on the title of the intangible assets as at the reporting date.

7(c) Assessment of Impairment of Intangible Assets

The Board of Directors has assessed potential impairment indicators of Intangible Assets as at 31st December 2024. Based on the assessment, no impairment indicators were identified.

7(d) Capitalisation of Borrowing Costs

There were no capitalised borrowing costs related to the acquisition of Intangible Assets during the year (2023 - Nil).

7 (e) Fully amortized intangible assets in use

Intangible assets include fully amortized computer software which are in the use of normal business activities having a gross carrying amount of Rs. 885,309,427(2023 - Rs. 556,707,000).

8. DEFERRED EXPENSES

ACCOUNTING POLICY

Deferred Acquisition Costs (DAC)

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 amortisation 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 recognised 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.

Year ended 31 December	Group	
	Deferred Acquisition Costs on Insurance Contracts	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	1,438,654	1,286,478
Expenses Deferred	2,906,630	2,957,863
Amortisation	(2,895,003)	(2,805,687)
At 31 December	1,450,281	1,438,654

Deferred Acquisition Cost is those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts and deferred to the extent that these costs are recoverable out of future premiums.

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, Plant and Equipment

(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.

(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 Group 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	
Buildings	50-70 Years
Improvement on Leasehold Building	04-06 Years
Civil Construction	57-60 Years
Furniture and Fittings	05-10 Years
Office Equipment	03-10 Years
Computer Equipment	02-05 Years
Motor Vehicles	04-05 Years
Plant & Machinery	
Plant & Machinery/Project Equipment	04-30 Years
Medical Equipment	05 Years
Electric Equipment	05 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 are reviewed at each reporting date to ensure that carrying amount does not differ materially from fair value.

The revaluation surplus is recognised on the net carrying value of the asset and is transferred to a revaluation reserve (on shareholder assets) and to Life Insurance Fund (on policyholder assets) after restating the asset at the revalued amount.

(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. When revalue assets are sold, the amount included in the revaluation reserve are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

Group	Notes	Freehold Land	Building	Plant & Machinery	Motor Vehicles	Office Equipment	Computer Equipment	Furniture & Fittings	Capital WIP	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At Cost/Valuation										
At 1 January 2023		14,443,779	9,851,402	1,931,248	3,917,285	1,731,217	1,001,390	956,219	364,180	34,196,720
Additions/Transfers		114,750	2,233,433	75,194	211,983	353,990	109,745	82,587	-	3,181,682
Disposals		(113,490)	(169,743)	-	(89,842)	(64,497)	(164,014)	(19,664)	-	(621,250)
Revaluation		419,900	383,636	-	-	-	-	-	-	803,536
At 1 January 2024		14,864,939	12,298,728	2,006,442	4,039,426	2,020,710	947,121	1,019,142	364,180	37,560,688
Additions/Transfers		421,489	338,220	388,572	186,000	312,257	380,393	137,115	489,324	2,653,371
Disposals		-	(8,813)	(504,453)	(140,218)	(20,699)	(13,015)	(1,441)	(8,546)	(697,185)
Revaluation		339,328	170,621	-	-	-	-	-	-	509,949
At 31 December 2024		15,625,756	12,798,757	1,890,561	4,085,208	2,312,268	1,314,499	1,154,816	844,958	40,026,823
Accumulated Depreciation										
At 1 January 2023		-	134,900	711,718	2,149,915	1,281,680	752,179	718,297	-	5,748,689
Depreciation	36	-	422,918	170,932	215,117	146,951	80,069	60,105	-	1,096,092
Disposals		-	(34,978)	-	(49,036)	(63,061)	(165,814)	(17,771)	-	(330,660)
Revaluation		-	(78,769)	-	-	-	-	-	-	(78,769)
At 1 January 2024		-	444,071	882,650	2,315,996	1,365,570	666,434	760,631	-	6,435,352
Depreciation	36	-	281,302	201,343	155,624	183,019	140,364	67,956	-	1,029,608
Disposals		-	(178)	(276,415)	(99,915)	(23,056)	(9,305)	(3,493)	-	(412,362)
Revaluation		-	(94,557)	-	-	-	-	-	-	(94,557)
At 31 December 2024		-	630,638	807,578	2,371,705	1,525,533	797,493	825,094	-	6,958,040
Carrying Amount at Cost/Valuation										
At 1 January 2024		14,864,939	11,854,657	1,123,792	1,723,430	655,140	280,687	258,511	364,180	31,125,336
At 31 December 2024		15,625,756	12,168,119	1,082,983	1,713,503	786,735	517,006	329,722	844,958	33,068,783

Group	Freehold Land	Building
	Rs.'000	Rs.'000
Movement of Revalued Freehold Land and Building if accounted on cost basis		
At Cost		
At 1 January 2024	6,855,670	6,336,790
Additions/Transfers	159,386	30,065
Revaluation	-	-
Disposals	-	-
At 31 December 2024	7,015,056	6,366,855
Accumulated Depreciation		
At 1 January 2024	-	836,228
Depreciation	-	26,057
Disposals	-	-
Revaluation	-	-
At 31 December 2024	-	862,285
Carrying Amount at Cost		
At 1 January 2024	6,855,670	5,500,562
At 31 December 2024	7,015,056	5,504,570

The transfer relating to the accumulated depreciation of Rs. 94,557,000 as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset, is presented together with revaluation amount under cost.

NOTES TO THE FINANCIAL STATEMENTS

9.(a) Details of Freehold Land & Building

Group

Non Life Insurance Business

Addresses	Building Extent Sq. Ft.	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Total Rs.'000	Date of the Valuation
282, High Level Road, Kottawa	862	Condominium Method	Price per Sq ft	Rs. 100	10,237	2,763	13,000	31-Dec-22
97, Baudhaloka Mawatha, Gampaha	8,360	A-0-R-O-P 16.50	Price per perch	Rs. 4,500,000	74,000	68,000	142,000	31-Dec-22
42/1, Mihidu Mawatha, Kurunegala	7,635	A-0-R-O-P 8.2	Price per Sq ft	Rs. 12000	65,500	68,500	134,000	31-Dec-22
583/ 63 Liyanagemulla , Seeduwa	43,080	A-3-R-1-P .3.6	Price per perch	Rs. 8,000,000	157,000	81,000	238,000	31-Dec-22
60, Yovunpitiya Watte, Gnanawimala Mawatha. Kosgoda , Balapitiya	11,282	A-0-R-1-P 29	Price per Sq ft	Rs800 4500	41,000	63,000	104,000	31-Dec-22
63, Janadhipathi Mawatha, Colombo 1.	-	A-0-R-O-P 13.84	Price per Sq ft	Rs. 7500	304,000	-	304,000	31-Dec-22
3rd,4th, 5th, 7th & 11th Floors of Ceylinco House Building	31,326	-	Rent per Sq.ft per month	Rs. 200-215	-	852,000	852,000	31-Dec-22
5th Floor of Ceylinco House Building, 69,"Ceylinco House" Janadipathi Mawatha, Colombo 1	11,323	-	Rent Per Sq.ft	Rs. 200-215	240,000	240,000	240,000	31-Dec-22
46 / 34, "VIP Centre ", Nawam Mawatha , Colombo 2.	18,068	A-0-R-O-P 19.00	Price per perch	Rs. 16,500,000	313,500	163,201	476,701	31-Dec-22
Madabawita, Warakapola	608	A-O-R-O-P 16.25	Price per Sq ft	Rs. 10,000	9,000	2,000	11,000	31-Dec-22
Malangama, Kuruwita	643	A-0-R-O-P 15.00P	Price per Sq ft	Rs.5000	9,000	2,500	11,500	31-Dec-22
Induruwa, Kosgoda	856	A-0-R-O-P 24.30	Price per Sq ft	Rs. 5000	15,500	-	15,500	31-Dec-22
Ibbagamuwa, Melsiripura	620	A-0-R-1-P 00.00	Price per perch	Rs. 350,000	14,000	2,500	16,500	31-Dec-22
Bilibiyoa, Kithulgala	5,326	A-0-R-2-P 00.07	Price per Sq ft	Rs. 5500	28,000	23,033	51,033	31-Dec-22
Puttalam -South, Mundel	705	A-0-R-O-P-20.0	Price per Sq ft	Rs. 5000-6000	3,000	2,500	5,500	31-Dec-22
Bauddaloka mawatha	28,948	1A-0R-0.00P	Price per perch &	Rs. 150,000	1,760,000	60,000	1,820,000	31-Dec-22
302 & 302 1/1, D.S.Senanyake Mw, Knady		A-0, R-0, P-13.5	Price per Sq ft	Rs.6500	108,000	30,400	138,400	31-Dec-23
Total			Price per perch &	Rs.8,000,000 , Rs.8,000	2,919,737	1,661,397	4,581,134	

Life Insurance Business

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.115, Greens Road, Negombo	13,169	A-O-R-O-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 13,200	67,500	126,000	193,500	31-Dec-24
No.115, Greens Road, Negombo	7,345	A-O-R-O-P-37.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 15,700	168,800	115,300	284,100	31-Dec-24
No.60, Colombo Road, Kaluwella, Galle	11,385	A-O-R-O-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 12,000	72,400	85,400	157,800	31-Dec-24
No.163, Dharmapala Mawatha, Anuradhapura	22,015	A-O-R-1-P-10.68	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,250,000 Rs. 12,000	215,400	198,100	413,500	31-Dec-24
No.144, Hambanthota Road, Kachcheriyagama, Tissamaharana	8,130	A-O-R-1-P- 00.00	Replacement Cost Method	Price per perch	Rs.800,000- 2,800,000	72,000	69,100	141,100	31-Dec-24
No. 45,Dharmapala Mawatha , Rathnapura	2,560	A-O-R-O-P-35.50	Contractor's Test Method	Price per Sq ft	Rs. 11,333				
				Price per perch	Rs. 3,000,000	106,500	18,800	125,300	31-Dec-24
				Price per Sq ft	Rs. 10,500				
No. 45,Dharmapala Mawatha , Rathnapura (New Building)	8,102	-	Contractor's Test Method	Price per Sq ft	Rs. 18,500	-	134,900	134,900	31-Dec-24
No. 401, Main street , Panadura	7,116	A-O-R-1-P-4.12	Contractor's Test Method	Price per perch	Rs. 5,250,000	231,600	104,400	336,000	31-Dec-24
				Price per Sq ft	Rs. 18,000				
No. 423, Main Street , Kalutara	12,000	A-O-R-O-P-32.75	Contractor's Test Method	Price per perch	Rs. 3,500,000	114,600	136,300	250,900	31-Dec-24
				Price per Sq ft	Rs. 14,200				
No, 327, Badulla Road , Bandarawela	8,970	A-O-R-O-P-17.01	Contractor's Test Method	Price per perch	Rs. 2,250,000	38,300	95,100	133,400	31-Dec-24
				Price per Sq ft	Rs. 12,850				
No. 106, Havelock Road, Colombo 05	61,630	A-O-R-O-P-35.27	Contractor's Test Method	Price per perch	Rs. 18,600,000	656,000	893,700	1,549,700	31-Dec-24
				Price per Sq ft	Rs. 19,335				
No. 32, Mistry Hills, Nuwara Eliya	5,227	A-O-R-O-P-26.9	Contractor's Test Method	Price per perch	Front -Rs. 1,200,000 Rear -Rs. 1,000,000	29,600	52,300	81,900	31-Dec-24
				Price per Sq ft	Rs. 10,000				
No15 , Rexdias Mawatha, Wennappuwa	8,664	A-O-R-O-P-37.40	Contractor's Test Method	Price per perch	Rs. 1,600,000	59,800	83,200	143,000	31-Dec-24
				Price per Sq ft	Rs. 12,000				
No 91, Baudhaloka Mawatha, Gampaha	9,458	A-O-R-O-P-32.5	Contractor's Test Method	Price per perch	Rs. 7,000,000	227,500	118,200	345,700	31-Dec-24
				Price per Sq ft	Rs. 15151				
No. 40, Rajapihilla Road, Kurunegala	10,485	A-O-R-O-P-15.5	Contractor's Test Method	Price per perch	Rs. 3,850,000	59,700	138,400	198,100	31-Dec-24
				Price per Sq ft	Rs. 16,000				
No.90/4, Kurunegala Road, Munneswaram, Chilaw	6,385	A-O-R-O-P-30.0	Contractor's Test Method	Price per perch	Rs.800,000 - 1,800,000	39,000	99,000	138,000	31-Dec-24
				Price per Sq ft	Rs. 15,500				
No.90/4, Kurunegala Road, Chilaw	6,385	A-O-R-O-P-30.0	Contractor's Test Method	Price per perch	Rs. 4,300,000	170,800	12,000	182,800	31-Dec-24
				Price per Sq ft	Rs.1,430-2,000				
No. 37,39 & 41, Kannarthiddy Road, Jaffna	4,144	A-O-R-1-P-7.94	Contractor's Test Method	Price per perch	Rs. 3,500,000	167,700	11,200	178,900	31-Dec-24
				Price per Sq ft	Rs. 6,000				
No. 37,39 & 41, Kannarthiddy Road, Vannarponnai ,Jaffna - New Building	13,710	-	Contractor's Test Method	Price per Sq ft	Rs. 13500	-	166,600	166,600	31-Dec-24

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.22 (New 32), Lloyd's Avenue, Batticaloa	12,317	A-O-R-0-P-23.83	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,000,000 Rs. 15,000	71,500	147,800	219,300	31-Dec-24
No.2, Gower Street, Colombo-05	2,600	A-O-R-1-P-27.25	Market Comparable Method	Price per perch	Rs. 18,500,000	1,244,100	13,000	1,257,100	31-Dec-24
No. 20 & 22/3 Kandy Road, Trincomalee	11,310	A-O-R-1-P-20	Investment Method	Price per Sq ft	Rs. 10,000				
				Price per perch	Rs. 1,800,000	108,000	152,700	260,700	31-Dec-24
				Price per Sq ft	Rs. 15,000				
No.38,38/B Rajapilla Road, Kurunegala	-	A-O-R-0-P-23.93	Market Comparable Method	Price per perch	Rs. 3,850,000	92,100	-	92,100	31-Dec-24
No.92 & 98 Jampettah Street, Colombo - 13	18,480	A-O-R-1-P-11.22	Market Comparable Method	Price per perch	Rs. 6,500,000	332,900	119,500	452,400	31-Dec-24
				Price per Sq ft	Rs. 9,480- 12,500				
No.70, Park Street, Colombo 02	4,510	A-O-R-1-P-32.4	Replacement Cost Method	Price per perch	Rs.18,500,000	1,339,400	122,600	1,462,000	31-Dec-24
				Price per Sq ft	Rs. 30,200				
No.615, Galle Road, Mount Lavinia	4,315	A-O-R-1-P-12.44	Market Comparable Method	Price per perch	Rs. 7,300,000	367,500	22,700	390,200	31-Dec-24
				Price per Sq ft	Rs. 7,500				
No.274, Panadura Road, Horana	5,860	A-O-R-0-P-25.5	Contractor's Test Method	Price per perch	Rs. 3,850,000	98,200	82,000	180,200	31-Dec-24
				Price per Sq ft	Rs. 16,000				
No.65, King Street, Kandy	14,650	A-O-R-1-P-1.25	Contractor's Test Method	Price per perch	Front - Rs. 12,000,000, Rear -Rs. 8,255,000	433,100	85,700	518,800	31-Dec-24
				Price per Sq ft	Rs.9,000				
No.45, Anagarika Dharmapala Mawatha, Matara 7,232	A-O-R-0-P-26.44		Replacement Cost Method	Price per perch	Rs. 8,000,000	211,500	34,400	245,900	31-Dec-24
				Price per Sq ft	Rs. 10,000				
No.213, Highlevel Road, Nugegoda	2,250	A-O-R-0-P-23.75	Market Comparable Method	Price per perch	Rs. 4,300,000	102,100	20,300	122,400	31-Dec-24
				Price per Sq ft	Rs. 10,000				
No.15A, Jaya Mawatha, Kadawatha	5,914	A-O-R-0-P-19.5	Contractor's Test Method	Price per perch	Rs. 2,800,000	54,600	77,600	132,200	31-Dec-24
				Price per Sq ft	Rs. 15,000				
No.26 Gammedda Road, Jaela	-	A-O-R-0-P-32	Market Comparable Method	Price per perch	Rs. 2,500,000	80,000	195,200	275,200	31-Dec-24
				Price per Sq ft	Rs. 27,000				
192, Horana Road, Piliyandala	5,683	A-O-R-0-P-25.34	Contractor's Test Method	Price per perch	Rs. 4,500,000	114,000	81,800	195,800	31-Dec-24
				Price per Sq ft	Rs. 16,000				
No 43 & 45, Galle Road, Wellawatta, Colombo 6	12,676	A-O-R-0-P-25.31	Contractor's Test Method	Price per perch	Rs. 17,500,000	442,900	47,000	489,900	31-Dec-24
				Price per Sq ft	Rs. 3,700 - 11,000				
No.582 Malabe Road Malabe	5,600	A-O-R-0-P-29	Contractor's Test Method	Price per perch	Rs. 5,500,000	159,500	98,400	257,900	31-Dec-24
				Price per Sq ft	Rs. 18,500				
No 301, Point Pedro Rd, Nelliady, Karaveddy	9,462	A-O-R-1-P-4.30	Contractor's Test Method	Price per perch	Rs. 900,000	39,900	132,500	172,400	31-Dec-24
				Price per Sq ft	Rs. 16,000				

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No 301/A, Point Pedro Rd, Nelliady, Karaveddy	-	A-O-R-1-P-13.78	Contractor's Test Method	Price per perch	Rs. 450,000	24,200	-	24,200	31-Dec-24
Mirigama Road, Wewagedara, Divulapitiya.	5,229	A-O-R-0-P-40	Contractor's Test Method	Price per perch	Rs. 1,500,000	60,000	73,000	133,000	31-Dec-24
				Price per Sq ft	Rs. 15,500				
No.746/1/1, Trincomalee Street, Madandawela, Matale	-	A-O-R-0-P-31	Contractor's Test Method	Price per perch	Rs. 3,242,000	100,500	164,000	264,500	31-Dec-24
					Rs. 33,450				
No.101, Veyangoda Road, Minuwangoda	-	A-O-R-0-P-37.23	Contractor's Test Method	Price per perch	Rs. 1,850,000	68,900	78,200	147,100	31-Dec-24
				Price per Sq ft	Rs. 22,500				
No 143, Neboda Road, Matugama	-	A-O-R-1-P-2.74	Market Comparable Method	Price per perch	Rs. 1,300,000	55,600	25,400	81,000	31-Dec-24
				Price per Sq ft	Rs.14,500				
No. 60, Park Street, Colombo 02	34,854	A-O-R-1-P-2.82	Investment Method	Rent per Sq.ft per month	Rs. 200 - 300	753,600	289,300	1,042,900	31-Dec-24
No. 70, Park Street, Colombo 02	4,510		Market Comparable Method	Rent per Sq.ft per month	Rs. 3,500	-	142,100	142,100	31-Dec-24
Serene Resorts, Bopitiya Road, Uswetakeiyawa	38,176	A-2-R-3-P-30	Market Comparable Method	Price per perch	Rs. 670,000	314,900	280,300	595,200	31-Dec-24
Horagollawatta, Malwatta Nittambuwa	-	A-O-R-0-P-35.90	Market Comparable Method	Price per perch	Rs. 2,000,000	71,800	-	71,800	31-Dec-24
Thawaluwila, Amabalantota	-	A-O-R-1-P-8	Market Comparable Method	Price per perch	Rs. 1,150,000	55,200	-	55,200	31-Dec-24
Kirdiwela, Gampaha.	-	A-O-R-0-P-30	Market Comparable Method	Price per perch	Front -Rs. 1,200,000 , Rear - Rs. 941,400	33,414		33,414	31-Dec-24
						9,326,614	5,143,500	14,470,114	
						12,246,351	6,804,897	19,051,248	
Land & Buildings - Ceylinco Holdings PLC and Other Subsidiaries						3,379,405	5,993,860	9,373,265	
Group -Total						15,625,756	12,798,757	28,424,513	

The Group uses the revaluation model of measurement of land and buildings. The Land and Buildings of Ceylinco General Insurance Ltd., Ceylinco Life Insurance Ltd., and CEG Education Group were revalued by an independent expert valuers, Mr.W.M.Chandrasena and Mr.W.A.T.I.PJayatilake Incorporated valuers, to determine the fair value of its land and buildings on 31/12/2022. However, Ceylinco Life Insurance Ltd. has revalued as at 31/12/2024, all land and buildings which have indicated increase in fair value significantly during the year. 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.

The net revaluation surplus was transferred to Revaluation Reserve except for the Life Insurance business policyholders' revaluation surplus which was transferred to the Life Fund.

The group has 58 number of buildings.

NOTES TO THE FINANCIAL STATEMENTS

9.(b) Acquisition of Property, Plant and Equipment during the year

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 2,653,371,000 (2023 - Rs.3,181,682,000). Cash payments amounting to Rs. Rs. 2,653,371,000 (2023-Rs.3,181,682,000) were made during the year to purchase of Property, Plant and Equipments.

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
Market Comparable Method		
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land	Estimated fair value would increase (decrease) if; Price per perch
	Price per square foot for Building	increases (decreases) Price per square foot increases (decreases)
	Depreciation rate for building	Depreciation rate for building (decreases)/increases
Investment Method		
This method involves capitalisation of the expected rental income at an appropriate rate of years purchase currently characterised by the real estate market.	Gross Monthly Rental Years	Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases)
Contractor's Test Method		
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	Construction cost per square foot for Building	Estimated fair value would increase/ (decrease) if; Effective Capital Value increases/ (decreases)
Replacement Cost Method		
This method uses the current cost of reproduction or replacement of the asset less deductions for physical deterioration and all relevant forms of Obsolescences.	Price per square foot for Building	Estimated fair value would increase/ (decrease) if: Reproduction or Replacement Costs increase/ (decrease)
		Deterioration Costs increase/ (decrease)

9.(c) Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated Property, Plant and Equipment which are still in use as at reporting date is as follows;

At 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Plant and Machinery	172,980	153,637
Computer Equipment	470,730	323,627
Office Equipments	920,440	918,017
Furniture and Fittings	381,624	440,077
Motor Vehicles	215,539	405,552
	2,161,313	2,247,910

9.(e) Capital Commitments

Capital commitments relating to the acquisition of Property, Plant and Equipment during the year. (Refer Note 45b)

9.(f) Property, Plant and Equipment Pledged as Security for Liabilities

There are no items of Property, Plant and Equipment pledged as securities for liabilities during the year other than those disclosed in Note 46.

9.(g) Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the Property, Plant and Equipment of the Group as at the reporting date.

9.(h) Assessment of Impairment

The Board of Directors has assessed the potential impairment indicators of Property, Plant and Equipment as at 31st December 2024. Based on the assessment, no impairment indicators were identified.

9.(i) Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year. (2023 - Nil)

9.(j) Temporarily idle Property, Plant and Equipment

There were no temporarily idle Property, Plant and Equipment as at the year ended 31st December 2024. (2023 - Nil)

10. RIGHT OF USE ASSETS

ACCOUNTING POLICY

The Group 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.

i) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

ii) Right-of-use assets

The Group 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:

Asset Useful Life	Useful Life
Buildings 2 to 10 years	2 to 10 years

If ownership of the leased asset transfers to the Group 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(e) Impairment of non-financial assets.

iii) Lease liabilities

At the commencement date of the lease, the Group recognizes 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group's lease liabilities are included in Trade and Other Payables (see Note 28)

iv) Short-term leases and leases of low-value assets

The Group 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.

(v) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(vi) Leases

Lease that do not transfer to the company substantially all of the risks and benefits incidental to ownership of the leases items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over lease term.

		Group	
		2024	2023
	Notes	Rs.'000	Rs.'000
Cost			
As at 01 January		2,352,902	2,138,905
Addition		536,781	275,938
Derecognition		(368,184)	(61,940)
As at 31 December		2,521,498	2,352,902
Accumulated Depreciation			
As at 01 January		1,539,696	1,252,513
Depreciation on Right-of-Use Assets	36	354,658	351,949
Derecognition		(301,397)	(64,766)
As at 31 December		1,592,957	1,539,696
Carrying Value as at 31 December		928,541	813,206

At 31 December	Group		
		2024	2023
	Notes	Rs.'000	Rs.'000
The following are the amounts recognised in profit or loss:			
Depreciation on right-of-use assets	36	354,658	351,949
Interest expense on lease liabilities		22,705	51,047

Leases - Estimating the incremental borrowing rate

The Group 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 Group 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 Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Judgements

In the process of applying the Group'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 – Group as lessee

The Group 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.

NOTES TO THE FINANCIAL STATEMENTS

The Group has several lease contracts that include extension and termination options. The Group 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 Group included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of buildings with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

11. INVESTMENT PROPERTIES

ACCOUNTING POLICY

Investment Properties

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 Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

At 31 December	Notes	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
At 1 January		3,834,432	3,342,062	153,332	153,332
Additions/Transfers		17,783	363,661	-	-
Fair Value Gains	33	100,015	128,709	-	-
At 31 December		3,952,230	3,834,432	153,332	153,332

As at 31st December 2024, investment properties were valued by qualified valuer Mr.W.M.Chandrasena .

11.(a) Details of Investment Property

Group

Non Life Insurance Business

Addresses	Building Sq. Ft.	Extent Perches	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Building	Total	Date of the Valuation
						Rs.'000	Rs.'000	Rs.'000	
No,34, Muhandiram ED Dabare Mawatha, Colombo-05 (1 Apartment)	2,663	1/A/1M & 1A/4	Investment Method	Rent per Sq.ft per month	Rs.77.50	-	37,000	37,000	31-Dec-24
583/63, Liyanagemulla, Seeduwa	-	2A-2R-21.50P	Cost Method	Price per perch & Price per Sq ft	Rs.675,000	122,000	-	122,000	31-Dec-24
Prime Residences 23B1	1,423		Investment Method	Rent per Sq.ft per month	Rs.425	-	141,500	141,500	31-Dec-24
Ceylinco House, 6th Floor & 7th Floor	16,988	X/F6/U1,X/F6/U2,X/F7/U2	Investment Method	Price per perch & Price per Sq ft	Rs.220, Rs.222.50	-	470,000	470,000	31-Dec-24
Total						122,000	648,500	770,500	31-Dec-24

NOTES TO THE FINANCIAL STATEMENTS

Life Insurance Business

Addresses	Building Sq. Ft.	Extent Perches	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land	Value of Building	Total	Date of the Valuation
						Rs.'000	Rs.'000	Rs.'000	
No. 36, Talbot Town, Galle	6,668	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.145 - Rs.160	150,000	33,500	183,500	31-Dec-24
No.24A, New Galle Road, Nambimulla, Ambalangoda	4,614	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.110 - Rs.150	92,000	28,000	120,000	31-Dec-24
No. 428, 428/2/1, R. A. De Mel Mawatha, Colombo 03	8,249	Condominium	Investment Method	Rent per Sq.ft per month	Rs.82 - Rs.195	-	157,000	157,000	31-Dec-24
No. 06, Railway Station Road, Matara	2,982	A-0-R-0-P-25.88	Investment Method	Rent per Sq.ft per month	Rs.80 - Rs.135	116,500	9,800	126,300	31-Dec-24
No. 38 Abdul Gafoor Mawatha Colombo 03	-	A-0-R-1-P-4.5	Investment Method	Price per perch	Rs.18,500,000	823,500	-	823,500	31-Dec-24
No. 02 Gower Street Colombo 05	2,610		Investment Method	Price per Sq.ft per	Rs.10,000 - 10,000	-	19,700	19,700	31-Dec-24
No. 09 1&9A, Layards Road, Colombo 05	4,120	A-0-R-0-P14.26	Investment Method	Price per Sq.ft per	Rs.8,500 - 8,500	235,300	34,300	269,600	31-Dec-24
63 Janadhipathi Mawatha Colombo 1		A-0-R-0-P-13.84	Investment Method	Price per perch	Rs.22,000,000	318,300		318,300	31-Dec-24
No. 10, Gower Street, Colombo 05	5,680	A-0-R-0-P-20.25	Investment Method	Price per Sq.ft per	Rs.10,200	344,300	29,800	374,100	31-Dec-24
No. 42/1, Dickmmon road, Havelock town, Colombo 05	3,885	A-0-R-0-P-20.00	Investment Method	Price per perch	Rs.12,200,000	306,498	121,000	427,498	31-Dec-24
No. 1A, Gower Street, Colombo 05	3,260	A-0-R-0-P-10.75	Investment Method	Price per perch	Rs.17,000,000	182,800	26,100	208,900	31-Dec-24
Total						2,569,198	459,200	3,028,398	
Investment Property - Ceylinco Holdings PLC						104,288	49,044	153,332	
Group Total						2,795,486	1,156,744	3,952,230	

The fair value of Investment Property reflects the actual market value as at reporting date.

11 (b)

Company

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Building Rs.'000	Total Rs.'000
No. 2, R.A. De Mel Mawatha, Colombo 04 (Note 11c)	12,432	A-0-R-0-P-11	Market Comparable Method	Rent per Sq. ft Per Month or Price per perch	52.50 or 2,500,000	104,288	49,044	153,332
						104,288	49,044	153,332

11.(c) Title Restriction for use

Golden Key Building situated at No 2, R.A.De Mel Mawatha, Colombo 04, which is jointly owned by the Company & Golden Key Credit Card Company Limited, mortgaged to Seylan Bank PLC by Golden Key Credit Card Company Limited to obtain loan facility. (value of the property is amounting to Rs.153Mn). (Refer note 46). The Property was not fair valued as at the reporting date

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
Market Comparable Method		
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land	Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/increases
	Price per square foot for Buildings	
Investment Method		
This method involves capitalisation of the expected rental income at an appropriate Rate of years purchase currently characterised by the real estate market.	Gross Monthly Rental Years	Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases) Years Purchase increases (decreases) Void Period (decrease) / increases
Cost Method		
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.	Current replacement cost	Cost of land, plus costs of construction, less depreciation

NOTES TO THE FINANCIAL STATEMENTS

12. (a) Investment in Subsidiaries

ACCOUNTING POLICY

Subsidiaries are entities controlled by the Group. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed or has the right to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Especially, the Group controls an investee if, and only if, the Group has:

1. Power over the investee (ie. Existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee
3. The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual agreement with the other vote holders of the investee
2. Rights arising from other contractual agreements
3. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements comprise the financial statements of the Group as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Losses within a subsidiary are attributed to the non-controlling interest even if this results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions and dividends are eliminated in preparing the Consolidated Financial Statements.

Business Combination

Business combinations were accounted for using the acquisition method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs.

The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition- related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of LKAS 39 Financial Instruments:

Recognition and Measurement, is measured at fair value with changes in fair value recognised either in income statement or as a change to other comprehensive income. If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Loss of Control

When the group loses control over a subsidiary it derecognises the assets and liabilities of the subsidiary and any related Non-Controlling interest and other components of equity. Any resulting gain or loss is recognised in income statements. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently, it is accounted for as an Associates or in accordance with the Group's Accounting policy for financial instruments depending on the level of influence retained.

Investments in Subsidiaries are treated as long - term investments and valued at cost in separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	% of Direct/ Indirect Holding		Company Number of Shares		Cost	
	2024	2023	2024	2023	2024	2023
					Rs.'000	Rs.'000
Company/Group						
Serene Resorts Ltd.	100%	100%	500,000	500,000	-	-
Ceylinco Healthcare Services Ltd.	99%	99%	-	-	-	-
Ceylinco Investcorp (Pvt) Ltd.	75%	75%	112,500	112,500	1,125	1,125
Ceylinco Insurance						
Company (Pvt) Ltd (Maldives)	79%	79%	12,252	12,252	63,981	63,981
Energy Lanka Holdings Ltd	100%	100%	144,111,973	144,111,973	576,448	576,448
International College of Business & Technology Ltd.	64%	64%	150,000	150,000	1,500	1,500
Ceylinco General Insurance Ltd.	100%	100%	2,501,000	2,501,000	7,348,359	7,348,359
Ceylinco Life Insurance Ltd.	100%	100%	50,000,050	50,000,050	7,811,652	7,811,652
CEG Education Holdings (Pvt) Ltd	63%	63%	2,912,499	2,912,499	64,007	64,007
American Education Centre Ltd.	41%	41%	460,000	460,000	4,600	4,600
Preference Shares						
International College of Business and Technology Ltd.-10%			195,828	195,828	1,958	1,958
International College of Business and Technology Ltd.-08%			2,322,500	2,322,500	23,225	23,225
					15,896,855	15,896,855

Principal place of business of all Subsidiaries' except Ceylinco Insurance Company (Pvt) Ltd Maldives is Sri Lanka. The Principal place of business of Ceylinco Insurance Company (Pvt) Ltd (Maldives) is Maldives.

Summarised financial information material Partly-Owned Subsidiaries are set out in note 5(a)

12. (b) Investment in Associates

ACCOUNTING POLICY

Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost.

The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies of the associate with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investees.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in income statement.

Investments in Associates are recognised at cost in the separate financial statements of the company and accounted under equity method in financial statements.

Company / Group Investments in Associates

	% of Direct/Indirect Holding		Company Number of Shares		Cost	
	2024	2023	2024	2023	2024	2023
					Rs.'000	Rs.'000
Company						
Unquoted Investments						
Ceylinco Homes International Ltd.	33%	33%	1,300,000	1,300,000	13,050	13,050
Sagarmatha Lumbini Insurance Co. Ltd. (Note 12(b) i)	11%	11%	2,997,458	2,997,458	18,557	18,557
Energy Generators (Pvt)Ltd.	23%	23%	86,483,872	86,483,872	60,907	60,907
Company Investments in Associates (At Cost)					92,514	92,514
Group						
Citizens Development Business Finance PLC (Cost)	39.00%	39.00%			879,800	876,310
Kings Hospital Colombo (Pvt) Ltd.	43.69%	43.69%			1,834,000	1,834,000
Negative Goodwill on Acquisition Over Consideration						
Ceylinco Homes International Ltd.					13,218	13,218
Citizens Development Business Finance PLC					14,485	14,485
Group's Share of Associates Companies Retained Assets						
Ceylinco Homes International Ltd.					29,912	29,912
Sagarmatha Lumbini Insurance Co. Ltd.					934,378	893,735
Citizens Development Business Finance PLC					6,942,040	5,648,054
Energy Generators (Pvt) Ltd.					417,016	318,919
Kings Hospital Colombo (Pvt) Ltd.					(417,236)	(408,996)
					10,647,613	9,219,637
Group Investments in Associates (Equity Basis)					10,740,127	9,312,151

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000

Share of Associate's Statement of Financial Position

Total Assets	56,391,583	51,686,707
Total Liabilities	45,513,022	40,045,053
Net Assets	10,878,561	11,641,654

Share of Associate's Revenue and Profit

Revenue	12,293,042	10,799,314
Profit	1,281,942	568,551
Profit attributable to Ordinary Shareholders	1,281,942	568,551
Share of Associate ownership in Other Comprehensive income	98,166	617,765

Principal place of business of Associate Companies' except Sagarmatha Lumbini Insurance Company Ltd is Sri Lanka. The principal place of business of Sagarmatha Lumbini Insurance Company Ltd is Nepal.

Fair Value of Investment in Citizens Development Business Finance PLC is amounted to Rs. 5,897,804,250 as at 31st December 2024 (2023 - Rs. 4,775,550,000)

12(b) i Sagarmatha Lumbini Insurance Company Ltd is an associate company to the Group due to,

- ☒ The Company can appoint members to the board, supervisory board, or significant committees of the investee and that is enough to provide significant influence.
- ☒ The Company has the power to veto significant financial and operating decisions.
- ☒ The Company share essential technical information with the entity.
- ☒ A group of shareholders that holds the majority ownership of the investee operates with the views of the investor.

Summarized information of material Associates	Citizens Development Business Finance PLC		Sagarmatha Lumbini Insurance Co. Ltd.	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit Before Tax	5,645,534	2,206,314	1,393,627	1,556,129
Current Assets	128,350,446	113,813,683	17,657,401	19,954,384
Non-Current Assets	15,189,840	13,045,082	14,825,257	16,918,545
Current Liabilities	88,078,674	70,857,585	4,941,646	3,305,706
Non-Current Liabilities	32,494,356	36,664,346	14,154,722	18,721,105
Total Equity	22,967,256	19,336,834	13,386,290	14,846,168

13. FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

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 Group'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 Group's 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:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading.

Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement.

The Group evaluated its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

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.

NOTES TO THE FINANCIAL STATEMENTS

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised 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 Group 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 Group is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity.

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 Effective Interest Rate (EIR).

If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

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.

Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold until maturity.

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, held to maturity financial assets are measured at amortised cost, using the EIR method, less impairment. 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 Group 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:

- (a) The Group has transferred substantially all the risks and rewards of the asset; or
- (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its 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 recognised to the extent of the Group's continuing involvement in the asset.

Impairment of Financial Assets

The Group 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, defaulter 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 amortized cost, the Group 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 Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized 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.

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 Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to 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 Group'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 group. 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 group 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.

NOTES TO THE FINANCIAL STATEMENTS

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is 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 amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized 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.

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 Group.

Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised 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 cannot 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 except for fair value through P&L. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

The Group's Financial Instruments are summarised by categories as follows:

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Financial Assets	13(a)	119,965,994	112,058,479	-	-
Loans and Receivables	13(b)	108,272,377	84,849,761	1,739,540	1,330,355
Available-for-Sale Financial Assets	13(c)	13,072,987	14,747,354	1,587,576	1,218,711
Financial Assets at Fair Value Through Profit or Loss	13(d)	25,436	4,452,434	-	-
Total Financial Instruments		241,336,794	216,108,028	3,327,116	2,549,066

Available-for-Sale Financial Assets (AFS) have been valued at fair value

Loans and Receivables (L&R) are valued at amortized cost

Financial Assets at Fair Value Through Profit or Loss have been measured at Fair Value

Held to Maturity Financial Assets measured at amortized cost

The following table compares the fair values of the Financial Instruments to their carrying values:

	Group			
	2024	2024	2023	2023
	Carrying value	Fair value	Carrying value	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Financial Assets	119,965,994	124,916,543	112,058,479	112,019,801
Loans and Receivables	108,272,377	108,272,377	84,849,761	84,849,761
Available-for-Sale Financial Assets	13,072,987	13,072,987	14,747,354	14,747,354
Financial Assets at Fair Value Through Profit or Loss	25,436	25,436	4,452,434	4,452,434
Total Financial Instruments	241,336,794	246,287,343	216,108,028	216,069,350

	Company			
	2024	2024	2023	2023
	Carrying value	Fair value	Carrying value	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Loans and Receivables	1,739,540	1,739,540	1,330,355	1,330,355
Available-for-Sale Financial Assets	1,587,576	1,587,576	1,218,711	1,218,711
Total Financial Instruments	3,327,116	3,327,116	2,549,066	2,549,066

NOTES TO THE FINANCIAL STATEMENTS

13 (a) Held to Maturity Financial Assets

As at 31 December	Note	Group	
		2024	2023
		Rs.'000	Rs.'000
Amortised Cost			
Treasury Bills		45,045,108	34,337,723
Treasury Bonds		74,403,720	77,203,540
Debentures - Quoted	13(a).i	517,165	517,216
Total Held to Maturity Financial Assets at Amortised Cost		119,965,994	112,058,479
Fair value			
Treasury Bills		45,321,354	34,511,510
Treasury Bonds		79,102,621	77,015,723
Debentures - Quoted		492,568	492,568
Total Held to Maturity Financial Assets at Fair Value		124,916,543	112,019,801

13(a) i Debentures Quoted

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Commercial Bank of Ceylon PLC	517,165	517,216
	517,165	517,216

13 (b) Loans and Receivables

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Staff Vehicle Loans		433,115	481,833	-	-
Staff Loans other than Vehicle Loans		585,741	574,047	-	-
Repo Investment		9,697,829	625,701	8,077	63,398
Debentures - Unquoted	13(b).i	2,033,634	3,096,106	-	-
Debentures - Quoted		17,057,357	10,378,459	-	-
Term Deposits		78,464,701	69,693,615	1,731,463	1,266,957
Total Loans and Receivables at Amortised Cost		108,272,377	84,849,761	1,739,540	1,330,355

13(b) i Debentures - Unquoted

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Fair Value		
National Savings Bank	-	1,033,086
Nations Trust Bank PLC	448,380	450,891
Kings Hospital Colombo (Pvt) Ltd	1,585,254	1,612,129
	2,033,634	3,096,106

13 (c) Available-For-Sale Financial Assets

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury Bonds & Bills		9,234,648	12,489,333	966,928	712,450
Unquoted Share Investment	13(c).i.	597,399	599,232	32,153	29,611
Quoted Debentures	13.(c).ii	2,309,583	979,859	-	-
Quoted Share Investment		475,729	336,325	588,495	476,650
Unit Trust Investments	13(c).iii.	455,628	342,605	-	-
Total Available-for-Sale Financial Assets at Fair Value		13,072,987	14,747,354	1,587,576	1,218,711

13(c) i Unquoted Share Investment

As at 31 December		Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Ultratech Cement Lanka (Pvt) Ltd.		419,587	544,000	-	-
Asset Trust Management (Pvt) Ltd		9,485	7,908	9,485	7,908
Asian Reinsurance Corporation		22,668	21,703	22,668	21,703
Other Unquoted Share Investment		145,659	25,621	-	-
		597,399	599,232	32,153	29,611

13(c)ii Quoted Debentures

As at 31 December		Group	
		2024	2023
		Rs.'000	Rs.'000
Seylan Bank PLC		18,886	238,409
Commercial Bank of Ceylon PLC		469,390	350,946
Hatton National Bank PLC		676,104	-
National Development Bank PLC		620,022	291,371
DFCC Bank PLC		396,221	-
Commercial Credit & Finance PLC		107,089	99,133
Asia Asset Finance PLC		21,871	-
		2,309,583	979,859

13(c) iii Unit Trust Investments

As at 31 December		Group			
		2024	2023	2024	2023
		No. of Units	No. of Units	Rs.'000	Rs.'000
ASTRUE Alpha Fund		8,101,069	8,101,069	199,356	150,555
ASTRUE Active Income Fund		901,850	497,754	172,632	153,525
SENFIN Money Market Fund		404,096	1,273,699	33,246	29,714
Premier Money Market Fund		1,626,509	314,451	50,394	8,811
				455,628	342,605

NOTES TO THE FINANCIAL STATEMENTS

13 (d) Financial Assets at Fair Value Through Profit or Loss

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Fair value		
Treasury Bills	814	4,329,682
Unquoted/Quoted Investments	24,622	23,123
Unit Trust	-	99,629
Total Financial Assets at Fair Value Through Profit or Loss	25,436	4,452,434

13 (e) Carrying Values of Financial Instruments Movement - Company

	Loans and Receivables	Available- For-Sale	Total
	Rs.'000	Rs.'000	Rs.'000
At 1st January 2024	1,330,355	1,218,711	2,549,066
Purchases	1,904,790	1,885,888	3,790,678
Maturities	(1,538,236)	(1,663,562)	(3,201,798)
Fair Value Gains Recorded in Other Comprehensive Income	-	114,386	114,386
Interest accrual adjustment	42,631	32,153	74,784
At 31 December 2024	1,739,540	1,587,576	3,327,116

Carrying Values of Financial Instruments - Group

	Held to Maturity	Loans and Receivables	Available- For-Sale	Fair value Through Profit or Loss	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At 1st January 2024	112,058,479	84,849,761	14,747,354	4,452,434	216,108,028
Purchases	114,586,917	280,041,153	140,033,376	51,309,432	585,970,878
Maturities	(111,917,534)	(262,762,916)	(142,237,816)	(56,105,153)	(573,023,419)
Disposals	(68,909)	-	-	(10,014)	(78,923)
Fair Value Gains Recorded in the Income Statement	3,954	-	(176,344)	(458,201)	(630,591)
Fair Value Gains Recorded in Other Comprehensive Income	-	-	638,708	-	638,708
Impairment	-	(6,799)	(124,413)	-	(131,212)
Foreign Exchange Adjustment	-	(605,144)	-	-	(605,144)
Interest accrual adjustment	133,456	(133,516)	32,376	-	32,316
Amortisation Adjustment	5,169,631	6,889,838	159,746	836,938	13,056,153
At 31 December 2024	119,965,994	108,272,377	13,072,987	25,436	241,336,794

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., held to maturity and 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 and Liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

- ☑ For quoted debt instruments the fair values are determined based on quoted market prices.
- ☑ For unquoted equity instruments have been fair valued using discounted cash flow method
- ☑ For unquoted debt instruments, the carrying value approximates the fair value of the investments

13 (f) Determination of Fair Value and Fair Values Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly
or indirectly and

Level 3 : Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

Transfer between levels of the fair value hierarchy,

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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:

	2024			Total Fair Value Rs.'000
	Level 1	Level 2	Level 3	
	Quoted Prices in active markets Rs.'000	Significant Observable Inputs Rs.'000	Significant Unobservable Inputs Rs.'000	

Financial Assets

Financial Assets at Fair Value Through Profit/Loss

Equity Securities	1,545	-	-	1,545
Debt Securities	814	-	-	814
	2,359	-	-	2,359

Available-For-Sale Financial Assets:

Equity Securities	370,234	-	422,112	792,346
Debt Securities	7,020,699	2,309,583	-	9,330,282
Unit Trust	-	405,234	-	405,234
	7,390,933	2,714,817	422,112	10,527,862
Total Financial Assets (Insurance Business)	7,393,292	2,714,817	422,112	10,530,221
Financial Instruments at Fair Value -Other Businesses & Ceylinco Holdings PLC	-	-	2,568,202	2,568,202
Total Financial Assets (Group)	7,393,292	2,714,817	2,990,314	13,098,423

	2023			Total Fair Value Rs.'000
	Level 1	Level 2	Level 3	
	Quoted Prices in active markets Rs.'000	Significant Observable Inputs Rs.'000	Significant Unobservable Inputs Rs.'000	

Financial Assets

Financial Assets at Fair Value Through Profit/Loss

Equity Securities	1,045	-	-	1,045
Debt Securities	4,329,682	-	-	4,329,682
	4,330,727	-	-	4,330,727

Available-For-Sale Financial Assets:

Equity Securities	179,968	-	546,525	726,493
Debt Securities	10,837,358	979,859	-	11,817,217
Unit Trust	-	333,794	-	333,794
	11,017,326	1,313,653	546,525	12,877,504
Total Financial Assets (Insurance Business)	15,348,053	1,313,653	546,525	17,208,231
Financial Instruments at Fair Value -Other Businesses & Ceylinco Holdings PLC	-	-	1,991,557	1,991,557
Total Financial Assets (Group)	15,348,053	1,313,653	2,538,082	19,199,788

	2024			
	Level 1	Level 2	Level 3	Total Fair Value
	Quoted Prices in active markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Non Financial Assets

Property Plant and Equipment				
Land	-	-	15,625,756	15,625,756
Building	-	-	12,798,757	12,798,757
	-	-	28,424,513	28,424,513
Investment Property				
Land	-	-	2,795,486	2,795,486
Building	-	-	1,156,744	1,156,744
	-	-	3,952,230	3,952,230
Total Non Financial Assets	-	-	32,376,743	32,376,743

	2023			
	Level 1	Level 2	Level 3	Total Fair Value
	Quoted Prices in active markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Non Financial Assets

Property Plant and Equipment

Land	-	-	14,864,939	14,864,939
Building	-	-	12,298,728	12,298,728
	-	-	27,163,667	27,163,667
Investment Property				
Land	-	-	2,546,788	2,546,788
Building	-	-	1,088,144	1,088,144
	-	-	3,834,432	3,834,432
Total Non Financial Assets	-	-	30,998,099	30,998,099

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:

Insurance Business	At 1 January 2024	Total Gains/(Loss) Recorded in Other Comprehensive Income	Additions/ Disposals	At 31 December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Financial Assets

Available-For-Sale Financial Assets:

Equities	546,525	-	(124,413)	422,112
Total Level 3 Financial Assets	546,525	-	(124,413)	422,112

NOTES TO THE FINANCIAL STATEMENTS

Significant unobservable inputs used to valuation of unquoted investments is as follows

	%	%
	2024	2023
Growth Rate	5.0	5.50
Discount Rate	19.5	23.0

13 (g) A quantitative sensitivity analysis for significant assumption as at 31 December 2024 as shown below

Sensitivity

Sensitivity Analysis	10% Increase	10% Decrease
1. Revenue growth at terminal value	4,665	(5,116)
2. Weighted Average cost of capital	(42,624)	53,460

(h) 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	Liabilities
Cash and Cash Equivalents	Reinsurance Creditors
Repo	Interest Bearing Loans & Borrowings
Reinsurance Receivables	
Premium Receivables	
Loan to Policyholders	

14. GRATUITY BENEFIT LIABILITY/(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.

Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

This note indicates the assumptions used and the movement in the Employee Benefit Plan. As at 31 December 2024 the Gratuity Liability was actuarilly 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 relevant to Insurance Business are as follows:

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Current Service Cost	157,471	147,218
Interest Cost on Benefit Obligation	479,448	430,726
Expected Return on Plan Assets	(1,963,162)	(1,872,548)
	(1,326,243)	(1,294,604)
Net Actuarial Gain/ (Loss) recognised in the Other Comprehensive Income	(3,121,105)	(1,588,024)

The amounts recognised in the Statement of Financial Position relevant to Insurance Business at the reporting date are as follows:

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Present Value of the Defined Benefit Obligation	(3,721,498)	(3,208,263)
Fair Value of Plan Assets	11,393,349	12,116,396
Total Net Defined Benefit Asset	7,671,851	8,908,133

The Movement in the Defined Benefit Liability is as follows:

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	3,732,260	2,829,073
Current Service Cost	242,786	211,908
Interest Cost	531,172	485,761
Benefits Paid	(442,893)	(259,773)
Actuarial (Gains)/ Losses	260,147	476,181
Employee benefit liabilities exclusion provisions	-	(10,890)
At 31 December	4,323,472	3,732,260
Defined Gratuity Benefit Obligation of the Insurance Business	(3,721,498)	(3,208,263)
Gratuity Liability -Other Subsidiaries	601,974	523,997

The Movement in the Defined Benefit Liability is as follows:

As at 31 December	Company	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	51,640	36,243
Current service cost	16,938	15,397
Gratuity Liability -Company	68,578	51,640

The Gratuity Benefit Liability of the Insurance Businesses is valued by M/S.K.A.Pandit Actuarial valuer.

The average duration of the defined benefit plan obligation at the end of the reporting period is 20 years.

NOTES TO THE FINANCIAL STATEMENTS

The Movement in the Plan Assets is as follows:

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	(12,116,396)	(10,519,932)
Expected Return on Plan Assets	(1,963,162)	(1,872,548)
Actuarial Gains	2,856,204	1,125,914
Benefit Paid	145,647	62,057
Contribution Paid by Employer	(315,644)	(911,886)
At 31 December	(11,393,349)	(12,116,396)

The distribution of the Plan Assets at the reporting date is as follows:

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Investment in Shares	9,524,707	8,034,150
Other Assets*	1,868,642	4,082,246
Total Plan Assets	11,393,349	12,116,396

*Others include Fixed Deposit, Interest Receivable and others

Gratuity funds' Plan Assets include investment in equity shares of Ceylinco Holdings PLC, market value amounting to Rs. 3,926,028,381/= as at the reporting date.(2023 - Rs. 2,121,025,031).

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 Group's plan assets are as follows:

	2024	2023
Future Salary Increases	8% - 10%	10%-12%
Discount Rate	11.6% - 12.6%	12.6%-14%
Expected Rate of Return on Plan Assets	10% - 11.6%	12.6%
Retirement Age	60 Years	60 years

Changes in the Defined Benefit Obligation and Fair Value of Plan Assets

Group 2024	Amount Charged to Income Statement										31-Dec-24
	01-Jan-24	Service Cost	Net Interest	Subtotal 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	Contribution by Employers	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(3,208,263)	(157,471)	(479,447)	(636,919)	388,585	-	(303,505)	38,604	(264,902)	-	(3,721,498)
Fair Value of Plan Assets	12,116,396	-	-	-	(145,648)	1,963,162	-	(2,856,203)	(2,856,203)	315,644	11,393,349
Benefit Assets/ (Liability)	8,908,133	(157,471)	(479,447)	(636,919)	242,938	1,963,162	(303,505)	(2,817,599)	(3,121,105)	315,644	7,671,851

Group 2023	Amount Charged to Income Statement										31-Dec-23
	1-Jan-23	Service Cost	Net Interest	Subtotal 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	Contribution by Employers	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(2,419,817)	(147,218)	(430,726)	(577,945)	251,606	-	(119,468)	(342,642)	(462,110)	-	(3,208,263)
Fair Value of Plan Assets	10,519,933	-	-	-	(62,057)	1,872,548	-	(1,125,914)	(1,125,914)	911,886	12,116,396
Benefit Assets/ (Liability)	8,100,116	(147,218)	(430,726)	(577,945)	189,549	1,872,548	(119,468)	(1,468,556)	(1,588,024)	911,886	8,908,133

NOTES TO THE FINANCIAL STATEMENTS

A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 is shown below:

Sensitivity Analysis	Discount Rate		Future Salary Increment Rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
	Rs.000	Rs.000	Rs.000	Rs.000
Impact on Defined Benefit Obligation -2024	(285,505)	349,329	349,391	(309,105)
Impact on Defined Benefit Obligation -2023	(231,942)	266,183	269,224	(238,214)

Following payments are expected contributions to the Defined Benefit Plan Obligation in the future years.

	2024	2023
	Rs.'000	Rs.'000
Within the next 12 Months	293,101	549,541
Between 2 and 5 Years	817,855	503,148
Between 6 and 10 Years	2,530,372	2,444,608
Sum of Years 11 and above	11,878,298	10,647,510

15. PENSION BENEFIT OBLIGATION

ACCOUNTING POLICY

Pensions and Other Post-Employment Benefits

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 Group 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 Group nor can they be paid directly to the Group.

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 recognised 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.

Changes in the Defined Benefit Obligation, Fair Value of Plan Assets and Unrecognised past service costs.

Group 2024	Amount Charged to Income Statement				Remeasurement Gains/(Losses) in Other Comprehensive Income							Contributions by Employer				
	1-Jan-24	Service Cost	Net Interest	Sub Total Included in Profit/Loss	Benefit Paid	Return on Plan Assets (Excluding amounts in Net Interest Expenses)	Recognised in Income Statement	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Sub Total included in OCI	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Defined Benefit Obligation	(665,948)	-	(99,619)	(99,619)	16,622	-	(45,301)	(170,987)	(524,840)	-	(695,827)	-	(1,444,772)			
Fair Value of Plan Assets	3,770,041	275,661	-	275,661	(16,622)	199,362	182,740	(363,459)	-	2,808,882	2,445,423	42,775	6,716,640			
Total Recognised Benefit (Liability) / Asset	3,104,093	275,661	(99,619)	176,042	-	199,362	137,439	(534,446)	(524,840)	2,808,882	1,749,596	42,775	5,271,868			

Group 2023	Amount Charged to Income Statement				Remeasurement Gains/(Losses) in Other Comprehensive Income							Contributions 31-Dec-23 by Employer	
	1-Jan-23	Service Cost	Net Interest Included in Profit/Loss	Benefit Paid	Return on Plan Assets (Excluding amounts in Net Interest Expenses)	Recognised in Income Statement	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Experience Adjustments	Sub Total included in OCI			
	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
Defined Benefit Obligation	(576,124)	-	(83,909)	(83,909)	17,946	-	(48,511)	101,510	(79,696)	(45,675)	(23,861)	-	(665,948)
Fair Value of Plan Assets	3,641,546	378,624	-	378,624	(17,946)	269,569	264,801	(326,752)	-	(239,769)	(566,521)	64,769	3,770,041
Total Recognised Benefit (Liability) / Asset	3,065,419	378,624	(83,909)	294,715	-	269,569	216,290	(225,242)	(79,696)	(285,444)	(590,382)	64,769	3,104,093

NOTES TO THE FINANCIAL STATEMENTS

A quantitative sensitivity analysis for significant assumption as at 31 December 2024 as shown below.

Sensitivity level	Change in Discounting Rate	
	Increase	Decrease
	1%	1%
Impact on Defined Benefit Obligation 2024	(2,360,511)	2,446,478
Impact on Defined Benefit Obligation 2023	(9,833,864)	10,856,417

The distribution of the Plan Assets at the reporting date is as follows:

	2024	2023
	Rs.000	Rs.000
Investment in shares	5,947,527	1,937,463
Others*	769,113	1,832,578
	6,716,640	3,770,041

*Others include Fixed Deposit, Interest Receivable and others

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 principal assumptions used in determining pension and post-employment medical benefit obligations for the Company's plans are shown below:

		2024	2023
Discount Rate	Current	10%	12.6%
Rate of Return on Plan Assets		10%	12.6%
Salary Escalation Rate		8% - 9%	0%
Attrition Rate		1% p.a.	1% p.a.
Retirement Age		60 Yrs	60 Yrs
		55Yrs	55Yrs
Mortality Table		AMT2012-15 IACM2006-08	AMT2012-15 IACM2006-08

Plan Assets include investment in equity shares of Ceylinco Holdings PLC, market value amounting to Rs. 5,490,020,000 at the Reporting date. (2023 - Rs.1,937,462,000/-).

16. 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 Group also assumes reinsurance risk in the normal course of business for life insurance and 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 derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

If a reinsurance asset is impaired, the Group reduces the carrying amount accordingly and is recognized in 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 Group 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 re-insurer.

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Reinsurance of Insurance Contracts	9,024,328	6,757,896
Total Reinsurance Receivables	9,024,328	6,757,896

The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.

17. LOANS TO POLICY HOLDERS

Policyholder Loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate.

Policyholder loans are initially measured at Fair value of Loan amount granted and subsequently measured at the amortised cost. If the policyholder dies before the full repayment of the loan, the loan balance is deducted from the death benefit.

Policyholder Loans are reviewed for impairment at each reporting date. Loans receivable as at reporting date as follows :

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	2,930,981	2,703,623
Loans Granted/Capitalization During the Period	2,919,204	3,179,047
Repayment During the Period	(2,841,912)	(2,951,689)
At 31 December	3,008,273	2,930,981

NOTES TO THE FINANCIAL STATEMENTS

17 i Fair value of Loans to Life Policyholders

The fair value of the policyholder loans are equal to its carrying value as those are given at competitive market rates.

17 ii Concentration risk of Loans to Life Policyholders

There is lower concentration of credit risk with respect to policyholders, as the Group has a large number of dispersed receivables.

The total receivable of the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void.

17 iii Impairment of Loans to Life Policyholders

The Board of Directors has assessed the potential impairment loss of Loans to Life Policyholders as at 31st December 2024.

Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of Loans to Life Policyholders.

17 iv Number of Policy Loans

Number of policy loans due as at 31 December 2024 was 26,998 (2023 - 29,492)

17 v Collateral Details

The Group does not hold any collateral as security against potential default by policyholders other than surrender value.

18. TAXATION

ACCOUNTING POLICY

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in 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 other 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 and its subsidiaries.

Certain Subsidiaries of the Company are tax exempt and tax liable under concessionary rates (Refer Note No. 38).

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, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

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 utilised 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.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. 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.

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.

	Notes	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tax Receivable					
At 1 January		8,111	28,857	-	-
Amounts recorded in the Income Statement	38 (a)	(4,206,048)	(3,701,803)	(62,768)	(82,530)
Payments made on-account during the year		2,068,281	1,751,911	13,616	38,450
At 31 December		(2,129,656)	(1,921,036)	(49,152)	(44,080)
Payable balance included under Trade & Other payable	28	2,138,134	1,929,147	49,152	44,080
At 31 December		8,478	8,111	-	-

NOTES TO THE FINANCIAL STATEMENTS

18 (a) Deferred Tax Asset- Group

As at 31 December	Other Comprehensive Income Statement		Income Statement		Statement of Financial Position	
	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Losses Carried Forward	-	-	-	16,400	14,817	16,548
Temporary Difference from Retirement Benefit Liability	142	-	(7,216)	15,979	22,739	26,769
Temporary Difference from Property Plant and Equipment	(4,256)	-	(15,620)	3,333	(1,712)	383
Available For Sale Financial Assets	(418)	(104,360)	(2,085)	-	-	418
Temporary Difference from allowance for Impairment	-	-	-	172	2,040	2,041
Temporary Difference from Allowance for net of ROU & Lease creditors	-	-	(183)	-	466	-
Deferred Tax Expense/(Income)	(4,532)	(104,360)	(25,104)	35,884	-	-
Deferred Tax Asset	-	-	-	-	38,350	46,159

Total Deferred Tax Assets

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	46,159	119,934
Transfer from Liability	21,827	(5,299)
Amounts recorded in the Income Statement	(25,104)	35,884
Amounts recorded in Other Comprehensive Income	(4,532)	(104,360)
At 31 December	38,350	46,159

As at 31 December	Company	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	15,492	-
Amounts recorded in the Income Statement		
Temporary Difference from Retirement Benefit Liability	5,082	15,492
At 31 December	20,574	15,492

A Deferred Tax Asset is recognised for a tax loss carried forward only to the extent that realisation of the related tax benefit is probable.

18(b) Deferred Tax Liabilities- Group

As at 31 December	Other Comprehensive Income Statement		Income Statement		Statement of Financial Position	
	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Losses Carried Forward	-	-	-	(18,948)	(26,771)	(49,002)
Temporary Difference from Retirement Benefit Obligation	(62,323)	(3,446)	(32,567)	(56,120)	(757,701)	(658,301)
Temporary difference from Investment Property	-	-	122,906	(82,561)	1,567,595	554,164
Temporary Difference from Property Plant and Equipment	(1,825)	-	98,473	89,805	757,976	530,039
Temporary difference form Intangible assets	-	-	(3,709)	(172)	7,370	11,079
Revaluation Reserve	24,649	186,863	2,634	(7,064)	331,246	1,344,909
Temporary Difference from Allowance for impairment	-	-	9,992	(48,418)	245,684	225,095
Right of Use Asset	-	-	-	(3,380)	(19,084)	(8,586)
Available For Sale Financial Assets	101,144	183,776	-	-	234,617	133,473
Temporary Difference from Retained Reserves of Associates	-	-	101,506	(93,640)	626,661	525,155
Unrealised exchange gain	-	-	8,383	(11,196)	(13,341)	(11,196)
Deferred Tax Expense/(Income)	61,644	363,127	307,618	(231,694)		
Deferred Tax Liability					2,954,251	2,597,374

Total Deferred Tax Liability

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
At 1 January	2,597,374	2,462,209
Transfer from liability	(12,386)	3,732
Amounts recorded in the Income Statement	307,618	(231,694)
Amounts recorded in Other Comprehensive Income	61,644	363,127
At 31 December	2,954,251	2,597,374

The Inland Revenue Act No 24 of 2017 applied in determining the differed tax asset/liabilities of the group. And amendments in line with the inland revenue (amendments) Act no 45 of 2023 were considered to calculate the deferred tax assets/liability of the group.

NOTES TO THE FINANCIAL STATEMENTS

19. INSURANCE RECEIVABLES/TRADE DEBTORS

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.

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Premium Receivables	10,018,719	10,297,042
Due from Trade Debtors	98,005	152,494
Provision for impairment	(429,768)	(179,681)
	9,686,956	10,269,855

19(a). Credit Quality of Premium Receivables/Trade Debtors that are neither past due nor impaired is explained below;

As at 31 December	Group		
	Below 60 days	Above 60 days	Total
	Rs.'000	Rs.'000	Rs.'000
2024	8,382,155	1,304,801	9,686,956
2023	7,562,400	2,707,455	10,269,855

In the age analysis Loans to policyholders are not included.

The Group considers a financial asset in default when contractual payments are long due, based on industry practices and management judgement. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

20. OTHER ASSETS

ACCOUNTING POLICY

Other Assets

Inventories

Inventories include all consumable items and are measured at the lower of cost and net realisable value. Cost is generally determined by reference to weighted average cost. Net 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 formulae.

Stationery	} First in First out Basis
Course Materials	

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advances, Deposits & Prepayments	1,293,912	980,411	10,604	5,256
Inventories	243,741	308,508	-	-
Deferred Staff Benefits	60,494	67,426	-	-
Other Receivables	89,359	161,112	11,400	-
	1,687,505	1,517,457	22,004	5,256

21. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and cash at bank. Bank overdrafts are included in the statement of financial position under current liabilities.

For cash flow purposes, cash and cash equivalents are presented net of bank overdraft.

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Favourable Balances				
Cash in Hand and at Bank	3,639,534	2,878,065	22,538	225
Unfavourable Balance				
Bank Overdraft	(1,445,894)	(1,137,467)	(16,835)	(130,366)
Total Cash and Cash Equivalents	2,193,640	1,740,598	5,703	(130,141)

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

22(a) Stated Capital

ACCOUNTING POLICY

Stated Capital

The Group 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.

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Issued & Fully Paid				
Ordinary shares - Voting 21(a).i	200,000	200,000	200,000	200,000
Ordinary shares - Non Voting 21(a).ii	1,122,534	1,122,534	1,122,534	1,122,534
Share Premium 21 (a).iii	2,288	2,288	2,288	2,288
	1,324,822	1,324,822	1,324,822	1,324,822

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.

22 (a) i Ordinary Shares - Voting

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
20,000,000 Ordinary Shares Voting	200,000	200,000	200,000	200,000
	200,000	200,000	200,000	200,000

22 (a) ii Ordinary Shares - Non - Voting

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
6,414,480 Ordinary shares - Non-Voting	1,122,534	1,122,534	1,122,534	1,122,534
	1,122,534	1,122,534	1,122,534	1,122,534

22 (a) iii Share Premium

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at year end	2,288	2,288	2,288	2,288
	2,288	2,288	2,288	2,288

22(b) Other Reserves

As at 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other Retained Reserves	2,057,437	2,057,437	2,057,437	2,057,437
Available for Sale Reserve	1,235,927	835,833	381,524	267,138
Foreign Currency Translation Reserve	40,498	92,399	-	-
	3,333,862	2,985,669	2,438,961	2,324,575

Other Retained Reserves represent General reserves.

23. INSURANCE CONTRACT LIABILITIES

As at 31 December	Note	Group	
		2024	2023
		Rs.'000	Rs.'000
Life Insurance Contracts	23(a)	180,041,362	156,683,565
Non-life Insurance Contracts	24	17,018,713	16,713,157
Total Insurance Contract Liabilities		197,060,075	173,396,722

Unearned Premium Reserve included in Non-Life Insurance Contract Liabilities had been presented on net basis.

The actuaries have performed Liability Adequacy Test in accordance with SLFRS -4 Insurance Contracts requirements.

23 (a) Life Insurance Contract Liabilities

ACCOUNTING POLICY

These liabilities are calculated as the total of best estimate liability and a risk margin for adverse deviation. The best estimate liabilities are measured by using the gross premium method.

The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees, investment income from assets backing such liabilities and investment management expenses, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows, based on the valuation assumptions used, charges and fees. Adjustments to the liabilities at each Reporting date are recorded in the Income Statement in "gross change in contract liability".

The liability is released when the contract expires, discharged or cancelled.

At each Reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate, by using an existing liability adequacy test in accordance with SLFRS 4.

Insurance and investment contracts are further classified as being either with or without discretionary participating features (DPF).

DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- ☒ likely to be a significant portion of the total contractual benefits;
- ☒ the amount or timing of which is contractually at the discretion of the issuer; and that are contractually based on:
- ☒ the performance of a specified pool of contracts or a specified type of contracts;

NOTES TO THE FINANCIAL STATEMENTS

- ☑ realised and or unrealised investment returns on a specified pool of assets held by the issuer; and
- ☑ the profit or loss of the Company, fund or other entity that issues the contract.

IRCSL regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Company may exercise its discretion as to the quantum and timing of their payment to contract holders.

At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders) and the amount and timing of the distribution to individual contract holders is at the discretion of the Company, subject to the advice of the Appointed Actuary. All DPF liabilities including unallocated surpluses, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

23(a) Life Insurance Contract Liabilities

	Insurance Contract Liabilities with DPF Rs.'000	Insurance Contract Liabilities without DPF Rs.'000	Total Gross Insurance Contract Liabilities Rs.'000
At 1 January 2024	74,034,536	82,649,029	156,683,565
Gross Premium Income	4,808,825	32,331,590	37,140,415
Premiums Ceded to Reinsurers	(14,472)	(536,771)	(551,243)
Liabilities Paid for Death, Maturities, Surrenders, Benefits and Claims	(6,677,897)	(18,430,480)	(25,108,377)
Investment Return	8,904,837	13,259,324	22,164,161
Reinsurance Commission Income	(3,538)	122,474	118,936
Other Operating and Admin Expenses including Income Tax	(2,321,382)	(3,007,730)	(5,329,112)
Underwriting and Net Acquisition Cost	(329,521)	(2,110,384)	(2,439,905)
Net transfer to Shareholder	(191,599)	(2,815,400)	(3,006,999)
Increase in Pension Saver Fund	-	4,694,863	4,694,863
Revaluation Reserve and AFS Reserve transferred to Life Fund	595,133	(4,920,075)	(4,324,942)
At 31 December 2024	78,804,922	101,236,440	180,041,362

The valuation of the Life Insurance business as at 31 December 2024 was carried out by our Consulting Actuary, Mr Vivek Jalan, FIA, on behalf of Willis Towers Watson. In the opinion of the Consulting Actuary, proper reserves have been provided for all known liabilities in respect of the Life Insurance business and the Company has adequate financial resources to cover its capital requirements in accordance with the Solvency Margin (risk-based capital) Rules 2015 dated 15th December 2015.

Following the actuarial valuation as at 31 December 2024 the Consulting Actuary has approved a transfer of Rs. 3Bn. (2023 - Rs.1.98 Bn) from the Life Fund to the Shareholder's Retained Profit Account.

The Company's Capital Adequacy Ratio (CAR) as at 31 December 2024 is 448% (2023- 344%) and is well above the minimum requirement of 120%.

23. (b) Restricted Regulatory Reserve

Restricted Regulatory reserve is created as result of One-Off Surplus generated due to change in valuation method from 'Net Premium Valuation' to 'Gross Premium Valuation' as specified in Direction 16, issued by IRCSL on 20th March 2018, for identification and treatment of One-Off Surplus. Complying with the same, the transfer made from policyholders' to Shareholders' fund is limited to surplus generated from other than participating business, whereas the surplus generated from the participating business will be maintained within the participating fund.

The basis for computation of one-off surplus is in line with the Direction issued by IRCSL titled "Directions on the Identification and Treatment of One-off Surplus" dated 20th March 2018.

The Company's One-off Surplus is equal to the minimum One-off Surplus prescribed in the recommendations in the Direction issued by the IRCSL. The basis is same for both participating business and other than participating business.

The One-Off Surpluses in amounts, created for participating business and other than participating business are as follows:

Line item	One-off Surplus Rs.000
Participating Business	2,736,685
Other than Participating Business	3,456,184
Tabarru Reserve	1,920
Total	6,194,789

Distribution of One-Off Surplus to Shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from IRCSL. The One-Off Surplus in the SHF will remain invested in assets in below note as per directions of IRCSL.

One-off surplus of participating business amounted to Rs. 2,736,685,339/-will be held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholders by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No.43 of 2000".

The composition of the assets, which will be held to support the Restricted Regulatory Reserves (One-off Surplus for other than participating business) as at 31 Decemebr 2024 are disclosed below at their market values:

Assets	Market Value (Rs. 000)
Government Debt Securities	842,568
Deposits	
Peoples' Bank	2,625,596
Total	3,468,164

24. Non-Life Insurance Contract Liabilities

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 equalisation 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December		2024	2023
		Insurance Contract Liabilities	Insurance Contract Liabilities
	Note	Rs.'000	Rs.'000
Provision for Reported Claims by Policyholders		9,033,238	8,661,281
Provision for Claims IBNR/IBNER		753,223	711,696
Outstanding Claims Provision	24(a)	9,786,461	9,372,977
Provision for Unearned Premiums	24(b)	7,232,252	7,340,180
Total Non Life Insurance Contract Liabilities		17,018,713	16,713,157

24 (a) Outstanding Claims Provision

Group	2024			2023		
	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	9,372,977	6,074,471	3,298,506	8,264,621	6,071,907	2,192,714
Claims Incurred in the Current Accident Year	11,723,767	3,662,221	8,061,546	12,475,878	5,173,689	8,107,192
Other Movements in Claims Incurred in Prior Accident Years	(703,428)	(683,662)	(19,766)	888,172	(875,623)	79,858
Claims Paid During the year	(10,606,855)	(1,707,244)	(8,899,611)	(12,255,694)	(4,295,502)	(7,081,258)
At 31 December	9,786,461	7,345,786	2,440,675	9,372,977	6,074,471	3,298,506

Reinsurance receivable on paid claims are included under above Reinsurance receivables are amounting to Rs. 1,998,083,242 (Rs. 1,938,774,000/- in 2023.)

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.

24 (b) Provision for Unearned Premiums

Group	2024	2023
	Insurance Contract Liabilities	Insurance Contract Liabilities
	Rs.'000	Rs.'000
At 1 January	7,340,180	7,309,298
Premiums Written in the Year	15,097,947	14,800,966
Premiums Earned During the Year	(15,205,875)	(14,770,084)
At 31 December	7,232,252	7,340,180

25. DEFERRED REVENUE

This represents entitle Reinsurance Commission on Insurance Business to be recognised in the future periods proportionately.

Group	2024	2023
	Deferred Revenue on Insurance Contracts	Deferred Revenue on Insurance Contracts
	Rs.'000	Rs.'000
At 1 January	917,233	781,891
Revenue Deferred	1,808,550	1,766,059
Amortisation	(1,931,768)	(1,630,717)
At 31 December	794,015	917,233

26. INTEREST BEARING LOANS & BORROWINGS

ACCOUNTING POLICY

Interest bearing loans and borrowings are recognised initially at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized 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.

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank Overdraft	21	1,445,894	1,137,467	16,835	130,366
Borrowings	26 (a)	1,376,732	5,300,848	-	-
Total Borrowings		2,822,626	6,438,315	16,835	130,366

26 (a) Borrowings

As at 31 December	Note	Group	
		2024	2023
		Rs.'000	Rs.'000
Bank Loans	26 (a) i	892,276	5,082,836
Repo Borrowings		175,642	131,586
Funds under Management Agreement		88,814	86,426
Other		220,000	-
Total		1,376,732	5,300,848

NOTES TO THE FINANCIAL STATEMENTS

26 (a) i Bank Loans

	As at 01.01.2024	Loans Obtained	Repayments	As at 31.12.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sampath Bank PLC	434,540	-	(145,968)	288,572
NDB Bank PLC	498,014	51,984	(16,208)	533,790
Seylan Bank PLC	46,250	-	(15,000)	31,250
NTB Bank PLC	50,457	20,000	(31,793)	38,664
HNB PLC	4,053,575	-	(4,053,575)	-
Total	5,082,836	71,984	(4,262,544)	892,276

Loans were obtained at variable rates and it is assumed that the carrying value approximates fair value.

The Assets pledged against borrowings are disclosed in Note 46.

27. REINSURANCE PAYABLES

As at 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Domestic Reinsurer - National Insurance Trust Fund (NITF)	1,029,035	121,632
Domestic Reinsurers - Others	162,819	143,158
Foreign Reinsurers	10,127,416	8,599,520
Total	11,319,270	8,864,310

The above amounts include Reinsurance payable to National Insurance Trust Fund, Local reinsurers and Foreign reinsurers.

28. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Financial Liabilities – Initial Recognition and Subsequent

Measurement

Initial recognition and measurement

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings, and reinsurance payables.

Subsequent measurement

The subsequent measurement of financial liabilities as follows:

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

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 Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Policyholders Payment in Advance		1,306,640	1,200,427	-	-
Agency Commission Payable		1,764,217	1,662,101	-	-
Government Levies		1,961,304	501,330	-	-
Trade Creditors		3,350,747	5,325,008	632,397	112,847
Death Claims Payable		1,235,840	128,238	-	-
Accrued Expenses		2,811,971	2,954,431	-	645
Lease Creditors	28 (a)	879,026	787,740	-	-
Income Tax Payable	18	2,138,134	1,929,147	49,152	44,080
Total		15,447,879	14,488,422	681,549	157,572

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

All amounts are payable within one year.

28 (a) Lease creditor

	2024	2023
	Rs.'000	Rs.'000
As at 1 January	787,740	841,291
Addition	491,843	215,803
Accretion of interest	119,228	107,457
Payments	(441,499)	(377,231)
Derecognition	(78,287)	420
	879,026	787,740

28 (a) i Maturity analysis for lease creditors based on contractual undiscounted payments 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
2024	362,701	576,976	251,304	1,190,980
2023	266,623	416,289	167,105	850,017

NOTES TO THE FINANCIAL STATEMENTS

29. NET PREMIUMS

29 (a) Gross Written Premium

ACCOUNTING POLICY

Gross Written Premium

(1.) Non Life Insurance

Gross written premium is generally recognised 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.

(2.) Life Insurance

Gross premium on life insurance contracts are recognised as revenue when receivable from the policyholder. Premium received in advance are not recognised as revenue but as a liability until the premium become due. For single premium business, revenue is recognised on the date on which the policy is effective.

Unearned Premiums– Non Life Insurance

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 Insurance Regulations.

The basis of calculating unearned premiums for marine and title policies are as follows,

Class of the Policy Basis	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.

Year ended 31 December	Note	Group	
		2024 Rs.'000	2023 Rs.'000
Non-Life Insurance	29 (a) i	30,308,477	30,891,977
Life Insurance	29 (a) ii	37,140,416	33,411,394
Total Gross Written Premium		67,448,893	64,303,371

The premium income for the year by major classes of business is as follows;

29 (a) i Non - Life Insurance

Year ended 31 December	2024 Rs.'000	Group	
		2023 Rs.'000	Change %
Fire	9,032,531	8,667,035	4
Motor	11,370,171	10,869,948	5
Marine	1,569,381	1,452,070	8
Miscellaneous	6,370,279	7,751,024	(18)
Engineering	1,710,330	1,910,159	(10)
Employers' Liability	255,785	241,741	6
Total	30,308,477	30,891,977	(2)

The Gross written Premium of 2024 includes Rs. 126,661,905 and US\$ 404,140.50 (2023-Rs.209,765,049 and US\$ 381,750) which are collected on behalf of Co-insurance partners.

29 (a) ii Life Insurance

Year ended 31 December	Group		
	2024	2023	Change
	Rs.'000	Rs.'000	%
New Businesses	9,314,077	5,902,767	58
Sigle Premium	11,674,194	11,828,460	(1)
Renewal Premium	15,518,536	13,653,215	14
Group Life Premium	633,608	2,026,952	(69)
	37,140,416	33,411,394	11
Annualised New Business Life Premium	12,064,412	12,522,705	(4)

29 (b) Premiums Ceded to Reinsurers**ACCOUNTING POLICY****Reinsurance Premium****(1.) Non Life Insurance**

Reinsurance premium expense is accounted for in the same accounting period as the gross written premium to which it relates.

(2.) Life Insurance

Gross reinsurance premiums are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Year ended 31 December	Note	Group	
		2024	2023
		Rs.'000	Rs.'000
Non-Life Insurance	29 (b) i	15,521,060	16,252,284
Life Insurance	29 (b) ii	549,963	639,875
Premiums Ceded to Reinsurers		16,071,023	16,892,159

NOTES TO THE FINANCIAL STATEMENTS

29 (b) i Non- Life Insurance

Year ended 31 December	Group		
	2024	2023	Change
	Rs.'000	Rs.'000	%
Fire	8,150,719	7,896,882	3
Motor	1,596,508	1,039,778	54
Marine	1,109,671	998,306	11
Miscellaneous	3,193,721	4,669,828	(32)
Engineering	1,454,695	1,632,986	(11)
Employers' Liability	15,747,00	14,504	9
Total	15,521,060	16,252,284	(4)
National Insurance Trust Fund			
Compulsory Reinsurance Cessions	647,864	759,908	(15)
Strike , Riots, Civil Commotion	2,734,836	2,103,814	30
Foreign Reinsurers	11,825,541	13,047,413	(9)
Local Coinsurance Partners	312,819	341,149	(8)
	15,521,060	16,252,284	(4)

29 (b) ii Life Insurance

Year ended 31 December	Group		
	2024	2023	Change
	Rs.'000	Rs.'000	%
Foreign Reinsurers	549,963	639,875	(14)
	549,963	639,875	

29 (c) Net Income

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net Earned Premiun	51,476,286	47,380,328	-	-
Revenue from Subsidiaries	6,417,207	5,624,904	-	-
Other Revenue	33,314,033	35,108,462	2,021,746	1,901,054
Total Net Income	91,207,525	88,113,694	2,021,746	1,901,054

Net Income represents Total Net Earned Premium, Other Revenue and Revenue from Subsidiaries (Group).

Revenue from non Insurance subsidiaries

The source of revenue from other operations is recognised as per SLFRS 15 revenue from contract with customers.

(1.) Healthcare Segment

This income of the Company comprises of three avenues such as medical testing, screening test and cancer treatment. All such revenue is recognised in the Income Statement on accrual basis upon completion of the task.

(2.) Services

Revenue is recognised in the accounting periods in which the services are performed.

(3.) Power Generation

Revenue is recognised in the accounting period in which the power is generated and supplied to national grid.

(4.) Education

Revenue from rendering of services is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from relevant services are recognised as an income on periodic basis over time. Income from services relate to future periods are shown in the statement of financial position under other liabilities.

30. FEES AND COMMISSION INCOME

ACCOUNTING POLICY

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.

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Reinsurance Commission Income	2,050,703	1,646,436
Other Fees	113,366	110,698
Total Fees and Commission Income	2,164,069	1,757,134

NOTES TO THE FINANCIAL STATEMENTS

31. INVESTMENT INCOME

ACCOUNTING POLICY

Investment Income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method.

Investment income also includes dividend income which is recognised when the right to receive payment is established. For listed securities, this is the date the security is listed as ex dividend.

Other Income

(1.) Rental Income

Rental income from property is recognised in income statement on a straight-line basis over the term of the lease.

Year ended 31 December	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Rental Income from Investment Properties	46,205	30,636	-	-
Financial Assets at Fair Value through Profit or Loss (Held for Trading Purposes)				
Interest Income	848,188	704,790	-	-
Dividend Income	-	91,401	-	-
Held to Maturity Financial Assets Interest Income	15,807,357	15,182,617	66,461	87,151
Available-For-Sale Financial Assets				
Interest Income	1,545,615	1,417,614	34,786	41,948
Dividend Income	117,689	53,651	1,791,915	1,595,861
Loans and Receivables Interest Income	12,340,432	13,333,461	128,584	176,094
Interest Income from Staff Loan	53,902	62,259	-	-
Cash and Cash equivalents interest income	54	-	-	-
Other Operating Revenue	(88,905)	2,088,775	-	-
Total Investment Income	30,670,537	32,965,204	2,021,746	1,901,054

Maturity analysis – contractual undiscounted cash flows

The group has entered into operating lease agreements with various parties including its subsidiaries. Cash flows from operating leases from subsidiaries are eliminated in the Group figures. The remaining period of these lease arrangements varies between one to ten years.

Future minimum rentals receivable under operating leases as at 31 December are as follows:

Year ended 31 December	Group	
	2024 Rs.'000	2023 Rs.'000
Within one year	28,993	29,909
After one year but not more than three years	33,873	43,817
After three years but not more than five years	24,988	27,726
More than five years	18,514	30,856
Expected Future Rentals	106,368	132,308

32. NET REALISED GAINS

ACCOUNTING POLICY

Realised Gains and Losses

Realised gains and losses recorded in the income statement on investments include gains and losses on sale of financial assets. 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.

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Property, Plant and Equipment		
Realised Gains	74,021	55,932
Available-For-Sale Financial Assets		
Realised Gains		
Equity Securities	3,366	1,548
Debt Securities	176,344	90,592
Total Realised Gains for Available-For-Sale Financial Assets	179,710	92,140
Total Realised Gains	253,731	148,072

33. NET FAIR VALUE GAINS AND LOSSES

ACCOUNTING POLICY

Net fair value Gains and Losses

Net fair value gains and losses recorded in the income statement include gains and losses on fair valuation of investment properties and gain and losses on financial assets at fair value through P&L.

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Fair Value Gains on Investment Properties	100,015	128,709
Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss (Held for Trading Purposes)	125,680	109,343
Total Fair Value Gains and Losses	225,695	238,052

NOTES TO THE FINANCIAL STATEMENTS

34. NET BENEFITS AND CLAIMS

ACCOUNTING POLICY

Claims

(1.) Non Life Insurance

Claims expenses and liabilities for outstanding claims are recognised 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.) Life Insurance

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claim handling costs that are directly related to the processing and settlement of claims and policyholder bonuses. Death claims and surrenders are recorded on the basis of notifications received. Maturities, annuity payments and interim payments are recorded when due.

(3.) Reinsurance on Claims

Reinsurance on claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000

34 (a) Gross Benefits and Claims Paid

Life Insurance Contracts	(34 (e)	25,298,611	23,425,601
Non-Life Insurance Contracts		10,606,855	12,255,694
Total Gross Benefits and Claims Paid		35,905,466	35,681,295

34 (b) Claims Ceded to Reinsurers

Life Insurance Contracts		(249,992)	(290,552)
Non-Life Insurance Contracts		(1,707,244)	(4,295,502)
Total Claims Ceded to Reinsurers		(1,957,236)	(4,586,054)

34 (c) Gross Change in Contract Liabilities

Change in Life Insurance Contract Liabilities		23,051,748	23,015,741
Change in Non-Life Insurance Contract Outstanding Claims Provision		482,809	1,220,184
Total Gross Change in Contract Liabilities		23,534,557	24,235,925

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000

34 (d) Change in Contract Liabilities Ceded to Reinsurers

Change in Non-Life Insurance Contract Outstanding Claims Provision	(1,340,217)	(878,187)
Total Change in Contract Liabilities Ceded to Reinsurers	(1,340,217)	(878,187)
Net Benefits and Claims	56,142,570	54,452,979
Net Benefits and Claims - Non Life Insurance (Note 34(g))	(34 (f) 8,042,203	8,302,189
Net Benefits and Claims - Life Insurance	48,100,367	46,150,790
	56,142,570	54,452,979

34 (e) Gross Claims and Benefits (Excluding Life Fund Increase)

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Claims - Death, Disability and Hospitalisation	1,818,332	1,742,719
Policy Maturities	19,531,226	16,566,525
Interim Payments on Anticipated Endowment Plans	1,287,694	1,282,536
Surrenders	2,628,633	3,807,108
Annuities	32,726	26,712
	25,298,611	23,425,601
Reinsurance Recoveries	(249,992)	(290,552)
Life Insurance Net Claims and Benefits	25,048,619	23,135,049

34 (f) Non - Life Net Claims Incurred

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Gross Claims Incurred	11,089,664	13,475,878
Reinsurance Recoveries	(3,047,461)	(5,173,689)
Total Net Claims Incurred	8,042,203	8,302,189

34 (g) The Net Claims Incurred for the year by major classes of business is as follows

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Fire	1,142,705	1,146,914
Motor	4,912,252	4,696,166
Marine	155,850	190,899
Miscellaneous	1,409,558	1,877,444
Engineering	166,990	305,147
Employer's Liability	254,848	85,619
	8,042,203	8,302,189

NOTES TO THE FINANCIAL STATEMENTS

35. ACQUISITION COSTS

ACCOUNTING POLICY

Acquisition Costs

(1.) Non Life Insurance

Acquisition costs, representing commissions, which vary with and are directly related to the production of business are deferred and amortised over the period in which the related written premiums are earned. Reinsurance commission is also treated in the same manner within deferred acquisition costs.

(2.) Life Insurance

Commission Expense is charged to the period in which it's incurred. Commission payable on accrued premium is recognised to the extent that these costs are recoverable out of future premiums.

All expenses vary with, and are primarily related to, the acquisition of new insurance contracts.

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Fees and Commission Expenses	5,154,213	5,033,136
Deferred Expenses	(49,647)	(103,053)
	5,104,566	4,930,083

36. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Year ended 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amortisation of Intangible Assets & Goodwill	7	294,412	251,709	-	-
Depreciation on Property, Plant and Equipment	9	1,029,608	1,096,092	-	-
Depreciation of Right of Use Assets	10	354,658	351,949	-	-
Other Operating Expenses	36 (b)	5,964,056	3,861,646	158,294	44,715
Auditors' Remuneration					
Audit Fee		28,490	22,652	1,409	1,342
Non Audit Fee		6,898	9,577	-	-
Employee Benefits Expense	36 (a)	4,905,370	4,768,058	237,612	217,949
Selling Expenses		1,800,593	1,947,157	-	-
Legal Expenses		21,438	42,846	17,779	30,568
Donations		7,714	2,343	-	-
Total Other Operating and Administrative Expenses		14,413,237	12,354,029	415,094	294,574

36 (a) Employee Benefits Expense

Year ended 31 December	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Wages and Salaries Including Bonus & Incentives		4,797,351	5,038,345	164,945	168,122
Employees' Provident Fund		445,805	489,413	16,938	15,398
Employees' Trust Fund		109,506	92,455	4,234	3,849
Defined Gratuity Benefit & Pension Costs	36 (c)	(1,655,334)	(1,815,424)	16,937	15,398
Other Staff Related Cost		1,208,042	963,269	34,559	15,182
Total Employee Benefits Expense		4,905,370	4,768,058	237,612	217,949

36 (b) Other Operating Expenses

The Operating Expenses incurred in respect of Investment Property which does not earn rental income is Rs. 4,017,870 (2023- Rs.4,699,424/-) The Operating Expenses incurred in respect of Investment Property which earns rental income is Rs. 4,307,511 (2023- Rs.12,223,000)

36 (c) Net Gratuity Benefit and Pension Cost shows a negative amount primarily due to expected return on plan assets over current service cost and interest cost on benefit obligations.

37. FINANCE COSTS

ACCOUNTING POLICY

Finance Cost

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.

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Borrowings				
Interest Expense on Bank Overdraft	-	12,479	-	-
Interest Expense on Loans	255,779	210,961	-	-
Other Finance Charges	133,199	117,741	652	868
Lease Interest	22,705	51,047	-	-
Total Finance Cost	411,683	392,228	652	868

NOTES TO THE FINANCIAL STATEMENTS

38. INCOME TAX EXPENSE

The major components of Income Tax Expense for the years ended 31 December 2024 and 2023 are:

38 (a) Current Year Tax Charge

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax				
Income Tax	4,253,973	3,492,533	62,768	82,530
Over/Under Provision in respect of Previous Year	(50,986)	209,270	-	-
Dividend Tax	3,060	-	-	-
Total Current Tax	4,206,047	3,701,803	62,768	82,530
Deferred Tax				
Origination of Temporary Differences (note 18a and b)	332,722	(267,582)	(5,082)	(15,492)
Total Income Tax Expense	4,538,769	3,434,221	57,686	67,038

38 (a) i Statutory Income Tax Rate applicable for the year

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Y/A 2024/2025 / Y/A 2023/2024 @ 14% p.a.	-	1,431	-	-
Y/A 2024/2025 / Y/A 2023/2024 @ 15% p.a.	33,119	14,370	-	-
Y/A 2024/2025 / Y/A 2023/2024 @ 30% p.a.	4,220,854	3,476,732	62,768	82,530
Dividend Tax	3,060	-	-	-
Over/under provision in respect of previous year	(50,986)	209,270	-	-
Tax effect on accounting Profit Before Tax	4,206,047	3,701,803	62,768	82,530
Amount of deferred tax expense relating to the origination and reversal of temporary difference	332,722	(267,582)	(5,082)	(15,492)
Total Income Tax Expense	4,538,769	3,434,221	57,686	67,038

38 (b) Tax recorded in Other Comprehensive Income (see Note 42)

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Deferred Tax	63,110	257,105
Total Tax Charge to Other Comprehensive Income	63,110	257,105

38 (c) Reconciliation of Tax Charge

Year ended 31 December	Company	
	2024	2023
	Rs.'000	Rs.'000

Reconciliation of Effective Tax Rate

Profit Before Tax	1,606,000	1,575,612
Income Tax using the Company's Domestic Tax Rate	481,800	501,158
Tax Exempt Income	(537,574)	(336,927)
Net Non-Deductible/(Deductible) Expenses	118,542	(81,701)
Deferred Tax Charge/(Reverse)	(5,082)	(15,492)
	57,686	67,038

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000

Reconciliation of Effective Tax Rate

Profit Before Tax	14,843,114	14,962,236
Income Tax using the Company's Domestic Tax Rate	5,033,696	5,346,981
Tax Exempt Income	(1,909,109)	(2,419,155)
Net Non-Deductible/(Deductible) Expenses	(77,617)	(210,710)
Tax Effect of Loss Claimed for the Year	(45,656)	(143,767)
Income Tax for Bonuses distributed/declared to policyholders	353,621	326,017
Income Tax for Surplus distributed to Shareholders	902,100	593,167
Over / (Under) Provision of Previous Years	(50,986)	209,270
Deferred Tax Charge/(Reverse)	332,722	(267,582)
	4,538,769	3,434,221

38 (d) Income Tax Rate

Ceylinco General Insurance is liable to pay income tax at the rate of 30%.

Income Tax applicable for Ceylinco Life Insurance for the year of assessment 2024/2025 are as follows.

1. Surplus distributed to shareholders from Life Insurance business as certified by appointed actuary @ 30%
2. Investment Income of Shareholder fund less any expenses incurred in the production of such income @ 30%
3. Bonus Distributed to policyholders @ 30%
4. Realization of capital gain @ 30%
5. Dividend income @ 15%

CEG Education Holdings (Pvt) Ltd and other Subsidiaries computed the Income Tax Liability for the year of assessment 2024/2025 by applying the Income Tax rate of the 30%.

The Deferred tax assets/liabilities of the Group as at 31st December 2024 were computed using the Income tax rate of 30%.

Ceylinco Insurance Company (Pvt) Ltd. - Maldives is liable to pay income tax at 15% on its business income in Maldives.

Other subsidiaries are liable for income tax at the rate of 30%.

NOTES TO THE FINANCIAL STATEMENTS

38 (e) Other Taxes

Social Security Contribution Levy

Social Security Contribution Levy shall be paid by any person carrying on the business of supplying financial services, on the liable turnover specified in the second schedule of the Social security contribution levy Act No 25 of 2023, at the rate of 2.5%, with effect from 1st October 2022. Social Security Contribution Levy is payable on 100% of the value addition attributable to Insurance services.

As per the provisions of the act, Life insurance business, supply of medical services and supply of pharmaceutical products are exempted.

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. 15.1 Mn pertaining to the year of assessment 2024/25

39. NON CONTROLLING INTERESTS (NCI)

39 (a) Accumulated Balances of Non-Controlling Interest

	2024	2023	Effective ownership by NCI %
	Rs.'000	Rs.'000	
Name of Company			
Ceylinco Healthcare (Pvt) Ltd	5,595	5,487	0.80
Ceylinco Insurance (Pvt) Ltd -Maldives	108,396	119,512	21
Ceylinco Investcorp (Pvt) Ltd	13,529	9,893	25
Energy Lanka Holdings Ltd	11,352	8,167	-
CEG Education Holdings Ltd	4,286,491	3,616,368	37.40
	4,425,363	3,759,427	

39 (b) Profit allocated to Non-Controlling Interest

	2024	2023
	Rs.'000	Rs.'000
Name of the Company		
Ceylinco Healthcare (Pvt) Ltd	111	799
Ceylinco Insurance (Pvt) Ltd -Maldives	17,903	19,833
Ceylinco Investcorp (Pvt) Ltd	703	(9,884)
Energy Lanka Holdings Ltd	3,185	(90)
CEG Education Holdings Ltd	812,775	722,852
	834,677	733,510

40. BASIC/DILUTED EARNINGS PER SHARE

ACCOUNTING POLICY

Earnings Per Share

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.

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the Year (Rs.'000)	9,469,669	10,794,505	1,548,314	1,508,574
Weighted Average Number of Ordinary Shares ('000)	26,414	26,414	26,414	26,414
Basic/Diluted Earnings Per Ordinary Share (Rs.)	358.51	408.67	58.62	57.11

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.

41. DIVIDENDS PAID

ACCOUNTING POLICY

Dividends on Ordinary Share Capital

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.

Year ended 31 December	Company	
	2024	2023
	Rs.'000	Rs.'000
Final Dividend Paid (Rs.'000)	1,267,890	1,188,651
No. of Shares in issue for the year ('000)	26,414	26,414
Dividend Per Share (Rs.)	48	45

NOTES TO THE FINANCIAL STATEMENTS

42. INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

Year ended 31 December	2024			2023		
	Before Tax	Tax (Expense)	Net of Tax	Before Tax Amount Rs.'000	(Expense) Benefit Rs.'000	Net of Tax Amount Rs.'000
Group						
Exchange Differences on Translating Foreign Operations	(51,901)	-	(51,901)	(305,766)	-	(305,766)
Net Gain/(Loss) on Available-for-Sale Financial Assets	638,708	(101,458)	537,250	1,169,108	(292,145)	876,963
Actuarial Gain on Defined Benefit Plans	(1,431,914)	62,997	(1,368,917)	(2,316,242)	10,104	(2,306,138)
Revaluation Surplus/(Deficit) During the Year	604,509	(24,649)	579,860	664,128	24,936	689,064
Total	(240,598)	(63,110)	(303,708)	(788,772)	(257,105)	(1,045,877)

42.1 Movement of share of other Comprehensive Income /(Loss) of an associates

Year ended 31 December	Group	
	2024	2023
	Rs.'000	Rs.'000
Actuarial Gain on Defined Benefit Plans	(63,251)	(123,764)
Net Gain/(Loss) on Available-for-Sale Financial Assets	162,111	(112,871)
Total	98,860	(236,635)

Year ended 31 December	2024			2023		
	Before Tax Amount Rs.'000	(Expense) Benefit Rs.'000	Net of Tax Amount Rs.'000	Before Tax Amount Rs.'000	(Expense) Benefit Rs.'000	Net of Tax Amount Rs.'000
Company						
Net Gain/(Loss) on Available-for-Sale Financial Assets	114,386	-	114,386	18,374	-	18,374
Total	114,386	-	114,386	18,374	-	18,374

43. RISK MANAGEMENT FRAMEWORK

43 (a) Governance Framework

The primary objective of the Group's risk and financial management framework is to protect the Group'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 Group has established a risk management process with specified objectives with clear tasks. The board of directors and senior managers manage 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 Group 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.

43 (b) Capital Management Objectives, Policies and Approach

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- ☑ To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- ☑ To allocate capital efficiently and support the development of business by ensuring that 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 Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Insurance business maintains capital, investments and solvency as per the regulations prescribed by Insurance Regulatory Commission of Sri Lanka. (IRC SL). Further, under the parallel run requirements of IRC SL the insurance business 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 Group 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 Group and achieves the required capital levels of the Group.

The primary source of capital used by the Group is equity shareholders' funds. The Group 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.

The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

Ceylinco General Insurance Ltd has following Capital Resources.

Year ended 31 December	2024	2023
	Rs.'000	Rs.'000
Total Equity	19,929,433	20,204,542
Adjustments into a regulatory basis	(6,534,064)	(8,922,123)
Available Capital Resources	13,395,369	11,282,419

The adjustments into a regulatory basis represent assets inadmissible for regulatory reporting purposes.

The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

NOTES TO THE FINANCIAL STATEMENTS

Ceylinco Life Insurance Ltd has following Capital Resources.

Year ended 31 December	2024	2023
	Rs.'000	Rs.'000
Total Equity	60,745,459	54,373,319
Adjustments into a regulatory basis	40,087,131	35,703,952
Available Capital Resources	100,832,590	90,077,271

The adjustments into a regulatory basis Includes the followings:.

1. Adjustment for valuation differences of Assets and Liabilities between SLFRS and RBC frameaeworks.
2. Unallocated valuation surplus maintained in the insurance funds.
3. 50% of net future bonuses in respect of participating business
4. Value of Inadmissible Assets under RBC framework.

43 (c) Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the insurance business is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the insurance business maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The insurance business is regulated by Insurance Regulatory Commision of Srilanka (IRCSL) with the objective of protecting shareholders and policyholders. There are various regulations and directive the insurance business is expected to adhere in order to achieve the expected norms, which leads the insurance business 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 Group 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 Insurance Companies successfully implemented the Risk Based Capital (RBC) framework on solvency margin as required by IRCSL.

The capital adequacy positions of the Insurance Companies as of 31st December 2024 and 2023 are as follows.

Ceylinco General Insurance Ltd

	Total Available Capital (TAC)	Risk-Based Capital Requirement	Risk-Based Capital Adequacy Ratio (CAR)	Regulatory Minimum CAR
	Rs.000	Rs.000	%	%
31th December 2024	13,395,369	5,013,478	267	120
31st December 2023	11,282,419	5,151,020	219	120

Ceylinco Life Insurance Ltd

	Total Available Capital (TAC)	Risk-Based Capital Requirement	Risk-Based Capital Adequacy Ratio (CAR)	Regulatory Minimum CAR
	Rs.000	Rs.000	%	%
31th December 2024	100,832,590	22,496,292	448	120
31st December 2023	90,077,271	26,174,282	344	120

43 (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 Group 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 Group 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.

44. INSURANCE AND FINANCIAL RISK

44 (a) Insurance Risk

The principal insurance risk the Group 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 Group 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 Group 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 group'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 Group 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 Group's placement of reinsurance is diversified such that it is not dependent on a single reinsurer. The Group has all reinsurance arrangements with many leading reinsurance companies.

44 (a) i. Life Insurance Contracts

Life insurance contracts offered by the Group include: whole life, term assurance and endowment plans.

Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death.

Death and maturity benefits of endowment products are subject to a guaranteed minimum amount.

For contracts with DPF the guaranteed minimum may be increased by the additions such as bonuses.

The main risks that the Group is exposed to are as follows:

- ☑ Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- ☑ Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- ☑ Investment return risk – risk of loss arising from actual returns being different than expected
- ☑ Expense risk – risk of loss arising from expense experience being different than expected
- ☑ Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

NOTES TO THE FINANCIAL STATEMENTS

Key Assumptions

The Insurance Companies exercise significant judgment in determining the policy liabilities and in selecting assumptions. The key assumptions to which the liability value can be sensitive are mortality, morbidity, expenses, discount rates, lapse and surrender rates. The choice of assumptions depends on the past and current experience of the Insurance Companies and other available information. Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Insurance Companies historical experience. Discount rates are based on current industry risk free rates. All these assumptions are within the guidelines issued by the IRCSL.

Mortality rate

Mortality assumptions are based on standard mortality tables.

Lapse rates

Lapses occur due to non-payment of premiums before the policy acquires a surrender value. Surrenders occur due to termination of policies by policyholders after acquiring a surrender value.

Risk Free Rate

Risk free discount rate is used to discount the cash flows for corresponding durations for guaranteed benefits of non-participating and participating insurance fund policies. The applicable risk free rates are shared by the IRCSL every quarter.

Fund-Based Yield

Fund-based yield is used in the participating fund to discount the cash flows for corresponding durations where total benefits are considered.

Management Expenses

The assumptions for management expenses are determined based on the investigation into the expenses of the Insurance Company over the last four calendar years. Each expense is classified as acquisition/maintenance/termination and then classified as fixed/variable.

44 (a) .i. i Sensitivity of the Value of Insurance Liabilities for Change in Assumptions

Sensitivity of the Value of Insurance Liabilities as at 12/31/23	Changes in Assumptions	Impact on the Net Best Estimate Liabilities
Expenses	+10%	1.03%
Expenses	-10%	-1.03%
Mortality	+10%	0.26%
Mortality	-10%	-0.26%
Morbidity	+20%	0.28%
Morbidity	-20%	-0.30%
Withdrawal Rate	+20%	-0.56%
Withdrawal Rate	-20%	0.68%

Changing assumptions as mentioned above doesnot have material impact to the income statement.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that premium charged takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to revive individual policies and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle

the Group to pursue third parties for payment of some or all costs. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely. As a result, the amount of insurance risk is also subject to contract holder behaviour.

There are other types of risks such as reinsurance, default risk, concentration risk, liquidity risks and market risks. The business'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.

44 (a) ii 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 Group, 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 and sensitivities

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience.

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, impact of natural catastrophic or uncertainty in the estimation process.

Sensitivity of the Value of Insurance Liabilities as at 31/12/2024	Outstanding/reported claim reserve based on BF with a 5% increase in the Initial Estimated Ultimate LossRatio (IEULR)
Impact on the Best Estimated outstanding net claim reserve (Rs .000)	(695,451)

NOTES TO THE FINANCIAL STATEMENTS

Claims Development Table

The following table shows the Estimated Net Claims Liability (after considering reinsurance) for each successive accident year at each reporting date for domestic operations of Ceylinco General Insurance Ltd

Year	0	1	2	3
2015	570,867,852	(103,140,094)	(38,064,835)	91,881,814
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	-
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	-
2023	1,194,458,186	74,143,775	-	-
2024	344,899,592	-	-	-

44 (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 policies and procedures are in place to mitigate the Life insurance segment exposure to credit risk:

- ☑ Credit risk policy is set based on the assessment and IRCSL determination. Accordingly Life insurance segment has the maximum amounts and limits that may be advanced to counterparties by reference to their long-term credit ratings. Policy is monitored at each reporting date or when required for changes in the risk environment.
- ☑ Reinsurance is placed with counterparties that have a good credit rating. At each reporting date, an assessment of creditworthiness of reinsurers are performed and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- ☑ The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts. The following processes/activities of General insurance segment division 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.

44 (b) i 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.

Year ended 31 December	Notes	2024		2023	
		Group	Company	Group	Company
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Instruments					
Held-to-Maturity Financial Assets	13(a)				
Debt Securities		119,965,994	-	112,058,479	-
Loans and Receivables					
	13(b)				
Debt Securities		107,253,521	1,739,540	83,793,881	1,330,355
Other		1,018,856	-	1,055,880	-
		108,272,377	1,739,540	84,849,761	1,330,355
Available-for-Sale Financial Assets					
	13(c)				
Equity Securities		1,073,128	620,648	935,557	506,261
Debt Securities		11,999,859	966,928	13,811,797	712,450
		13,072,987	1,587,576	14,747,354	1,218,711
Financial Assets at Fair Value through Profit or Loss					
	13(d)				
Equity Securities		814	-	4,329,682	-
Debt Securities		24,622	-	122,752	-
		25,436	-	4,452,434	-
Reinsurance Assets	16	9,024,328	-	6,757,896	-
Insurance Receivables	19	9,686,956	-	10,269,855	-
Cash and Cash Equivalents	21	3,639,534	22,538	2,878,065	225
Total Credit Risk Exposure		263,687,612	3,349,654	236,013,844	2,549,291

NOTES TO THE FINANCIAL STATEMENTS

44 (b) ii Industry Analysis

31 December 2024	Financial Services	Government	Services	Manufacturing and Power	Others	Total
Assets	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Insurance Business						
Held-to-Maturity Financial Assets						
Debt securities	517,165	118,633,989	-	-	-	119,151,154
	517,165	118,633,989	-	-	-	119,151,154
Loans and Receivables						
Term Deposits	73,962,087	-	-	-	-	73,962,087
Repo Investments	9,689,752	-	-	-	-	9,689,752
Unquoted Debentures	448,380	-	1,585,254	-	-	2,033,634
Debentures Quoted	17,057,357	-	-	-	-	17,057,357
Staff and Vehicle Loans	-	-	-	-	1,014,514	1,014,514
Other Loans						
	101,157,576	-	1,585,254	-	1,014,514	103,757,344
Available-for-Sale Financial Assets						
Equity Securities	242,524	-	11,352	5,140	533,330	792,346
Debt Securities	2,309,583	7,020,699	-	-	-	9,330,282
Unit Trust	405,234	-	-	-	-	405,234
	2,957,341	7,020,699	11,352	5,140	533,330	10,527,862
Financial Assets at Fair Value through Profit or Loss						
Equity Securities	367	-	657	520	-	1,544
Debt Securities	-	814	-	-	-	814
	367	814	657	520	-	2,358
Sub Total	104,632,449	125,655,502	1,597,263	5,660	1,547,844	233,438,718
Financial Instruments -Other						7,898,076
Subsidiaries & Ceylinco Holdings PLC						
Total Credit Risk Exposure						241,336,794

44 (b) ii Industry Analysis

31 December 2023	Financial Services	Government	Services	Manufacturing and Power	Others	Total
Assets	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Insurance Business						
Held-to-Maturity Financial Assets						
Debt securities	517,216	110,652,999	-	-	-	111,170,215
	517,216	110,652,999	-	-	-	111,170,215
Loans and Receivables						
Term Deposits	65,051,288	-	-	-	-	65,051,288
Repo Investments	562,303	-	-	-	-	562,303
Unquoted Debentures	1,483,977	-	1,612,129	-	-	3,096,106
Debentures Quoted	10,378,458	-	-	-	-	10,378,458
Staff and Vehicle Loans	-	-	-	-	1,052,333	1,052,333
	77,476,026	-	1,612,129	-	1,052,333	80,140,488
Available-for-Sale Financial Assets						
Equity Securities	126,549	-	2,547	592,921	4,476	726,493
Debt Securities	979,859	10,837,358	-	-	-	11,817,217
Unit Trust	333,794	-	-	-	-	333,794
	1,440,202	10,837,358	2,547	592,921	4,476	12,877,504
Financial Assets at Fair Value through Profit or Loss						
Profit or Loss						
Equity Securities	233	-	519	293	-	1,045
Debt Securities	-	4,329,682	-	-	-	4,329,682
	233	4,329,682	519	293	-	4,330,727
Sub Total	79,433,677	125,820,039	1,615,195	593,214	1,056,809	208,518,948
Financial Instruments -Other						7,589,093
Subsidiaries & Ceylinco Holdings PLC						
Total Credit Risk Exposure						216,108,028

NOTES TO THE FINANCIAL STATEMENTS

44 (b) iii The below table indicates the rating of investments as at 31st December 2024 & 2023.

Group	AAA Rs.'000	AA+ Rs.'000	AA Rs.'000	AA- Rs.'000	A+ Rs.'000	A Rs.'000	A- Rs.'000	BBB+ Rs.'000	BBB Rs.'000	BBB- Rs.'000	BB+ Rs.'000	BB Rs.'000	B Rs.'000	Unrated Rs.'000	Total Rs.'000
31 December 2024															
Insurance Business															
Financial Instruments															
Held-to-Maturity Financial Assets															
Debt Securities	-	-	-	-	-	-	-	517,165	-	-	-	-	-	-	119,151,154
Loans and Receivables	-	-	-	-	19,296	44,385,371	17,892,048	12,935,501	2,598,300	-	-	10,973	5,374	2,689,656	103,757,344
Available-for-Sale Financial Assets															
Equity Securities															
Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	792,349	792,346
Unit Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	107,089	9,330,282
Financial Assets at Fair Value through Profit or Loss															
Equity Securities	41	-	-	199	299	-	-	-	-	-	-	-	-	1,006	1,545
Debt Securities	814	-	-	-	-	-	-	-	-	-	-	-	-	-	814
Sub Total	148,876,365	-	-	199	41,465	45,530,865	18,927,177	13,452,666	2,598,300	-	-	10,973	5,374	3,995,334	233,438,718
Financial Instruments - Other Subsidiaries & Ceylinco Holdings PLC															
Total	241,336,794														

Group	AAA Rs.'000	AA+ Rs.'000	AA Rs.'000	AA- Rs.'000	A+ Rs.'000	A Rs.'000	A- Rs.'000	BBB+ Rs.'000	BBB Rs.'000	BBB- Rs.'000	BB+ Rs.'000	BB Rs.'000	B Rs.'000	Unrated Rs.'000	Total Rs.'000
31 December 2023															
Insurance Business															
Financial Instruments															
Held-to-Maturity Financial Assets															
Debt Securities	110,652,999	-	-	-	-	-	-	517,216	-	-	-	-	-	-	111,170,215
Loans and Receivables	12,993,204	3,895,010	-	175,754	18,688	43,562,953	8,350,829	7,101,320	1,339,920	-	-	32,660	5,691	2,664,461	80,140,490
Available-for-Sale Financial Assets															
Equity Securities															
Debt Securities	10,847,685	-	-	-	-	-	-	-	-	-	-	-	-	119,758	119,758
Financial Assets at Fair Value through Profit or Loss															
Equity Securities	31	-	-	121	197	-	-	-	-	-	-	-	-	696	1,045
Debt Securities	4,329,682	-	-	-	-	-	-	-	-	-	-	-	-	-	4,329,682
Sub Total	138,823,615	3,895,010	-	175,875	18,885	44,213,618	8,533,992	7,618,536	1,439,054	-	-	32,660	5,691	3,762,016	208,518,952
Financial Instruments - Other Subsidiaries & Ceylinco Holdings PLC															
Total	216,108,028														

44 (c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial instruments. Even at a catastrophic events liquidity risk of Life insurance segment is low as the cash inflow is greater than cash outflow.

The following policies and procedures are in place to mitigate the Life insurance segment exposure to liquidity risk:

- ☑ Assessment and determination of Liquidity risk in order to maintain optimal liquidity mix.
- ☑ Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- ☑ Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

The liquidity risks in General insurance segment is where the Group 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.

44(c) i Maturity analysis for Financial Assets and Financial Liabilities

Table below represent the maturity profiles of Financial Assets and Financial Liabilities

Insurance Business As at December 2024	Within One Year Rs.'000	After one year not more than to three years Rs.'000	Above Three Years Rs.'000	Total Rs.'000
Financial Assets				
Financial Instrument				
Measured at Fair Value	2,464,491	5,836,536	4,797,396	13,098,423
Measured at Amortized Cost	119,142,913	70,407,371	38,688,087	228,238,371
Reinsurance Receivable	9,024,328	-	-	9,024,328
Insurance Receivable	9,686,956	-	-	9,686,956
Other Assets	1,687,505	-	-	1,687,505
Cash and Cash Equivalents	3,639,534	-	-	3,639,534
Total Financial Assets	145,645,728	76,243,907	43,485,483	265,375,118
Financial Liabilities				
Non Life Insurance Contract Liabilities	17,018,713	-	-	17,018,713
Reinsurance Payable	11,319,270	-	-	11,319,270
Interest bearing loans and borrowings	1,930,350	892,276	-	2,822,626
Other Liabilities	12,700,662	-	-	12,700,662
Total Financial Liabilities	42,968,995	892,276	-	43,161,271

NOTES TO THE FINANCIAL STATEMENTS

Insurance Business As at December 2023	Within One Year	After one year not more than to three years	Above Three Years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Financial Assets

Financial Instrument

Measured at Fair Value	9,024,855	6,578,274	3,596,659	19,199,788
Measured at Amortized Cost	59,740,825	79,196,131	57,970,784	196,907,740
Reinsurance Receivable	6,757,896	-	-	6,757,896
Insurance Receivable	10,269,855	-	-	10,269,855
Other Assets	1,517,457	-	-	1,517,457
Cash and Cash Equivalents	2,878,065	-	-	2,878,065
Total Financial Assets	90,188,953	85,774,405	61,567,443	237,531,294

Financial Liabilities

Non Life Insurance Contract Liabilities	16,713,157	-	-	16,713,157
Reinsurance Payable	8,864,310	-	-	8,864,310
Interest Bearing Loans and Borrowing	5,215,035	1,223,280	-	6,438,315
Other Liabilities (Excluding Statutory Obligation)	12,057,945	-	-	12,057,945
Total Financial Liabilities	42,850,447	1,223,280	-	44,073,727

44(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.

44(d) i Currency Risk

The Group has no significant concentration of currency risk.

However, the investments in foreign currency deposits is subject to currency risks. Since the Group makes some payments in foreign currency the impact of risk is minimised. Further the investment in subsidiary in Maldives is exposed to exchange rate risk. (translation risk.)

44(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 Group's interest risk policy identifies the volatile nature of Sri Lankan interest rate environment. Therefore the Group 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. Group 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. However, the investments in foreign currency deposits is subject to currency risks. Since the Group makes some payments in foreign currency the impact of risk is minimised. Further the investment in subsidiary in Maldives is exposed to exchange rate risk. (translation risk.)

44 (d) iii Equity Price Risk

Equity price risk arises as a result of any change in market prices and volatilities of individual equities.

	2024			2023		
	Financial Assets recognized through profit or loss	Financial Assets at fair value through other comprehensive Income	Total	Financial Assets recognized through profit or loss	Financial Assets at fair value through other comprehensive Income	Total
	Rs. 000'	Rs. 000'	Rs. 000'	Rs. 000'	Rs. 000'	Rs. 000'
Market value of equity securities as at December 31,	1,545	262,637	264,182	1,045	726,493	727,538

Stress Level	Impact on Income Statements	Impact on OCI	Impact on Equity	Impact on Income Statements	Impact on OCI	Impact on Equity
Shock of 10% on equity prices (upward)	155	26,264	26,418	104	72,649	72,753
Shock of 10% on equity prices (downward)	(155)	(26,264)	(26,418)	(104)	(72,649)	(72,753)

44(e) Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group 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.

45. CONTINGENCIES AND COMMITMENTS

45(a) Legal Proceedings and Regulations

45 (a) i One of the Subsidiary, Ceylinco General Insurance Ltd. 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.

In relation to Ceylinco General Insurance Ltd. 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.

NOTES TO THE FINANCIAL STATEMENTS

45 (a) ii Assessments from Department of Inland Revenue - Ceylinco Life Insurance Ltd

The table below summarizes the status of tax assessments for each class of taxes within the Group's Life Division.

Pertaining Company	Type of Tax	Year of Assessment	Current Status	Remarks
Ceylinco Holdings PLC	Income Tax (Note - 01)	2010/2011	Court of Appeal	
		2011/2012	Court of Appeal	
		2012/2013	Court of Appeal	
		2013/2014	Court of Appeal	Note - 02
		2014/2015	Court of Appeal	
	VAT on FS (Note - 05)	2014	Tax Appeals Commission	
Ceylinco Life Insurance Limited	Income Tax (Note - 01)	2015/2016	Court of Appeal	Note - 03
		2016/2017	Court of Appeal	Note - 03
		2017/2018	Tax Appeals Commission	
		2018/2019	Court of Appeal	Note - 04
		2019/2020	Tax Appeals Commission	
		2020/2021	Commissioner General of Inland Revenue	
	VAT on FS (Note - 05)	2016	Court of Appeal	Note - 03
		2018	Tax Appeals Commission	
		2021	Commissioner General of Inland Revenue	
	NBT on FS (Note - 05)	2016	Court of Appeal	
		2017	Court of Appeal	

Note - 01

Income Tax Assessments from Y/A 2010/11 up to first three months of Y/A 2018/19 as mentioned in the above table have been issued contrary to the Section 92 of the Inland Revenue Act, No. 10 of 2006 and this is a concern of the life insurance industry. Further, last nine months of the assessment relating to Y/A 2018/19 and subsequent years of assessments have been issued contrary to the section 67 of the Inland Revenue Act, No. 24 of 2017 which came to effect on 01/04/2018.

The Company's management is of the view that the probability of materializing any of these tax Assessments are highly unlikely due to the fact that the Company has acted in accordance with the requirements under the Inland Revenue Acts.

Note - 02

Income Tax Assessment received for the Y/A 2013/14, Tax Appeals Commission has agreed on the position taken by the Company regarding the main subject matter while disagreeing with the rest of the matters in the appeal. The company appealed to the Court of Appeal on the matters disagreed.

Note - 03

For the Income Tax Assessments relating to Y/A 2015/16, 2016/17 and VAT on FS Assessment relating to Y/A 2016, Tax Appeals Commission has decided to allow the appeal and dismiss the determination made by the Commissioner General of Inland Revenue based on the time bar provision. However, based on the Tax Appeals Commission's determination, CGIR has appealed to the Court of Appeal. The cases are now fixed for support at the Court of Appeal.

Note - 04

For the Income Tax Assessment for the Y/A 2018/19, the TAC's ruling was mixed, with some grounds of appeal being upheld and others being rejected. Both the Company and the Commissioner General of Inland Revenue have filed appeals with the Court of Appeal regarding the unfavorable aspects of the TAC's decision.

Note - 05

Assessments relating to VAT on Financial Services and NBT on Financial Services were issued under the Value Added Tax Act, No. 14 of 2002 by the Inland Revenue Department.

Management believes that the Company is outside the scope of VAT and NBT on FS as the Company engages in the Life Insurance business and therefore, materialization of the above assessments is very remote.

Compliance with IFRIC 23 - Uncertainty Over Income Tax Treatments

The Company reviewed its uncertain income tax positions that could have an impact on the financial statements in order to comply with the provisions stipulated under IFRIC 23 interpretation.

Consequently, the management concluded that the current accounting treatment for uncertain tax positions is in accordance with IFRIC 23.

45(b) Capital Expenditure Commitments

The Group has following Capital commitment as at the reporting date.

45 (b) i The Ceylinco Life Insurance Ltd has committed to pay an amount of Rs. 166,629,573 (2023 - Rs. 33,230,154) as at the reporting date under contract entered in to on Capital Expenditure projects.

45 (b) ii International College of Business and Technology has committed to pay an amount of Rs. 176,107,052 (2023 - Rs. 645,000,000) as at the reporting date under contract entered in to on Capital Expenditure projects.

46. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged Rs.'000	Included under
Building - Company	Mortgaged to Seylan Bank PLC by Golden Key Credit Card Company Limited to obtain loan facility (Note 11)	153,333	Investment Property
Fixed Deposit - Ceylinco General Insurance Ltd.	Pledged to Seylan Bank PLC to obtain bank overdraft facilities.	178,678	Loans & Receivables
Land & Buildings - CEG Education Holdings Ltd Group	Loan facilities from Sampath Bank PLC	706,000	Property, Plant & Equipment
Property, Plant & Equipment - Energy Lanka Holdings	Pledged to Sampath Bank PLC to obtain loan facilities.	383,430	Property, Plant & Equipment
Buildings - Wycherly International Management Company Limited	Pledged to Nations Trust Bank PLC to obtain loan facilities.	192,000	Property, Plant & Equipment
	Pledged to National Development Bank PLC to obtain loan facilities.	387,728	Property, Plant & Equipment

NOTES TO THE FINANCIAL STATEMENTS

47. RELATED PARTY DISCLOSURES

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 Directors of the CIPLC have the authority and responsibility of planning, directing and controlling the activities of the Company, the Directors of the CIPLC and their immediate family members have also been identified as Key Management Personnel of the Company.

47 (a) Compensation of Key Management Personnel

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Short-Term Employee Benefits - Company	243,044,095	222,062,404	243,044,095	222,062,404
Short Term & Long Term Employee Benefits Received from the Subsidiaries	1,049,138,092	1,105,897,008	-	-
	1,292,182,187	1,327,959,412	243,044,095	222,062,404

47 (b) Transaction With Related Parties - Subsidiaries

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	1,706,957,609	1,540,622,932
	1,706,957,609	1,540,622,932

47 (b) i CEG Education Holding (Pvt) Ltd

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	79,799,970	82,459,969
	79,799,970	82,459,969

47 (b) ii Ceylinco Insurance Company (Pvt) Ltd-Maldives

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	53,296,200	60,159,750
	53,296,200	60,159,750

47 (b) iii Ceylinco General Insurance Ltd.

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	766,215,900	485,502,300
	766,215,900	485,502,300

47 (b) iv Ceylinco Life Insurance Ltd.

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	750,000,750	912,500,913
	750,000,750	912,500,913

47 (b) v Energy Lanka Holdings Limited

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	57,644,789	-
	57,644,789	-

47 (c) Transaction With Related Parties - Sub Subsidiaries

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	132,602,590	118,153,129
	132,602,590	118,153,129

47 (c) i American Education Centre Ltd

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	15,916,250	15,916,250
	15,916,250	15,916,250

47 (c) ii International College of Business & Technologies Ltd.

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	116,686,340	102,236,879
	116,686,340	102,236,879

NOTES TO THE FINANCIAL STATEMENTS

47 (d) Transaction With Related Parties - Equity Accounted Investees

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	49,444,361	58,371,530
	49,444,361	58,371,530

47 (d) i Energy Generators (Pvt)Ltd.

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	35,285,420	48,258,001
	35,285,420	48,258,001

47 (d) ii Citizen Development Business Finance PLC

Year ended 31 December	2024	2023
	Rs.	Rs.
Dividend Received/ (Paid)	14,158,941	10,113,529
	14,158,941	10,113,529

48. EMPLOYEE AND INDUSTRIAL RELATIONS

There were no material issues pertaining to Employees & Industrial relations during the year.

49. DISCLOSURES ABOUT THE TEMPORARY EXEMPTION FROM SLFRS 9

Group's activities are predominately 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 2024.

As at balance sheet date % of insurance related liabilities	93%
As required by SLFRS 9 the minimum % to be eligible for the exemption	90%

50. EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the reporting date which would require adjustment to ,or disclosure in the Financial Statements.



SUPPLEMENTARY INFORMATION

QUARTERLY ANALYSIS 2024	216
QUARTERLY ANALYSIS 2023	217
TEN YEAR SUMMARY	218
GLOSSARY OF FINANCIAL & INSURANCE TERMS	220
NOTICE OF MEETING	222
CORPORATE INFORMATION	IBC

QUARTERLY ANALYSIS 2024

CONSOLIDATED STATEMENT OF INCOME

	1st quarter	2nd quarter	3 rd quarter	4th quarter	Total
	Jan- Mar.24	Apr- Jun.24	Jul- Sep.24	Oct- Dec.24	Jan- Dec.24
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Written Premiums	17,789,915	17,512,946	14,741,690	17,404,342	67,448,893
Premiums Ceded to Reinsurers	(4,964,866)	(3,596,396)	(3,904,382)	(3,605,379)	(16,071,023)
Net Written Premiums	12,825,049	13,916,550	10,837,308	13,798,964	51,377,871
Net change in Reserve for Unearned Premium	(612,874)	542,281	250,808	(81,800)	98,415
Net Earned Premium	12,212,175	14,458,831	11,088,116	13,717,164	51,476,286
Revenue from Subsidiaries	1,654,755	1,468,847	1,584,680	1,708,925	6,417,207
	13,866,930	15,927,678	12,672,796	15,426,089	57,893,493
Investment and Other Income	8,464,105	8,522,843	8,183,162	8,143,923	33,314,033
Net Income	22,331,035	24,450,521	20,855,958	23,570,011	91,207,525
Net Benefits and Claims	(7,481,395)	(10,563,167)	(7,695,688)	(30,402,320)	(56,142,570)
Increase in Life Insurance Fund	(6,245,361)	(5,405,691)	(4,486,847)	16,137,899	-
Acquisition Cost	(1,295,781)	(1,404,061)	(1,347,673)	(1,057,051)	(5,104,566)
Cost of sales of Subsidiaries	(356,236)	(375,245)	(408,419)	(434,397)	(1,574,297)
Other Operating and Administrative Expenses	(3,578,332)	(3,801,044)	(3,841,204)	(3,192,657)	(14,413,237)
Finance Cost	(91,878)	(83,782)	(83,999)	(152,024)	(411,683)
Total Benefits, Claims and Other Expenses	(19,048,983)	(21,632,990)	(17,863,830)	(19,100,550)	(77,646,353)
Profit Before Share of Associates	3,282,052	2,817,531	2,992,128	4,469,461	13,561,172
Share of Profit of Associates	479,313	475,782	224,292	102,555	1,281,942
Profit Before Tax	3,761,365	3,293,313	3,216,420	4,572,016	14,843,114
Income Tax Expense	(961,395)	(1,077,450)	(889,897)	(1,610,027)	(4,538,769)
Profit For the Year	2,799,970	2,215,863	2,326,523	2,961,990	10,304,346

COMPANY STATEMENT OF INCOME

	1st quarter	2nd quarter	3 rd quarter	4th quarter	Total
	Jan- Mar.24	Apr- Jun.24	Jul- Sep.24	Oct- Dec.24	Jan- Dec.24
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Written Premiums	-	-	-	-	-
Premiums Ceded to Reinsurers	-	-	-	-	-
Net Written Premiums	-	-	-	-	-
Net change in Reserve for Unearned Premium	-	-	-	-	-
Net Earned Premium	-	-	-	-	-
Investment and Other Income	118,708	1,479,445	56,326	367,267	2,021,746
Net Income	118,708	1,479,445	56,326	367,267	2,021,746
Net Benefits and Claims	-	-	-	-	-
Increase in Life Insurance Fund	-	-	-	-	-
Acquisition Cost	-	-	-	-	-
Other Operating and Administrative Expenses	(92,448)	(71,478)	(89,789)	(161,379)	(415,094)
Finance Cost	(20)	(168)	(87)	(377)	(652)
Total Benefits, Claims and Other Expenses	(92,468)	(71,646)	(89,876)	(161,756)	(415,746)
Profit Before Tax	26,240	1,407,799	(33,550)	-	1,606,000
Income Tax Expense	(11,968)	(11,121)	(8,481)	(26,116)	(57,686)
Profit for the Year	14,272	1,396,678	(42,031)	(26,116)	1,548,314

Note: The financial information reported quarterwise is reflected above for three quarters and based on audited financial statements fourth quarter is shown.

QUARTERLY ANALYSIS 2023

CONSOLIDATED STATEMENT OF INCOME

	1st quarter	2nd quarter	3 rd quarter	4th quarter	Total
	Jan- Mar.23	Apr- Jun.23	Jul- Sep.23	Oct- Dec.23	Jan- Dec.23
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Written Premiums	14,951,092	16,644,030	15,612,267	17,095,982	64,303,371
Premiums Ceded to Reinsurers	(4,785,811)	(3,339,894)	(4,346,038)	(4,420,416)	(16,892,159)
Net Written Premiums	10,165,281	13,304,136	11,266,229	12,675,566	47,411,212
Net change in Reserve for Unearned Premium	(802,117)	476,686	164,020	130,527	(30,884)
Net Earned Premium	9,363,164	13,780,822	11,430,249	12,806,093	47,380,328
Revenue from Subsidiaries	1,306,351	1,290,424	1,402,728	1,625,401	5,624,904
	10,669,515	15,071,246	12,832,977	14,431,494	53,005,232
Investment and Other Income	8,185,215	8,169,314	8,741,768	10,012,165	35,108,462
Net Income	18,854,730	23,240,560	21,574,745	24,443,659	88,113,694
Net Benefits and Claims	(7,786,153)	(7,541,992)	(7,472,076)	(8,637,017)	(31,437,238)
Increase in Life Insurance Fund	(3,522,997)	(7,903,011)	(6,163,857)	(5,425,876)	(23,015,741)
Acquisition Cost	(1,156,386)	(1,257,851)	(1,259,499)	(1,256,347)	(4,930,083)
Cost of sales of Subsidiaries	(342,202)	(348,537)	(378,670)	(508,058)	(1,577,467)
Other Operating and Administrative Expenses	(3,231,706)	(3,302,172)	(3,195,980)	(2,624,171)	(12,354,029)
Impairment Provision	-	-	-	(13,223)	(13,223)
Finance Cost	(117,166)	(89,820)	(103,464)	(81,778)	(392,228)
Total Benefits, Claims and Other Expenses	(16,156,610)	(20,443,383)	(18,573,546)	(18,533,247)	(73,720,009)
Profit Before Share of Associates	2,698,120	2,797,177	3,001,199	5,910,412	14,393,685
Share of Profit of Associates	146,300	92,110	(5,408)	335,549	568,551
Profit Before Tax	2,844,420	2,889,287	2,995,791	6,245,961	14,962,236
Income Tax Expense	(770,168)	(931,602)	(891,979)	(840,472)	(3,434,221)
Profit For the Year	2,074,252	1,957,685	2,103,812	5,405,489	11,528,015

COMPANY STATEMENT OF INCOME

	1st quarter	2nd quarter	3 rd quarter	4th quarter	Total
	Jan- Mar.23	Apr- Jun.23	Jul- Sep.23	Oct- Dec.23	Jan- Dec.23
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Written Premiums	-	-	-	-	-
Premiums Ceded to Reinsurers	-	-	-	-	-
Net Written Premiums	-	-	-	-	-
Net change in Reserve for Unearned Premium	-	-	-	-	-
Net Earned Premium	-	-	-	-	-
Investment and Other Income	90,523	1,456,124	87,687	266,720	1,901,054
Net Income	90,523	1,456,124	87,687	266,720	1,901,054
Net Benefits and Claims	-	-	-	-	-
Increase in Life Insurance Fund	-	-	-	-	-
Acquisition Cost	-	-	-	-	-
Other Operating and Administrative Expenses	(71,889)	(71,681)	(66,128)	(84,876)	(294,574)
Impairment Provision	-	-	-	(30,000)	(30,000)
Finance Cost	(8)	(21)	(689)	(150)	(868)
Total Benefits, Claims and Other Expenses	(71,897)	(71,702)	(66,817)	(85,026)	(325,442)
Profit Before Tax	18,626	1,384,422	20,870	181,694	1,575,612
Income Tax Expense	(13,264)	(13,616)	(137,591)	97,433	(67,038)
Profit for the Year	5,362	1,370,806	(116,721)	279,127	1,508,574

Note: The financial information reported quarterwise is reflected above for three quarters and based on audited financial statements fourth quarter is shown.

TEN YEAR SUMMARY

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non- Life (Sri Lanka)										
Gross Written Premium	24,548,782	25,246,863	24,351,536	20,206,104	20,094,192	19,802,995	19,186,707	17,976,991	16,116,889	13,557,833
Net Earned Premium	14,816,037	14,510,651	14,671,926	13,253,522	13,555,494	14,386,415	14,192,538	13,209,435	11,783,117	10,152,931
Investment Income and Other Income	1,428,038	4,129,897	6,606,138	1,745,143	1,367,114	1,605,967	1,686,768	1,509,953	1,099,638	888,870
Net Claims	3,107,840	(8,239,975)	(7,830,283)	(7,063,541)	(6,635,199)	(8,253,594)	(7,523,261)	(7,371,429)	(6,699,268)	(5,690,518)
Acquisition Expenses (Net of Reinsurance Commission)	(2,325,827)	(1,256,570)	(1,249,064)	(1,169,605)	(1,221,200)	(1,112,842)	(1,034,245)	(1,123,388)	(883,178)	(726,892)
Operating & Administrative Expenses	(5,964,579)	(5,008,307)	(5,469,259)	(4,966,757)	(5,150,081)	(4,800,854)	(4,933,854)	(4,474,776)	(3,856,112)	(3,653,431)
Impairment Provision	-	-	(2,758,529)							
Operating Profit Before Interest Expenses	1,579,874	4,135,696	3,970,929	1,798,762	1,916,128	1,825,092	2,387,946	1,749,795	1,444,197	970,960
Life										
Gross Written Premium	37,140,416	33,411,394	29,160,164	25,565,050	22,076,250	18,718,553	17,812,774	15,765,484	15,027,600	13,456,827
Net Written Premium	36,590,453	32,771,519	28,687,967	25,256,551	21,570,787	18,168,431	17,355,265	15,343,267	14,653,771	13,146,772
Investment Income and Other Income	28,408,237	27,991,108	19,865,261	14,931,254	14,781,176	13,214,619	11,254,983	10,153,418	8,660,289	6,650,585
Net Claims and Benefit	(25,048,619)	(23,135,049)	(18,969,267)	(12,736,308)	(12,266,513)	(10,604,065)	(9,803,550)	(3,230,796)	(6,651,682)	(5,956,744)
Commission (Net of Reinsurance commission)	(2,478,258)	(2,267,578)	(1,891,337)	(2,171,869)	(1,992,619)	(1,784,857)	(1,787,203)	(1,655,350)	(1,573,586)	(1,519,801)
Increase in Life Insurance Fund	(23,051,748)	(23,015,741)	(13,375,957)	(11,803,985)	(9,423,994)	(7,189,811)	(6,457,292)	(7,258,502)	(8,397,889)	(7,135,304)
Operating & Administrative Expenses	(4,285,131)	(3,824,629)	(4,300,707)	(4,836,630)	(3,823,330)	(3,550,209)	(3,384,487)	(3,532,496)	(2,937,262)	(2,994,098)
Operating Profit Before Interest Expenses	10,134,934	8,519,630	10,015,960	8,639,013	8,845,507	8,254,108	7,177,716	9,819,541	3,753,641	2,191,410
Total Business (Group)										
Gross Written Premium	67,448,893	64,303,371	58,239,661	47,881,540	43,896,576	40,217,891	38,161,544	34,662,431	31,818,590	27,984,159
Revenue	91,207,525	88,113,694	77,020,273	60,613,392	55,924,487	52,539,868	49,425,436	44,388,628	39,824,723	34,670,693
Net Earned Premium	51,476,286	47,380,328	43,474,912	38,583,559	35,208,695	32,672,321	31,689,100	28,651,040	26,551,980	23,486,332
Benefit Losses and Expenses	(57,716,867)	(56,030,446)	(41,382,070)	(32,561,211)	(29,270,312)	(27,229,416)	(24,770,538)	(18,728,842)	(22,503,122)	(19,560,433)
Other Revenue	39,731,240	40,733,366	33,545,361	22,029,833	20,715,792	19,867,547	17,736,336	15,737,588	13,272,743	11,184,361
Operating and Administrative Expenses	(19,517,803)	(17,284,112)	(17,128,162)	(16,484,078)	(15,396,692)	(14,464,635)	(14,065,610)	(13,248,750)	(11,665,905)	(11,163,293)
Impairment Provision	-	(13,223)	(2,782,117)							
Operating Profit Before Interest Expenses	13,972,856	14,785,913	15,727,924	11,568,103	11,257,483	10,845,817	10,589,288	12,411,036	5,655,696	3,946,967
Interest Expenses	(411,683)	(392,228)	(389,925)	(249,539)	(273,088)	(288,606)	(170,888)	(153,112)	(143,853)	(124,218)
Income from Associates	1,281,942	568,551	943,006	1,304,768	928,097	493,980	646,371	393,414	288,518	275,724
Profit Before Taxation	14,843,114	14,962,236	16,281,005	12,623,332	11,912,492	11,051,191	11,064,771	12,651,338	5,800,361	4,098,473
Income Tax Expenses	(4,538,769)	(3,434,221)	(3,025,115)	(2,562,683)	(2,534,488)	(2,268,103)	(2,399,319)	(868,751)	(953,741)	(448,257)
Profit for the Year	10,304,346	11,528,015	13,255,890	10,060,649	9,378,004	8,783,088	8,665,452	11,782,587	4,846,618	3,650,216

Note: Financial information for the years 2015, 2016 & 2017 are based on LKAS/SLFRS and balance years are based on SLAS.

STATEMENT OF FINANCIAL POSITION - GROUP

As at 31 December	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets										
Intangible Assets	226,801	299,756	367,179	319,879	388,710	398,227	116,208	165,621	136,861	89,005
Property, Plant and Equipment	33,068,783	31,125,336	28,448,031	22,943,260	21,998,187	22,076,319	18,926,835	17,546,527	17,546,496	11,988,889
Investments	256,029,151	229,254,609	194,464,820	181,129,789	154,616,448	134,973,999	120,240,010	107,801,759	97,387,970	78,066,663
Other Assets	42,788,347	39,044,994	38,400,226	27,945,437	24,136,418	22,451,495	21,649,406	19,030,420	17,243,197	18,020,477
Total Assets	332,113,082	299,724,695	261,680,256	232,338,365	201,139,763	179,900,040	160,932,459	144,544,327	132,314,524	108,165,034
Equity and Liabilities										
Issued Share Capital	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822	1,324,822
Retained Earnings	82,967,082	75,442,602	66,713,406	57,898,521	48,633,350	41,501,562	35,174,468	26,623,524	19,630,683	16,185,402
Retained Reserves	3,333,862	2,985,669	2,336,611	2,897,854	2,980,010	2,338,439	2,477,581	2,974,246	2,703,501	2,560,652
Revaluation Reserve	4,957,801	4,868,385	4,789,378	4,608,433	4,704,195	4,434,995	3,325,935	3,365,706	3,411,509	2,141,754
Restricted Regulatory Reserve	3,456,184	3,456,184	3,456,184	3,456,184	3,456,184	3,456,184	3,456,184	3,456,184	-	-
Total Capital and Reserve	96,039,751	88,077,662	78,620,401	70,185,814	61,098,561	53,056,002	45,758,990	37,744,482	27,070,515	22,212,630
Minority Interest	4,425,363	3,759,427	3,274,900	2,544,124	2,323,015	2,324,107	1,890,031	1,658,418	1,551,468	860,378
Liabilities										
Insurance Provision - Life	180,041,362	156,683,565	134,031,487	118,780,428	105,883,025	95,349,737	87,194,850	80,869,407	77,070,762	67,157,184
Unit Linked Fund	647,877	661,233	663,337	686,266	657,389	582,925	519,695	427,146	333,129	268,062
Insurance Provision - Non- Life	17,018,713	16,713,157	15,573,919	15,227,333	13,033,217	12,470,431	12,353,210	11,887,150	11,660,029	9,576,722
Other Liabilities	33,940,017	33,829,651	29,516,212	24,914,400	18,144,556	16,116,838	13,215,683	11,957,724	13,078,621	8,090,057
Total Liabilities	231,647,969	207,887,606	179,784,955	159,608,427	137,718,187	124,519,931	113,283,438	105,141,427	102,142,541	85,092,025
Total Equity and Liabilities	332,113,082	299,724,695	261,680,256	232,338,365	201,139,763	179,900,040	160,932,459	144,544,327	130,764,524	108,165,034
Long Term - Supplemental										
Assets										
Intangible Assets	193,120	260,235	317,695	-	362,838	349,627	37,358	56,950	2,759	645
Property, Plant and Equipment	13,721,111	12,999,402	12,031,022	9,343,481	9,280,573	9,401,315	7,567,806	7,371,482	7,068,634	5,343,752
Investments	222,508,618	198,100,434	165,906,315	117,580,700	133,707,835	116,918,311	103,744,946	92,264,056	84,220,630	67,139,575
Other Assets	15,014,304	13,355,197	13,276,908	4,101,192	7,450,140	6,542,149	6,709,280	6,402,007	5,166,066	7,751,193
Total Assets	251,437,154	224,715,268	191,531,940	131,025,373	150,801,386	133,211,402	118,059,390	106,094,495	96,458,089	80,235,165
Liabilities										
Insurance Provision - Life	180,895,714	157,768,305	134,885,839	119,634,780	106,737,377	96,204,089	88,049,202	81,723,759	77,925,114	68,011,535
Unit linked Fund and Other Funds	647,877	661,232	663,337	686,266	657,389	582,925	519,695	427,146	33,129	268,062
Equity and Other Liabilities	69,893,562	66,285,731	55,982,764	10,704,327	43,406,620	36,424,389	29,490,493	23,943,590	18,199,846	11,955,568
Total Liabilities	251,437,153	224,715,268	191,531,940	131,025,373	150,801,386	133,211,403	118,059,390	106,094,495	96,458,089	80,235,165
Investor Information										
Return on Net Assets	9.86	12.26	20.71	17.99	19.50	20.83	24.18	24.36	21.43	18.45
Net Assets Per Share - Group	3,635.94	3,334.51	2,976.41	2,657.10	2,313.07	2,008.60	1,732.34	1,428.90	1,024.83	840.93
Net Assets Per Share - Company	710.53	695.58	682.76	668.30	652.39	679.19	666.32	653.09	639.98	622.99
Market Price Per Share 31st December										
Voting	3,000	2,450.00	2,249.50	2,249.75	1,997.80	1,986.90	1,990.00	1,597.00	1,490.00	1,410.10
Non -Voting	1,375.00	820.00	1,026.75	1,197.00	1,021.80	840.00	950.00	825.10	730.00	800.00
Earnings Per Share	358.51	408.67	478.66	368.58	351.18	323.45	317.76	306.21	176.00	132.32
Price Earnings (times) - Voting	8.37	6.00	4.70	6.10	5.69	6.14	6.26	5.22	8.47	10.66
Price Earnings (times) - Non Voting	3.83	2.00	2.10	3.25	2.91	2.60	2.99	2.69	4.15	6.05
Market Capitalisation	68,815.00	54,259.00	51,575.07	52,673	46,510	45,126	45,894	37,233	34,483	33,334
Dividend Per Share	51.00	48.00	45	42	40.00	38.00	35.00	31.50	27.50	22.50
Employee Information										
Revenue Per Employee	22,165	24,744	20,446	15,777	14,881	15,13	12,71	11,94	11,23	14,45
Net Profit Per Employee	2,504	4,201	4,322	3,285.61	3,169.90	3,182.95	2,845.15	3,403.64	1,635.75	1,708.41
Number of Employees	4,115	3,561	3,767	3,842	3,758	3,472	3,889	3,717	3,546	3,336

Note: Financial information for the years 2015, 2016 & 2017 are based on LKAS/SLFRS and balance years are based on SLAS.

SUPPLEMENTARY INFORMATION

GLOSSARY OF FINANCIAL & 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 :

Acquisition and Other Operating and Administrative Expenses
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.

33. Insurance Contract Liabilities

Life Due to the long-term nature of life insurance business, life insurers are required to maintain a separate fund to meet future policyholder obligations. This fund is known as 'Insurance Contract Liabilities - Life', or more commonly as 'Life Fund'. An actuarial valuation is performed at each year end to determine the size of the fund necessary in comparison to the assets maintained out of the fund. Any excess of assets over the policy liabilities of the fund, known as the 'Life Surplus', is transferred to the shareholders' funds of the company

34. Insurance Contract Liabilities

Unit Linked "These items represent the balances of the other separately identifiable funds, in addition to the Life Fund, maintained by a life insurer." Insurance Contract Liabilities-Family Takaful Individual Investment Fund ISF

35. Insurance Provision

Long-Term The fund to be maintained by an insurer in respect of its life insurance business in accordance with the Regulation of the Insurance Industry Act No. 43 of 2000

36. Life Fund Surplus

The excess of the assets over the liabilities as determined by the actuary and after the distribution of dividends to policyholders.

NOTICE OF MEETING

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Shareholders of the Company will be held on 20th May 2025 at 10.30 a.m. at the Auditorium - Level 7, ICBT Building, No. 36, De Krester Place, Bambalapitiya, Colombo 04 and the business to be brought before the meeting will be :

ORDINARY BUSINESS

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, 2024 and the Report of the Auditors thereon.
3. To declare a Dividend for the year ended 31st December, 2024
4. To re-elect Mr. Hettiarachige Don Kamal Patrick Alwis, who retires by rotation at the Annual General Meeting in terms of Article 95, as a Director.
5. To re-elect Mr. Takashi Kishii who retires by rotation at the Annual General Meeting in terms of Article 95, as a Director.
6. To re-elect Mr. Peter Devaan Marlon Cooray who retires by rotation at the Annual General Meeting, in terms of Article 95, as a Director.
7. To re-elect Mr. Sri Ranga Abeynayake who retires by rotation at the Annual General Meeting in terms of Article 95, as a Director.
8. To re-elect Mr. Visvajit Gerald De Alwis who was appointed to the Board in terms of Article 87 as a Non Executive Independent Director who will attain the age of 70 years in August 2025. 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. Visvajit Gerald De Alwis who will be 70 years of age in December, 2025 be re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Visvajit Gerald De Alwis
Also Resolved that Mr. Visvajit Gerald De Alwis 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."
9. To re-elect Mr. George Deepal Nelson who was appointed to the Board in terms of Article 87, as a Director.
10. To re-elect Mr. Dilkushan Ranil Pieris Goonetilleke who was appointed to the Board in terms of Article 87, as a Director.
11. To re-elect Mr. Chrishan Mahesh Fernando who was appointed to the Board in terms of Article 87, as a Director.
12. To re-elect Mr. Rajkumar Renganathan, who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. Special Notice

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. Rajkumar Renganathan who will be 72 years of age in December, 2025 be re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Rajkumar Renganathan."

13. To authorise the Directors to determine payments for charitable purposes for the year 2025.
14. To re-appoint Auditors and authorise the Board of Directors to determine their remuneration.
15. To transact any other business of which due notice shall be given.

By Order of the Board of Ceylinco Holdings PLC



Mrs. Nilika Abhayawardhana
Company Secretary

1st April 2025

Note :

Any shareholder unable to attend the Meeting may appoint another to attend and vote for him and such proxy need not be a shareholder of the Company.

The completed Form of Proxy should be deposited at the Head Office of the Company , "Ceylinco House", 69, Janadhipathi Mawatha, Colombo 1, before 10.30 a.m. on 18th May 2025. A Proxy drop box is also available at Ground floor of the Ceylinco House.

Shareholders/Proxyholders should bring with them their National Identity Card or any form of valid identification when attending the Meeting.

CORPORATE INFORMATION

Registered Office

"Ceylinco House"
No. 69, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

Company Website

www.ceylincoholdings.com

Company Registration Number

PQ 24

Legal Form

A Quoted Public Company with limited liability, incorporated in Sri Lanka in 1987.

Main Places of Business

Life Insurance

"Ceylinco Life Tower", No. 106, Havelock Road, Colombo 5, Sri Lanka.
Telephone : 2461000
Call Centre : 2461461 (Hotline)
Fax : 2555959
E-mail : service@ceylife.lk
Website : www.ceylincolife.com

General Insurance

"Ceylinco House",
No. 69, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.
Telephone : 2485757-9
Call Centre: 2393939
Fax : 2485701
E-mail : ceylincoinsurance@ceylins.lk
Website : www.ceylinco-insurance.com

The Stock Exchange Listing

The Ordinary Shares (Voting and Non Voting) of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Principal Activities

Management of Investment, Insurance Operations, Health Care Operations, Education and Power Generation.

Auditors

Ernst & Young, Chartered Accountants,
"Rotunda Towers"
No. 109, Gall Road,
PO BOX 101, Colombo 03, Sri Lanka.

Consulting Actuaries

Life Insurance

Willis Towers Watson India Private Limited Unitech Business Park, 2nd floor, Tower - B, South City - 1, Sector 41 Gurgaon-122002, India.

General Insurance

M/s. K. A. Pandit Consultants & Actuaries, 2nd Floor - "Churchgate House", Veer Nariman Road, Fort, Mumbai - 400 001, India.

Board of Directors

Mr. A.R. Gunawardena F.C.I.C., Honorary Fellow - ICBT Campus, Associate Collage of Cardiff Metropolitan University, U.K. Executive Chairman / Chief Executive Officer (Executive Director)

Mr. R. Renganathan F.C.A., F.C.M.A. (Non-Executive Deputy Chairman)

Mr. H.D.K.P. Alwis F.C.I.C. Executive Director/Chief Operating Officer- General Insurance & Subsidiaries

Mr. E.T.L. Ranasinghe M.B.A., (Sri J.), Executive Director/Chief Operating Officer- Life & Subsidiaries

Mr. T.N.M. Peiris B.A. (Econ.) (Hons.), F.C.A., F.C.M.A., F.C.I.C. Executive Director (Finance) / Head of Finance

Mr. U. Witharana F.C.A., M.B.A., F.C.M.A. Executive Director/Chief Financial Officer

Dr. W.C.J. Alwis B.Sc., F.I.I.L., F.C.I.L. (Lond.), F.I.O.D. (U.K.) (Executive Director) - w.e.f. 01.01.2025

Mr. P.D.M. Cooray LUTCF (U.S.A.), C.I.A.M., C.I.I. (AWARD) Executive Director/Head of Training

Mr. S.R. Abeynayake F.C.A., M.B.A. (Sri J.), F.C.M.A (Non-Executive Director)

Mr. D.H.J. Gunawardena F.C.M.A. (U.K.), CGMA ("Independent" Non-Executive Director) - Retired w.e.f. 31.12.2024

Mr. P.A. Jayawardena F.C.A., F.C.M.A. (Non-Executive Director)

Mr. Takashi Kishi (Non-Executive Director)

Mr. N. Vasantha Kumar M.B.A ("Independent" Non-Executive Director)

Mr. N.D. Nugawela F.C.I.C. (Non-Executive Director) - Resigned w.e.f. 20.09.2024

Mr. S.H.J. Weerasuriya B.Sc. (Lond.), M.I.C.E., F.I.E. (S.L.), F.S.S.E. (S.L.), C. Eng. ("Independent" Non-Executive Director) - Retired w.e.f. 31.12.2024

Mr. K.P. Ariyaratne ("Independent" Non-Executive Director) - Resigned w.e.f. 01.10.2024

Mr. Visvajit Gerald De Alwis ("Independent" Non-Executive Director) Appointed w.e.f. 20.09.2024

Mr. George Deepal Nelson ("Independent" Non-Executive Director) Appointed w.e.f. 01.10.2024

Mr. Dilkushan Ranil Pieris Goonetilleke F.C.M.A. ("Independent" Non-Executive Director) Appointed w.e.f. 01.01.2025

Mr. Chrishan Mahesh Fernando MBA (Marketing), C.P.M. ("Independent" Non-Executive Director) Appointed w.e.f. 01.01.2025

Company Secretary

Mrs. Nilika Abhayawardhana
A.C.I.S. (U.K.) A.C.C.S (S.L.)

Bankers

Bank of Ceylon
Cargills Bank PLC
Commercial Bank of Ceylon PLC
DFCC Bank
DFCC Vardhana Bank
Hatton National Bank PLC
Housing Development Finance Corporation
National Development Bank PLC
National Savings Bank
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Regional Development Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank
State Mortgage and Investment Bank
Union Bank of Colombo PLC

