PEOPLE'S INSURANCE

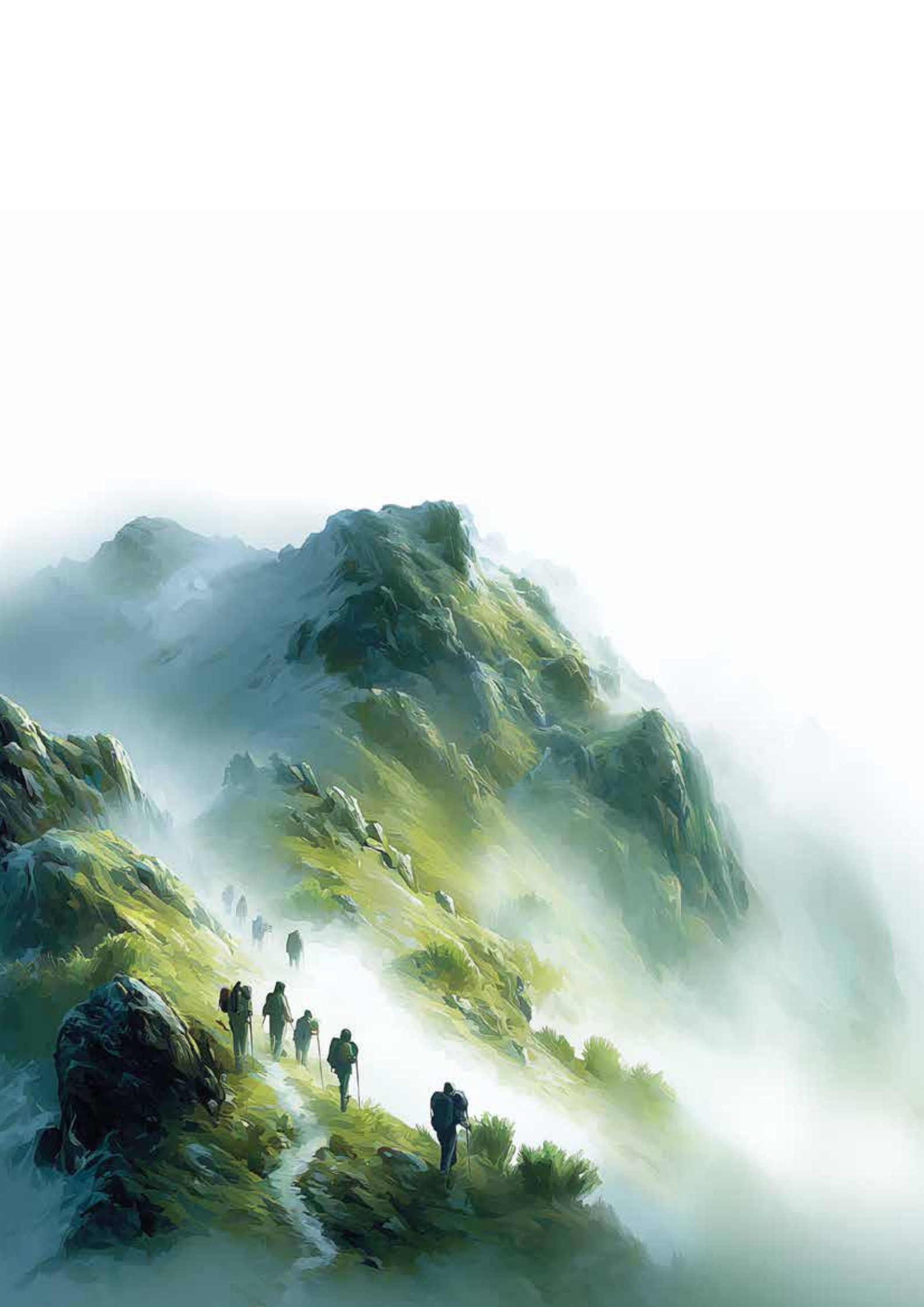
EMPOWERING A RESILIENT NATION



NEW HEIGHTS

New Sights

Annual Report 2025



NEW HEIGHTS

New Sights

In a year of remarkable achievements, People's Insurance soared to new heights, driven by the strength, resilience, and unity of our people. We proudly recorded the second-highest GWP growth in the industry, and were honoured as the Best General Insurer by Global Economics for the second consecutive year.

Our success is built on people-driven excellence - a culture where collaboration fuels performance, innovation drives progress, and every milestone elevates us further. From expanding our footprint with new branches to strengthening our captive channel and accelerating innovation, we continue to set benchmarks and redefine industry standards.

Looking ahead, we believe success is not measured by how far we've come, but by how much further we can ascend. Guided by the strength of our people, the trust of our customers, and the enduring values of the People's Group, we are poised to rise higher, broaden our horizons, and embrace limitless possibilities.

PEOPLE'S INSURANCE

EMPOWERING A RESILIENT NATION



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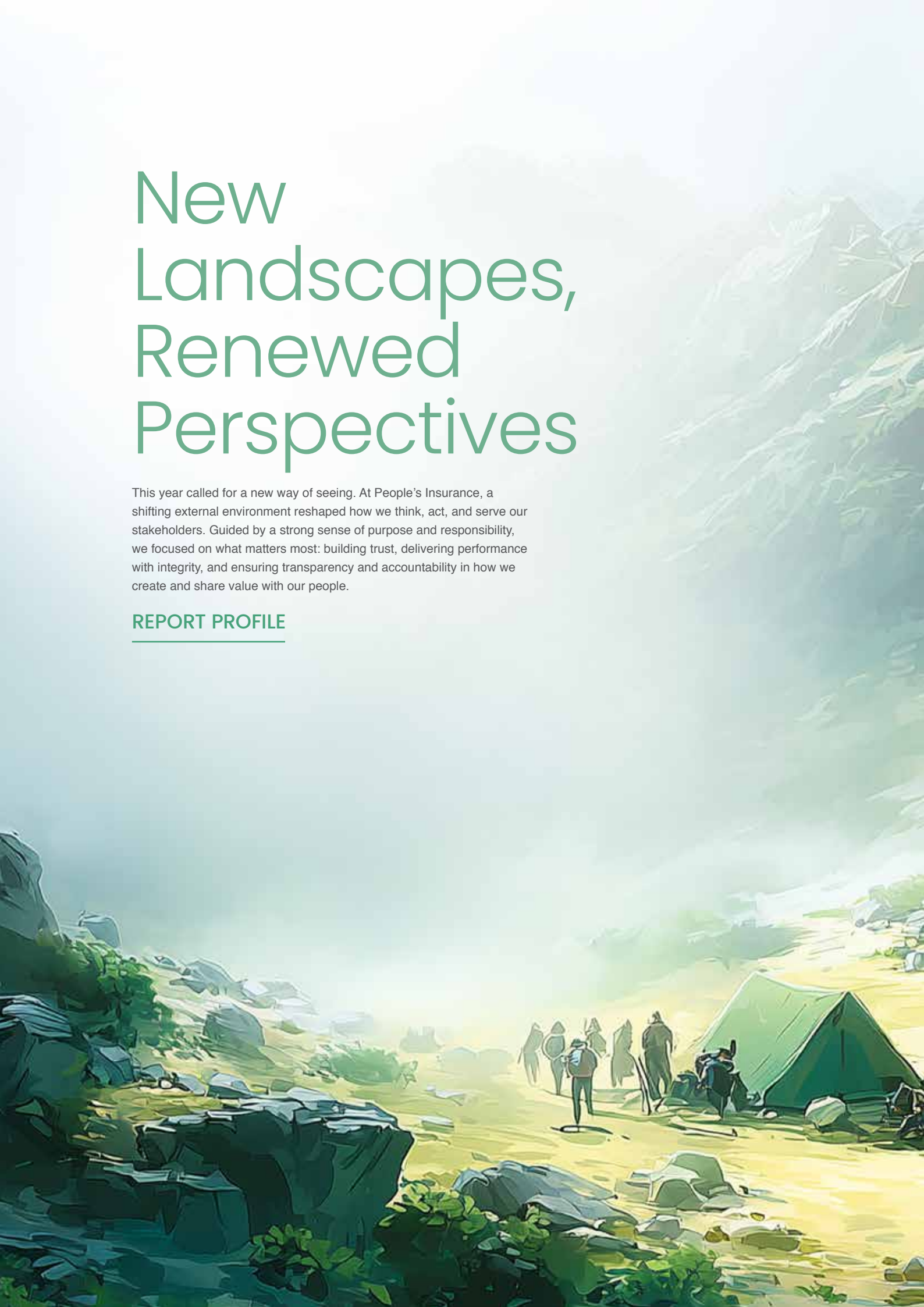
This Annual Report is available on our website. Simply scan the QR code to access it instantly on your smart phone or read it through "People's Buddy
https://peoplesinsurance.lk/investor-relations/

New Landscapes, Renewed Perspectives

This year called for a new way of seeing. At People's Insurance, a shifting external environment reshaped how we think, act, and serve our stakeholders. Guided by a strong sense of purpose and responsibility, we focused on what matters most: building trust, delivering performance with integrity, and ensuring transparency and accountability in how we create and share value with our people.

REPORT PROFILE





About this Report

During the year under review, we strengthened the integration and connectivity of information to better align stakeholder engagement, strategic priorities, resource allocation, and the associated risks and opportunities.



Report Profile

This Integrated Annual Report provides a comprehensive and balanced overview of the financial and non-financial performance of People's Insurance PLC (PI). To demonstrate the Company's commitment to sustainable value creation for all stakeholders, the report highlights the strategic initiatives undertaken to respond to evolving market conditions and stakeholder expectations, while balancing current performance with long-term potential.

All previous integrated reports, including the most recent report for FY 2024, have been made available for viewing and download under the investor relations tab on the corporate website - https://peoplesinsurance.lk/investor-relations/

Key Improvements Captured in the FY 2025

- Integration of SLFRS S1 and S2 reporting standards within the Corporate Governance Report, Risk Management Report and Strategy & Resource Allocation section, as appropriate.
- Demonstrating the outcomes derived through the assessment of Material Topics using the double materiality lens.
- Strengthened integration and connectivity of information, linking stakeholder engagement, material topics, strategic priorities, resource allocation, and associated risks and opportunities.
- Enhanced governance disclosures within the Corporate Governance Report.

PI's Award Winning Reports Over the Years


2024



2023



2022



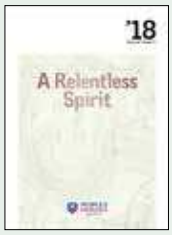
2021



2020



2019



2018


2017



2016



2015

Scope and Boundary GRI: 2-3

This report covers the period from 01 January 2025 to 31 December 2025, which coincides with the Company's financial reporting cycle. The report covers all activities of the Company for the reporting period and seeks to demonstrate how PI integrated thinking is embedded across operational frameworks and decision-making processes across the organisation.

Financial Statutory and Non-Financial Reporting Boundary GRI: 2-2

01 January 2025 to 31 December 2025

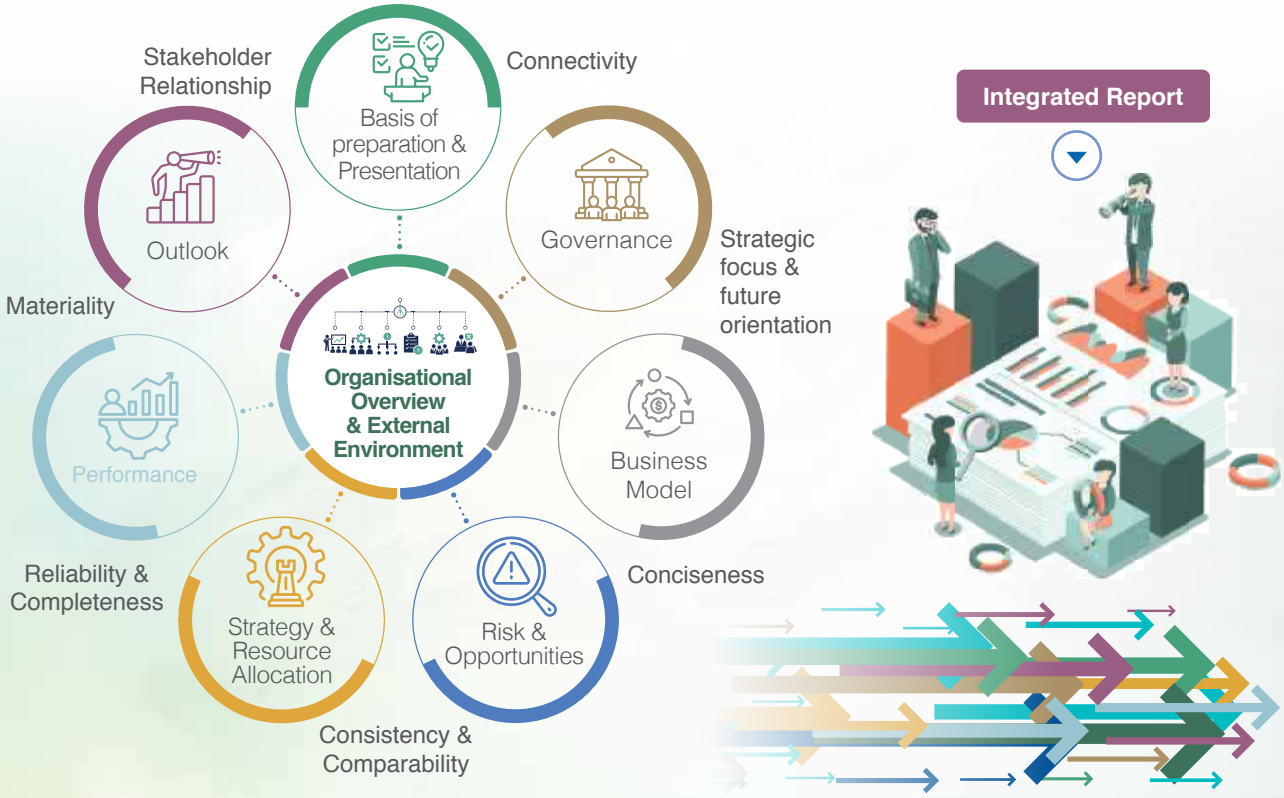
PEOPLE'S INSURANCE
EMPOWERING A RESILIENT NATION

Core Business Activities - **General Insurer**

Market Served: **Sri Lanka**

About this Report

Integrated Reporting



Navigating Our Report

Stakeholders

- Shareholders
- Regulators
- Employees
- Suppliers
- Customers
- Community
- Investors
- Business Partners

Capitals

- Financial Capital
- Human Capital
- Manufactured Capital
- Natural Capital
- Intellectual Capital
- Social and Relationship Capital

Strategic Pillars

- Business Growth
- Enhance Operational Efficiency and Compliance
- Develop a Skilled Workforce
- Increase Social and Environmental Responsibility

Assurance GRI: 2-5

Assurance on the content of this Integrated Report is provided through a rigorous review process involving a combination of internal and external oversight. In this regard, the information presented has been first validated and approved by the respective business heads, followed by a detailed review by the Board Audit Committee, before final submission to the Board of Directors for approval.

The financial statements included in this report have been independently audited by the Auditor General, whose report can be found on page 284. Assurance on Company's application of GRI standards are conducted by Ernst & Young where report can be found on pages 165 to 166.

Forward-Looking Statements

This Integrated Report contains statements that are forward-looking in nature, including expectations, projections, and plans related to PI's strategy, operations, market conditions, and future performance. These statements are based on current assumptions, estimates, and information available to the Company at the time of publication and are intended to provide insight into PI's anticipated direction and strategic priorities.

Disclaimer GRI: 2-4

Forward-looking statements are inherently subject to risks, uncertainties, and factors that may cause actual results, performance, or outcomes to differ materially from those expressed or implied. Such factors include, but are not limited to, changes in market conditions, regulatory developments, economic trends, competitive pressures, and unforeseen operational challenges. The PI Board undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these statements.

Furthermore, the Board confirms that there are no restatements related to prior annual reports issued by the Company, ensuring the integrity and consistency of the reported financial and non-financial information.

Reporting Frameworks

Integrated Reporting (V)

- The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)
- "A Preparer's Guide to Integrated Corporate Reporting" issued by the Institute of Chartered Accountants of Sri Lanka

Sustainability Reporting (V)

- Global Reporting Initiative (GRI) standards - 'In Reference", issued by Global Sustainability Standards Board
- United Nations Sustainable Development Goals
- Disclosure on Gender Parity Reporting (ICA Sri Lanka)
- SLFRS S1 & S2 Standards

Financial Reporting (M)

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange

Governance, Compliance and Risk Reporting

- Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (V)
- Corporate Governance Requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE) - (M)
- Regulation of Insurance Industry Act No. 43 of 2000 and amendments (M)

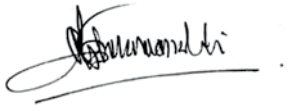
M - Mandatory Requirements **V** - Voluntary Adoption

Board Responsibility Statement GRI: 2-14

The Board of Directors of People's Insurance PLC (PI) takes full responsibility for the completeness, accuracy, and integrity of this Integrated Report. The Board confirms that it has collectively reviewed the report's content, supported by assurance from both internal and external sources. Based on this review, the Board is satisfied that the Integrated Report for FY 2025 provides a comprehensive and balanced account of all material matters influencing PI's ability to create, preserve, and deliver sustainable value to its stakeholders over the short, medium, and long term.

The Annual Report of the Board of Directors on page 269 includes an acknowledgement of the Directors' responsibilities with regard to the Annual Report.

Signed on behalf of the Board,



Sumudu Wickramarachchi
Acting Company Secretary
09 March 2026
Colombo

Feedback GRI: 2-3

In line with the commitment to achieving reporting excellence, PI encourages stakeholders to provide feedback on the effectiveness of this report.

Any feedback and queries should be directed to:

Amila Rajapaksha
The Chief Financial Officer
People's Insurance PLC
No. 07, Havelock Road,
Colombo 05. Sri Lanka
Email: amilaur@peoplesinsurance.lk

Who We are

> Backed by two of the country's leading financial institutions-People's Leasing & Finance PLC and People's Bank, we continued to expand our customer footprint nationwide.

People's Insurance PLC (PI) was incorporated in 2009 and was listed on the Main Board of the Colombo Stock Exchange in 2016. Since its inception, PI has remained steadfast in its commitment to delivering comprehensive general insurance solutions that protect and preserve the well-being of individuals and businesses across Sri Lanka.

Backed by two of the country's leading financial institutions - People's Leasing & Finance PLC and People's Bank, the Company serves over 192,349 personal and corporate customers nationwide, reinforcing its position as a trusted and resilient insurer within the Sri Lankan general insurance industry.

Vision

To be Sri Lanka's most trusted and innovative general insurance provider, ensuring financial security and resilience for all.

Mission

Delivering reliable and accessible insurance solutions with integrity, innovation and customer focus, strengthening national resilience and financial security.

Corporate Values

- Protection with Integrity
- Customer-Centric Innovation
- Sustainable Risk Management
- Accessibility and Financial Inclusion
- Resilience and Responsiveness as One Team

Our Ownership Structure

75% People's Bank

75% People's Leasing & Finance PLC

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25% Public



What Differentiates People's Insurance

Strong State-Linked Parentage & Financial Backing

Subsidiary of People's Leasing & Finance PLC

Ultimate parent- People's Bank



"Call & Go" Motor Claims Innovation

Streamlined motor claims handling model with Faster claim processing cycles

Strong Balance Sheet

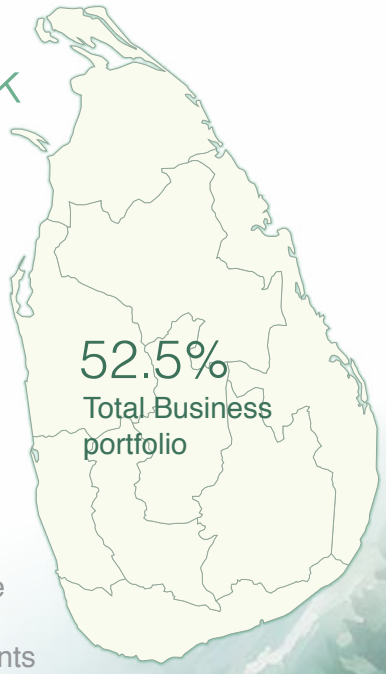
Rated " A" by Fitch ratings reflecting Strong capacity to meet financial commitments

Fitch Ratings



Island wide Branch Network with Regional Empowerment

Large captive base with more than 52.5 % of the total business portfolio



52.5%
Total Business portfolio

Unique Value Proposition

Accessible, trustworthy, and value-driven general insurance solutions serving Sri Lanka's mass market and SME segments with island wide reach and growing digital capability.

Experienced Technical Leadership

Highly qualified management and technical teams with deep institution-specific knowledge

Milestone and Key Events

2010

Commenced commercial operations in January with 15 employees as a Non-Life (General) Insurer.

2011

Became the Non-Life insurer which achieved Rs. 1 Bn annual Gross Written Premium (GWP) within the shortest period of time in the Non-Life insurance industry in Sri Lanka and recorded the first-ever profit after tax of Rs. 72 Mn.

2012

- Invested in a customised Enterprise Resource Planning (ERP) system.
- Established a new call centre equipped with the latest technology.
- Opened the first regional office in Galle

2013

- Entered into a Bancassurance agreement with People's Bank.
- Launch of corporate website.
- Release of first annual report.

2014

- Reconstituted the Board Audit Committee to ensure a better balance.
- Implemented the Electronic Board papers application, 'Board PAC' solution.

2015

- Introduced a travel policy and a Takaful window.
- Opened the Initial Public Offering (IPO) with over subscription of almost six times on the opening day, making the Company's IPO one of the most successful.

2016

- Listing Company shares on the Main Board of the 'Colombo Stock Exchange'.
- Launch of internet payment gateway.

2017

- Launch of new corporate logo.
- Moved the Corporate Office to a newly-constructed iconic building located at No. 07, Havelock Road, Colombo 05.

2018

- Rated 'A+ (lka)' with a stable outlook by Fitch Ratings.
- Introduced a web based e-marine system for corporate clients.
- Implementation of the Human Resources Information System (HRIS).

2019

Awarded the ISO 9001:2015 certificate.

2020

Recorded the history highest profit after tax of Rs. 1.2 Bn.

2021

Partnered with Sri Lanka Tourism Development Authority (SLTDA) to provide mandatory COVID-19 insurance cover for inbound travellers of Sri Lanka to regain the economy during the pandemic.

2022

Restructuring the National Sales Channel to ensure a more focused business operation and sales strategy.

2023

Strengthening the IT governance by implementing comprehensive set of IT policies and procedures and introduction of performing system audits.

2024

Recognition as the Non-Life Insurer of the year - Sri Lanka 2024 by the Global Economics.

2025

Recorded a 34% year-on-year growth rate, ranking as the second highest growth performer within the general insurance industry.

Year at a Glance

The year 2025 represented a significant period of strategic progress and organisational strengthening for People's Insurance PLC. The Company continued to expand its market reach, strengthen strategic partnerships, enhance customer accessibility, and reinforce its leadership and governance framework. These milestones reflect the Company's continued commitment to delivering sustainable value, enhancing stakeholder trust, and strengthening its position as a resilient and customer-centric general insurer in Sri Lanka.

JANUARY

Proudly marked its 15th anniversary with a commemorative ceremony held at the Head Office, symbolising a significant milestone in the Company's journey of resilience and growth.



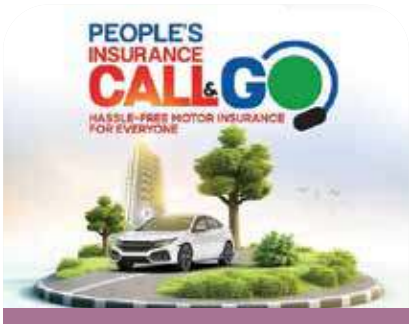
FEBRUARY

Entered into a collaboration with Lakderana Investments to enhance nationwide accessibility to its motor insurance solutions. Further reinforcing its bancassurance footprint the Company established a strategic partnership with Union Bank of Colombo PLC.



MARCH

Strengthening governance and leadership, Mr. Dulinda Perera was appointed to the Board of Directors as a Non-Executive, Non-Independent Director. During the same period, the Company enhanced its innovative 'CALL & GO' facility.





DECEMBER

The appointment of Mr. Chandana Guniyangoda as the Chairperson strengthening the Company's governance structure and the overall corporate oversight.



NOVEMBER

Company was honoured with the "Best Integrated Report – Insurance Sector (State)" and a "Merit Award" at the CMA Excellence in Integrated Reporting Awards 2025, reaffirming the Company's commitment to transparency, governance excellence, and high-quality corporate reporting



OCTOBER

Company organised a Breast Cancer Awareness Programme in collaboration with Nawaloka Hospital and hosted its annual inter-department cricket tournament, fostering team spirit and strengthening organisational cohesion and collaboration.

APRIL

Annual Pirith Chanting Ceremony was conducted at the Head Office to invoke blessings for the year ahead.



MAY

CEO, Ms. Jeevani Kariyawasam, was featured in the May 2025 edition of LMD magazine, sharing her inspiring professional journey and leadership experience, reflecting the strength and vision of the Company's leadership.



JUNE

Tree planting program was conducted in collaboration with selected schools to promote environmental responsibility and foster community engagement. As part of its ongoing commitment to social responsibility







SEPTEMBER

Recognising leadership excellence, the Company's Chief Executive Officer was honoured at the CPM Management Leadership Excellence Awards 2025, underscoring the strength of leadership driving the Company's continued success.



AUGUST

People's Insurance was also named as the Best General Insurer 2025 in Sri Lanka at The Global Economics Awards, marking its second consecutive victory.



JULY

Opened a new branch in Nugegoda, enhancing accessibility and service delivery to customers in the region. Company hosted Achievers' Night 2025 to recognise and celebrate employees for their exceptional contributions and performance over the previous year.

Awards



CA Sri Lanka TAGS Awards 2025

3–11 Silver Award – Insurance Companies (Gross Premium Upto LKR 10 Bn)

12 Certificate of Recognition- Integrated Reporting

CMA Excellence in Integrated Reporting Awards 2025

17–9 Winner-Best Integrated Report Insurance Sector – State

18–1 Merit Award for excellence in the Integrated Reporting

SAFA BPA Award & SAARC Anniversary Award 2024

10 Certificate of Merit- General Insurance Category

The Institute of Chartered Professional Managers of Sri Lanka- Management Leadership Excellence Awards 2025

14–4 Overall Silver Winner under the Corporate Management Category

16–5 Winner in the Insurance (Private Sector)

15–6 Winner in the Sustainability & Circular economy

13–7 Winner under the Insurance Case Analysis

6th Emerging Asia Insurance Awards 2025

2–20 Winner- Certificate of Excellence- Best General Insurance Company of the Year

The Global Economics Awards 2025

19–8 Best General Insurance Company

New Milestones, Renewed Momentum

The FY 2025 at People's Insurance was a year of progress shaped by change. Through moments of achievement and challenge alike, we stayed grounded, sustaining momentum through resilience, shared purpose, and the dedication of our people.



FY 2025 OVERVIEW

Non Financial Highlights

ENVIRONMENTAL PERFORMANCE

RESOURCES

Water consumption for operations

5,410 m^3

2024 - 7,385 m^3



Non-renewable energy consumption for operations

2,488 GJ

2024 - 2,287 GJ



EMISSION

Carbon emitted from operations

436.7 tCO_2e

2024 - 478.3 tCO_2e

Scope 1 emission

19.5 tCO_2e

2024 - 18.8 tCO_2e

Scope 2 emission

257.0 tCO_2e

2024 - 245.9 tCO_2e

Scope 4 emission

1 tCO_2e

2024 - 0.73 tCO_2e

Scope 3 emission

160.3 tCO_2e

2024 - 213.5 tCO_2e



WASTE

Waste recycled

5,741 kg

2024 - 11,035 kg



SOCIAL PERFORMANCE

EMPLOYEES

Total employees as at 31 December
649
2024 - 655

Employee turnover
17%
2024 - 34%

Total employee benefit distributed
Rs.1,100 Mn
2024 - Rs. 907 Mn

Female employees in decision making role
4
2024 - 3

Female employees as percentage of total employees
22%
2024 - 20%

Average training hours per employee
21
2024 - 37

Total number of injuries
Zero
2024 - Zero



CUSTOMERS AND SOCIETY

Customer satisfaction index
89%
2024 - 85%

Investment in ESG initiatives
Rs. 4.3 Mn
2024 - Rs. 2.2 Mn

Number of interns added to permanent cadre
6
2024 - 5

Tax paid
Rs. 1,578 Mn
2024 - Rs. 1,307 Mn



GOVERNANCE AND ETHICS

Number of total audits conducted on management systems
9
2024 - 11

Number of incidents with regards to Human rights violations
Zero
2024 - Zero

Number of whistle-blowers cases reported and solved
Zero
2024 - Zero

Employee trained on PI's code of conduct
649
2024 - 655

Number of Board meetings held
10
2024 - 11

Employee trained on data privacy
649
2024 - 655

Female representation on Board
29%
2024 - 17%

Financial Highlights

	Measurement Unit	2025	2024	Change
FINANCIAL PERFORMANCE				
Revenue	Rs. Mn	5,722	5,928	-3%
Gross written premium	Rs. Mn	8,367	6,249	34%
Net earned premium	Rs. Mn	4,616	4,713	-2%
Net claims	Rs. Mn	3,165	3,130	1%
Underwriting and net acquisition costs	Rs. Mn	209	491	-57%
Operating and administrative expenses	Rs. Mn	1,960	1,642	19%
Underwriting results	Rs. Mn	(634)	(513)	-24%
Other revenue	Rs. Mn	1,107	1,215	-9%
Profit before tax	Rs. Mn	473	702	-33%
Profit after tax	Rs. Mn	355	429	-17%
Net claims ratio	%	69	66	-3%
Net expense ratio	%	45	44	-1%
Net combined ratio	%	114	110	-4%
Return on equity	%	6	8	-2%
Investment yield	%	11	15	-4%
FINANCIAL POSITION AND STABILITY				
Total assets	Rs. Mn	15,665	12,689	23%
Financial investments	Rs. Mn	11,496	10,086	14%
Total liabilities	Rs. Mn	9,695	7,052	37%
Insurance contract liabilities	Rs. Mn	7,119	4,852	47%
Equity	Rs. Mn	5,970	5,638	6%
Credit rating (Fitch rating)	FITCH (lka)	A	A	-
INVESTOR RATIOS				
Market value per share (Last traded price)	Rs.	32.50	32.00	2%
No. of shares in issue	Mn	204	204	-
Market capitalisation	Rs. Mn	6,618	6,516	2%
Earnings per share	Rs.	1.74	2.11	-18%
Net asset value per share	Rs.	29.32	27.69	6%
Dividend per share	Rs.	-	0.50	-
Price/Earnings ratio	Times	18.63	15.17	23%
Dividend cover	Times	-	4.22	-
REGULATORY RATIOS / LEVERAGE				
Capital Adequacy Ratio (CAR)	%	246	389	-143%
Total Available Capital (TAC)	Rs. Mn	5,777	5,183	11%

Economic Value Added

GRI: 201-1

Direct Economic Value Generated



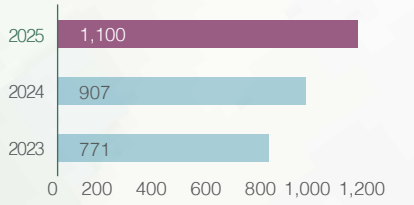
Rs. 4,616 Mn
2024 - Rs. 4,713 Mn
Net Earned premium

Rs. 1,107 Mn
2024 - Rs.1,215 Mn
Investment & Other Income

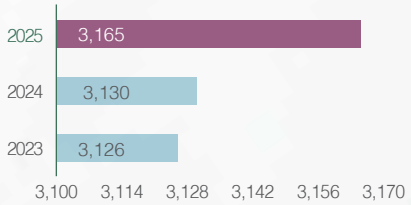
Total Economic Value Generated: Rs. 5,723 Mn
2024 - Rs. 5,928 Mn

Economic Value Distributed

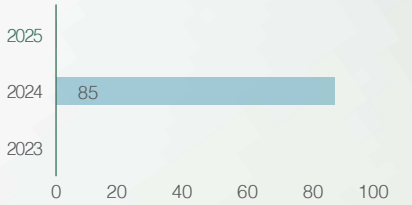
To Employees as Salaries and Other Benefits (Rs. Mn)



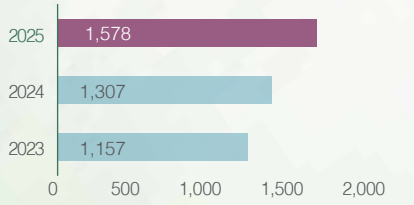
To Policyholders as Benefits and Claims (Rs. Mn)



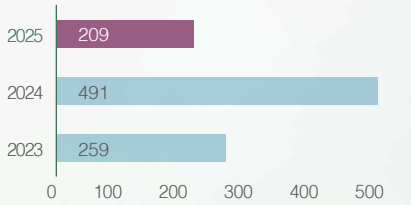
Benefits Paid to Providers of Capital (Rs. Mn)



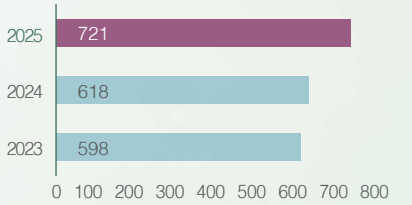
To Government as Taxes (Rs. Mn)



To Intermediaries as Commission (Rs. Mn)



Operating Costs (Rs. Mn)



Economic Value Retained

Depreciation
Rs. 134 Mn
2024 - Rs. 111 Mn

Amortisation
Rs. 5 Mn
2024 - Rs. 5 Mn

Retained Profit
Rs. 355 Mn
2024 - Rs. 344 Mn

Changing General Insurance Fund
Rs. 2,267 Mn
2024 - Rs. 593 Mn

Market Value Retained

Market Value of Equity
Rs. 6,618 Mn
2024 - Rs. 6,516 Mn

Shareholders' Funds
Rs. 5,970 Mn
2024 - Rs. 5,638 Mn

Market Value Added
Rs. 648 Mn
2024 - Rs. 878 Mn

Chairperson's Message

GRI: 2-22



> This year, we delivered a strong financial performance, reflecting our enhanced market presence, disciplined underwriting practices, and focused growth strategy. Gross Written Premiums grew by an impressive 34%, significantly outpacing the industry's overall growth rate.

GWP Growth
34%
2024: 8%

Price Earning Ratio
18.63 Times
2024: 15.17 Times

Total Assets
Rs. 15.7 Bn
2024: Rs. 12.7 Bn

It is with great pleasure that I present to you the Annual Report and Financial Statements of People's Insurance PLC (PI) for the year ending 31 December 2025.

The year 2025, characterised by an increasingly complex global landscape, stands as a strong inflection point defining the progress of the general insurance industry in Sri Lanka amidst shifting global and local macroeconomic conditions.

Macroeconomic Overview

The global economy in 2025 experienced moderate growth amid persistent uncertainty, which influenced both consumer and corporate spending and led to more cautious demand for insurance products across several markets. Rising climate exposure further challenged traditional pricing models, affecting underwriting capacity, loss ratios, and premium adequacy of global insurers. From a global perspective, while insured losses in 2025 were lower than record highs in the past, they remained significant and frequent highlighting the need for disciplined underwriting, robust risk modelling, and prudent reinsurance strategies.

Within Sri Lanka, the economic environment showed encouraging signs of recovery and stabilisation. GDP growth, easing inflation, and relative policy stability contributed to improved consumer confidence and spending capacity. Strengthening market conditions, coupled with increased economic activity alongside growing awareness of insurance products, supported substantial premium growth across the general insurance sector in 2025.

Despite these positive trends, several challenges persisted. Competitive pressures led to pricing volatility and margin compression in certain lines, while heightened claims activity, particularly in motor and property insurance, saw many general insurers having to contend with high loss ratios in turn adversely impacting underwriting results. Moreover, structural constraints, such as low insurance penetration and affordability pressures continued to highlight the need to address underinsurance and protection gaps, especially in catastrophe-prone regions where economic losses remain largely uninsured.

On the other hand, the industry experienced a significant acceleration in technological transformation during 2025, which created new avenues for general insurers to diversify product offerings, including climate-related covers and cyber risk insurance. At the same time, insurers were also seen increasingly leveraging digital platforms to enhance customer engagement and improve operational efficiencies in order to remain competitive in a rapidly evolving marketplace.

PI's Strategy and Focus for FY 2025

Considering the sharp rebound in the Sri Lankan economy in 2025, we at PI remained steadfast in our commitment to disciplined growth. We pursued selective growth aligned with economic recovery and market opportunities, while focusing on strengthening fundamentals and consolidating core competencies.

At the core of our strategy was the focus on underwriting discipline and portfolio quality. We prioritised profitable growth by ensuring pricing, risk selection, and portfolio composition were aligned with both market realities and emerging risks Underperforming or high-volatility segments actively rebalanced. We also leveraged data analytics to enhance pricing accuracy.

Governance and risk oversight were significantly strengthened across all core insurance lines with a view to reinforcing profitability and boosting long-term portfolio resilience.

Amid intensifying competition within the general insurance industry, we deepened market penetration by strategically expanding our reach mainly through bancassurance partnerships and digital platforms. Well aware that the insurance business depends heavily on trust and transparency, we focused on positioning our claims management function as a strategic differentiator by ensuring our policyholders receive prompt, fair, and reliable service when it matters most. In this regard, process optimisation and selective automation to streamline claims handling helped to enhance transparency and improve overall customer experience.

Moreover, with a strong capital position a top priority, we recalibrated our reinsurance structures to minimise potential earnings volatility, while capital deployment decisions were carefully aligned with long-term shareholder value and regulatory expectations. Considering the rapidly declining interest rates, we also worked to optimise investment yields to safeguard PI's balance sheet against market shocks and strengthen its capability to fuel strategic growth initiatives.

Key Financial Highlights

PI delivered a strong financial performance that reflects our enhanced market presence, disciplined underwriting practices, and focused growth strategy. The Company achieved an impressive 34% growth in Gross Written Premiums, significantly outpacing the industry's overall growth rate of 15%.

Chairperson's Message

Regulatory and compliance oversight remained a key priority, with the Board playing an active role in strengthening compliance monitoring and reporting frameworks, while regularly reviewing internal control systems to ensure their adequacy and effectiveness.

Profit Before Tax for the year ended 31 December 2025 was recorded at Rs. 473 Mn, It further reflects the impact of the mandatory 100% cession of motor SRCC and Terrorism cover to the NITF, as well as moderated investment income arising from lower yields.

Our balance sheet remains robust with Total assets growing by 23.4% to Rs. 15.67 Bn as at year-end, supported by a 14% increase in financial investments. Shareholders' equity strengthened to Rs. 5.97 Bn, marking a 6% year-on-year increase, driven primarily by healthy internal capital generation.

Governance and Stewardship

The PI Board continued to discharge its responsibilities driven by the unwavering commitment to transparency, accountability, and the highest standards of ethical conduct. In line with governance best practices, the annual evaluation of the Board and its Committees was conducted to assess overall effectiveness and identify opportunities for further enhancement. While review confirmed that all Board Committees continue to operate effectively as per their mandates, committee structures and terms of reference were further strengthened as part of ongoing efforts to sharpen oversight of emerging and evolving risks, including climate-related exposures, cyber threats, and operational resilience.

Likewise, mindful of the need for continuous enhancement of skills and competencies at Board level, preliminary steps were initiated towards implementing a structured succession planning framework for both Board and senior management roles. This initiative is designed to preserve institutional knowledge and ensure leadership continuity, and in doing so further reinforce organisational stability. As part of this same effort, remuneration structures were reviewed to ensure that executive incentives remain closely aligned with sustainable performance, prudent risk management, and the long-term interests of shareholders.

As always, regulatory and compliance oversight remained a key priority for the PI Board. The Board played an active role in strengthening compliance monitoring and reporting frameworks and reviewing internal control systems to confirm their adequacy and effectiveness. The Board also engaged with regulators and supervisory authorities to identify emerging requirements and ensure such developments were proactively evaluated and embedded into strategic and operational decision-making.

On that note, I am pleased to affirm that the Company remained fully compliant with applicable insurance regulations throughout the year under review, with no material regulatory breaches recorded.

In 2025, the Board was also heavily involved in driving PI's alignment with global Environmental, Social, and Governance (ESG) best practices. Under the oversight of the Board, the management was entrusted with the responsibility of developing the necessary structural frameworks to institutionalise ESG principles within PI's underwriting, investment, and operational models.

Following Cyclone Ditwah, the Board devoted considerable attention to evaluating and understanding the implications of climate-related risks linked to PI's portfolio. We also undertook a critical review of the effectiveness of the Company's existing risk architecture in identifying, measuring, and managing climate risk exposures. Consequently, our Enterprise Risk Management (ERM) framework was enhanced to improve our preparedness for future climate-related events and ensure that PI remains resilient in the face of increasingly complex environmental risks.

Board Changes

During the year under review, the Board experienced changes in its composition with the appointment of new members and bidding farewell to valued colleagues. I extend my sincere appreciation to those who concluded their tenure for their dedicated service and contribution to the Company.

All appointments and resignations were effected in accordance with the Company's Articles of Association and applicable regulatory requirements, ensuring continuity in governance and sustained strategic oversight. The Board remains committed to maintaining strong leadership and upholding the highest standards of corporate governance.

Future Outlook

Sri Lanka's economic outlook for the short to medium term remains cautiously optimistic with continued macroeconomic stabilisation, sustained fiscal consolidation, and the progression of structural reforms expected to gradually restore confidence across key sectors of the economy, culminating in a steady upward growth trajectory over the next 2 -3 years.

In the near term, economic activity is expected to strengthen modestly, supported by easing inflationary pressures, stabilised interest rates, and improving momentum in trade, tourism, construction, and asset creation. This environment is likely to fuel demand for general insurance products across motor and non-motor classes.At the same time, increased economic activity may translate into higher claims frequency,

Over the medium term, sustained economic reforms and greater stability are expected to encourage investment inflows, infrastructure development, and expansion within the SME sector. These structural shifts present meaningful growth opportunities for the general insurance industry, particularly in light of Sri Lanka's historically low insurance penetration. As the economy rebuilds, general insurers are set to play an increasingly important role in supporting financial resilience and enabling enterprises to expand with confidence.

However, industry dynamics are also likely to grow more complex. Heightened regulatory expectations, evolving risk exposures, including climate and cyber risks and rising customer expectations will demand greater agility and innovation. In such an environment, insurers with strong capital positions, diversified portfolios, sound governance, and customer-centric operating models will be best positioned to capture emerging opportunities while contributing meaningfully to national economic stability.

Backed by its strong balance sheet, PI is well positioned to catalyse growth. We will focus on risk-adjusted expansion to emphasise sustainable profitability over volume-driven growth. Maintaining a strong capital and solvency position will remain crucial in enabling PI to deploy capital to support strategic growth initiatives while preserving resilience against economic and catastrophe-related shocks.

Appreciations

As I conclude my first review as Chairperson of Peoples Insurance PLC, I wish to place on record my sincere appreciation to my fellow Board members for their wisdom, independence of thought, and steadfast commitment to steering the Company with prudence and clarity during a period of both opportunity and transition.

I also extend my deep gratitude to our Corporate Management and all members of staff across the organisation. Together, they have demonstrated a shared commitment to building a stronger, more sustainable institution grounded in integrity and excellence.

I would also like to acknowledge the continued trust placed in us by our policyholders, business partners, and shareholders. Their confidence inspires us to uphold the highest standards of accountability and value creation.

Looking ahead, I am confident that PI as a member of Peoples Banking & Finance Group is well positioned to build on its strong foundations and pursue the next phase of its journey. While challenges will undoubtedly persist in an increasingly complex operating landscape, our disciplined strategy, sound governance framework, and dedicated team provide us with the agility to expand and grow in the years ahead.



Chandana Guniyangoda
Chairperson

09 March 2026
Colombo

Chief Executive Officer's Review



"We achieved a robust 34% growth in Gross Written Premiums (GWP) during the year. The motor segment continued to dominate, increasing its contribution to total GWP to 79%, up from 75% in 2024."

Financial Investments	Market Capitalisation	Net Asset Per Share
Rs. 11.5 Bn	Rs. 6.62 Bn	Rs. 29.32
2024: Rs. 10.1 Bn	2024: Rs. 6.52 Bn	2024: Rs. 27.69

FY 2025 was a year of resilience and opportunity for People's Insurance as we made good headway in seizing opportunities to safeguard the assets and livelihoods of the communities we serve.

Sri Lanka's Return to Stability and Growth

The year commenced on a notably positive footing with Sri Lanka's highly anticipated economic turnaround showing signs of materialising. Macroeconomic stability prevailed throughout much of 2025, enabling the economy to demonstrate a strong rebound and emerge firmly from the shadows of the 2022 financial crisis. Strengthened fiscal discipline, improved foreign reserve buffers, and restored policy credibility contributed to renewed investor confidence and a gradual revival in domestic economic activity across multiple sectors, culminating in GDP expansion of 4.9% in the first half of 2025. Inflationary pressures eased significantly during the year from record highs in 2023 to mid-single-digit levels in 2025, while interest rates declined steadily in line with the Central Bank of Sri Lanka's accommodative policy stance aimed at stimulating economic activity.

Economic stability was instrumental in fostering greater predictability across financial markets, supporting business expansion, and stimulating consumer confidence, thereby laying a more solid foundation for sustainable growth. While the adverse impact of Cyclone Ditwah and subsequent flooding threw a dampener on growth momentum in the latter part of the year, the overall direction of the economy reflected resilience, consolidation, and definite optimism for the period ahead.

A Turning Point for the Local General Insurance Industry

Against the backdrop of renewed macroeconomic stability and improving business confidence, the local general insurance industry staged a strong recovery, delivering growth of 15% in 2025. The recovery in GDP, coupled with restored market predictability, translated into increased willingness for asset ownership, resulting in strong demand for risk protection across key segments.

Growth was driven predominantly by the motor portfolio, which expanded by 26%, influenced largely by the reopening of the vehicle import market after nearly five years of import restrictions. The release of pent-up demand caused a rapid spike in vehicle registrations and, consequently, motor insurance uptake. The non-motor segment, benefiting from increased property ownership, infrastructure activity, and gradual expansion across commercial sectors, recorded growth of 3%. Rising investments in renewable energy and sustainability-linked projects, including solar and wind infrastructure, also began generating incremental demand for specialised insurance solutions, reflecting the evolving nature of risk exposure within the economy.

Despite these progressive indicators, the local general insurance industry continues to operate within a market characterised by significant untapped potential. Insurance penetration in Sri Lanka remains relatively low, with sizeable segments of the population still underinsured due to risk aversion caused by a lack of awareness. The impact of Cyclone Ditwah served as a stark reminder of the country's climate vulnerability and the essential role of insurance in strengthening economic resilience. The increasing frequency and severity of such catastrophic events also underscore the need for more versatile, resilient, and forward-looking insurance solutions capable of addressing evolving environmental and economic risks.

Strategic Agility

In a year defined by renewed economic momentum and intensifying competition, People's Insurance demonstrated its strategic agility to deliver one of the strongest performances in the local general insurance industry.

Our motor segment recorded robust growth of 42%. Following the reopening of the vehicle import market after a prolonged period of restrictions, we moved swiftly to capture pent-up demand. Taking a strategic approach, we focused on strengthening customer segmentation coupled with more precise product positioning, with the aim of targeting clearly defined customer groups based on risk profile, usage patterns, and value expectations. Accordingly, existing offerings were rebranded and recalibrated to better reflect evolving customer preferences, while a series of new differentiated motor solutions were introduced to serve specific customer segments. To support this strategic shift, we reconstituted our sales performance metrics for frontline teams, where individual KPIs were aligned not only with Gross Written Premium targets but also with combined ratio and loss ratio benchmarks, thereby ensuring that our growth trajectory remained firmly anchored in profitability, underwriting integrity, and long-term portfolio quality.

Chief Executive Officer's Review

Digital enablement remained a key imperative in scaling operational capability and driving efficiency. During the year, we accelerated our workflow digitisation programme and strengthened platforms such as the Inspection Management Mobile Application and Customer Management System to enable enhanced data-driven oversight.

The non-motor segment achieved growth of 11%, supported by broad-based strategies focused on strengthening portfolio quality, promoting sustainable product lines, and expanding retail penetration through cost-effective and accessible solutions. Additionally, we focused on creating new specialised insurance products in response to the growing demand for natural catastrophe protection and rising investment in renewable energy infrastructure.

In parallel, we continued investments in strengthening customer outreach and service excellence. Working to strengthen People's Insurance's physical presence, a new branch was opened in Nugegoda, while the Ratnapura branch was strategically relocated to enhance accessibility and visibility.

Ongoing efforts to strengthen customer experience continued in 2025, with People's Insurance's flagship Call & Go facility further enhanced to provide motor insurance policyholders greater convenience at the point of an accident, enabling a smoother and more efficient claims initiation process. Another major milestone was the launch of People's Buddy, an AI-powered customer support and engagement tool. Available via the corporate website, People's Buddy offers real-time information on insurance products, policy information, Company services, and the financial performance of the Company, while also capturing customer enquiries for follow-up by the sales teams.

I am pleased to see these initiatives translating into tangible results, as reflected by the overall Customer Satisfaction Index of 89%. Satisfaction within the motor portfolio reached an unprecedented 90%, while non-motor customers recorded 84%. Customers who experienced claims reported 89% satisfaction, and those without claims noted 94%, underlining the effectiveness of our service enhancements. People's Insurance's latest Net Promoter Score of 43% in 2025 further highlights the impact of our customer-centric initiatives on both trust and advocacy.

Digital enablement continued to be a key imperative in our efforts to scale operational capability and drive efficiency. In 2025, we accelerated our workflow digitisation programme to automate key processes. The Inspection Management Mobile Application, which has been operational for the past several years, remained instrumental in capturing real-time data and seamlessly linking it to relevant policies and claims. The introduction of a Customer Management System in 2025 has enabled real-time monitoring of sales activity and strengthened data-driven oversight for management.

Simultaneously, the Company's technology infrastructure was reinforced through a major upgrade, which included a significant storage capacity enhancement and strengthened disaster recovery capabilities to safeguard business continuity.

Financial Resilience

Our top-line performance in 2025 reflects the focus on strengthening core operations, underpinned by disciplined underwriting, targeted risk-based pricing, and strategic portfolio management.

People's Insurance achieved a robust 34% growth in Gross Written Premium (GWP) during the year. The motor segment continued to dominate, increasing its contribution to total GWP to 79% from 75% in 2024, with the remainder attributed to the non-motor category, mainly fire, marine, and miscellaneous.

Influenced by the impact of Cyclone Ditwah, lower investment income arising from reduced interest rates, the second-year impact of the cessation of motor Strike, Riot, Civil Commotion and Terrorism premiums to the National Insurance Trust Fund,

and strategic investments in digital and operational enhancements, People's Insurance's Profit Before Tax (PBT) stood at Rs. 473 Mn in FY 2025, and Profit After Tax (PAT) stood at Rs. 355 Mn.

The Company's total assets grew significantly by 23.4% to Rs. 15.67 Bn, attributed to the combined impact of the increase in financial investments and the surge in reinsurance receivables. Strengthening our asset base further enhances People's Insurance's ability to meet policyholder obligations, support strategic growth initiatives, and bolster confidence among investors, regulators, and stakeholders in the Company's long-term financial resilience.

People Powered

At People's Insurance, we operate on the principle that our people are the true drivers of our success. We acknowledge that an empowered, skilled, and motivated workforce is essential to delivering on our strategic ambitions and sustaining long-term value for our customers and stakeholders. Throughout 2025, we continued to demonstrate our commitment to empowering our people from the outset of their journey with People's Insurance and across the entire employment lifecycle.

We introduced a structured onboarding programme to familiarise new employees with our corporate values, products, compliance requirements, and performance expectations. As part of this approach, probationary performance reviews were implemented with clear KPIs and confirmation criteria, linking early feedback to targeted training and coaching plans to accelerate development and reinforce high standards.

To safeguard continuity and leadership readiness, our succession planning framework was further enhanced, with critical and vulnerable positions identified to prioritise succession planning and ensure organisational resilience. We also rolled out the globally recognised 9-box methodology to reduce bias and strengthen credibility in talent assessments.

We continued investing in targeted training and development programmes to enhance employee capabilities and support personal and professional growth, collectively contributing to a confident, capable, and future-ready workforce with the capacity and commitment to drive People's Insurance's performance and long-term success. Employee well-being and workplace safety were enhanced through health and financial awareness programmes, alongside first aid and fire safety training.

Sustainability Driven

As a general insurer, sustainability goes hand in hand with People's Insurance's core operations. Every policy we underwrite, from motor and property to specialised non-motor products, reflects our commitment to safeguarding livelihoods and promoting long-term societal and environmental well-being.

To further expand People's Insurance's sustainability impact, we formalised our sustainability agenda in 2025 with the establishment of a robust ESG policy supported by a dedicated ESG Committee to oversee the integration of sustainability considerations into strategic and operational decision-making. In doing so, we created the foundation for aligning reporting with SLFRS S1 and S2 standards.

In 2025, we took a major step in advancing our ESG credentials by laying the groundwork for measurable climate action through corporate-level Greenhouse Gas (GHG) accounting in line with ISO 14064, which we hope will serve as our pathway toward implementing science-based climate targets in due course. Simultaneously, efforts including the elimination of single-use plastics, responsible resource consumption, and the minimisation of paper, plastic, and polythene waste through digitisation and reuse practices, all aimed at reducing environmental impact also gathered momentum. Employee engagement initiatives, such as floor-wise sustainability challenges, reinforced attitudinal change and collective responsibility for a healthier planet.

Keen to expand our commitment beyond internal operations, we began preliminary work on developing a green procurement framework to guide environmentally responsible purchasing decisions.

Our corporate responsibility initiatives continued with tree-planting initiatives rolled out across six schools and planned ecological restoration projects to strengthen biodiversity and carbon sequestration. People's Insurance's social impact also continued through targeted CSR initiatives, including book donation drives, blood donation campaigns, environmental stewardship programmes, and flood relief projects.

Celebrating Milestones

Recognition through awards and accolades serves as a clear validation of the principles, strategies, and practices that define People's Insurance. Our achievements in 2025 cut across business operations, leadership, reporting, and sustainability.

Chief Executive Officer's Review

People's Insurance was honoured as the Best General Insurer of the Year 2025 by The Global Economics and was also recognised as the Best General Insurance Company by the 6th Emerging Asia Insurance Awards 2025 organised by the Indian Chamber of Commerce, reflecting our sustained focus on customer-centric solutions, operational excellence, and robust risk management that underpin our market leadership.

At the CPM Sri Lanka Management Leadership Excellence Awards 2025, People's Insurance recorded multiple wins in the Insurance (Private Sector) category, Industry Case Analysis, and Sustainability & Circular Economy categories at the Corporate Management Level. People's Insurance secured the Overall Silver Award in the Corporate Management category, highlighting the effectiveness of our strategic vision, disciplined execution, and innovation-driven culture.

Our commitment to transparent, high-quality reporting continued to be recognised with a Certificate of Merit in the General Insurance Category at the SAFA Best Presented Annual Report Awards 2024, alongside the CMA Excellence in Integrated Reporting Awards 2025, where we received a Merit Award for overall excellence and were named Best Integrated Report – Insurance Sector (State Winner). At the highly coveted TAGS Awards 2025, People's Insurance secured the Silver Award in the Insurance Sector (GWP up to Rs. 10 Bn) category.

Outlook and Prospects

Looking ahead, Sri Lanka is expected to continue its recovery from the shocks of 2022–2023, supported by ongoing fiscal consolidation and structural reforms aimed at enhancing revenue mobilisation and sustaining debt reduction. With key sectors projected to expand further and contribute firmly to broader economic stability and renewed consumer and business confidence, I anticipate that it will prove to be a fertile environment for People's Insurance to execute its strategic priorities and capture growth opportunities.

Looking ahead, our strategic focus remains clear: disciplined top-line growth, strengthened capital resilience, enhanced operational efficiency through digitisation, and a pathway toward sustainable underwriting profitability.

At People's Insurance, it's not about navigating calm waters – it is about steering confidently through complexity. The recognition we have received affirms that we are on the right course, building a resilient, responsible, and future-ready insurer for Sri Lanka and the region.

Appreciations

As I conclude my review, I wish to extend my sincere appreciation to all those who have contributed to People's Insurance's continued success. I would like to take this opportunity to thank our Chairperson and the Board for their guidance, strategic oversight, and steadfast commitment to governance excellence. I also wish to acknowledge the invaluable support extended by our parent Company, People's Leasing & Finance PLC, and our ultimate parent, People's Bank. Their continued confidence in People's Insurance and institutional strength provide a strong foundation for our stability and long-term growth ambitions.

My gratitude also goes to the Insurance Regulatory Commission for its continued support and constructive engagement.

I also extend appreciation to our customers, shareholders, business partners, and stakeholders for their continued trust and confidence.

Above all, I thank our employees, whose commitment, discipline, and belief in People's Insurance make every achievement possible.

With your collective support, we remain well positioned to build a stronger, more resilient, and forward-looking organisation in the years ahead.



Jeevani Kariyawasam
Chief Executive Officer

09 March 2026
Colombo

New Ambitions, Renewed Horizons

Our strategic priorities set a clear course for growth and continuity. Through thoughtful, disciplined choices and a confident view of the future, we at People's Insurance are opening new horizons; building sustainable value for our customers, our people, and the communities we serve.

Value Creation Process

"At People's Insurance PLC, value creation is driven by a disciplined strategy that combines strong governance, prudent risk management, customer-centric solutions, and digital innovation. By leveraging financial strength, skilled talent, advanced technology, and strategic partnerships, the Company delivers reliable insurance solutions that protects customers, creates sustainable value, and supports their evolving needs."

Value Creation Process GRI: 2-6

Supplier Social Assessment → **Value Adding Business Activities** → **Output**

FINANCIAL CAPITAL
- Shareholder Funds
- Operating Cashflow
- Investment Portfolio
- Solvency Capital
- Retained Earnings
- Reinsurance capacity

MANUFACTURED CAPITAL
- Branch Network
- Digital Infrastrucutre
- Core insurance system
- Call centre

HUMAN CAPITAL
- Healthy workforce
- Skills and experience
- Employee diversity
- Equal opportunity
- Youth employement

INTELLECTUAL CAPITAL
- Brand Strength
- Tacit knowledge
- Trained employees
- Strategic partnerships
- Risk analytics frameworks

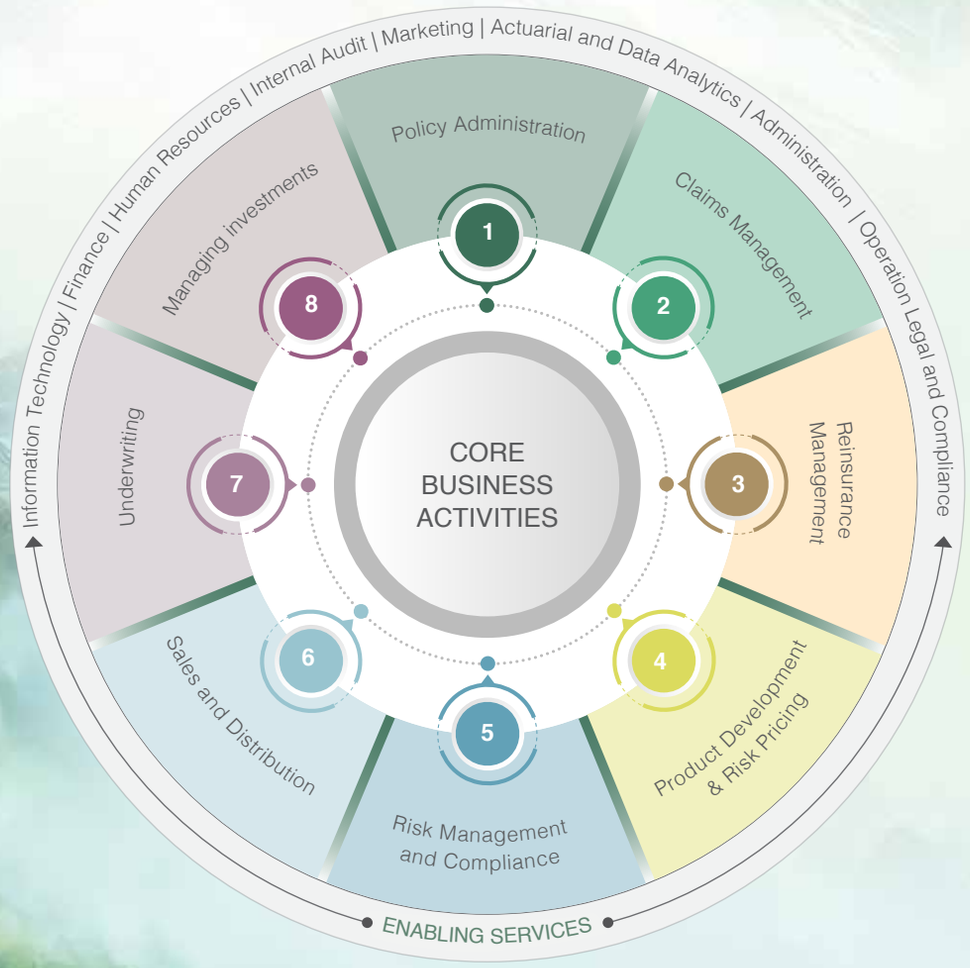
NATURAL CAPITAL
- Carbon-neutral operations including energy,water & climate
- Environmental liability underwriting

SOCIAL & RELATIONSHIP CAPITAL
- Customer relationships
- Business partner and reinsurance relationships
- Community relationships Group & Strategic Alliances
- Regulatory & Governance Relationships

VISION | **MISSION**

STEWARDSHIP

- Capital Management
- Risk Governance and Management
- Regulatory Framework
- Governance Structure
- ESG Management



STRATEGIC IMPERATIVES

- Business growth
- Enhance operational efficiency and compliance
- Increase social and environment responsibility
- Develop a skilled workforce

CORE VALUES | **PURPOSE**

FINANCIAL CAPITAL
- Total Equity
- Shareholder returns
- Market capitalisation
- Growth in total assets
- Earnings per share
- Return on assets (before tax)
- Return on average shareholders' funds

MANUFACTURED CAPITAL
- No. of Regional branches
- Net book value of capital assets
- Investment in capital expenditure
- Profit per branch

HUMAN CAPITAL
- No. of Employees
- No. of promotions
- Female employees
- Employee attrition
- Profit per employee
- Training cost per employee
- Number of new recruits
- Staff welfare cost per employee

INTELLECTUAL CAPITAL
- Fitch rating
- Value of intangible assets
- Employees serving > 10 years

NATURAL CAPITAL
- Waste paper recycled
- Electricity consumption
- Water consumption

HUMAN CAPITAL
- No. of new policies issued
- Supplier payments
- Reinsurance payments
- CSR spent
- Government taxes

Stakeholder Outcome → SDG's → Value preserve for future

	Value derived in 2025	Value derived in 2024	Change in the Value Created
Rs. Mn	5,970.0	5,638.0	332.0
%	2	31	(28.9)
Rs. Mn	6,618.0	6,516.0	102.0
%	23	4	19
Rs	1.7	2.1	(0.4)
%	3	3	-
%	6	8	(2)

- Generation of stable return
- Prompt claim payments
- Dividend payment to shareholders
- Prompt commission payment

FINANCIAL CAPITAL
- Strong liquidity position
- Capital buffer protected from catastrophe shocks
- Solvency margin maintained above regulatory minimum
- Sustainable combined ratio

	Value derived in 2025	Value derived in 2024	Change in the Value Created
No	18	17	1
Rs. Mn	134.7	122.4	12.3
Rs. Mn	86.3	94.2	(7.9)
Rs. Mn	2.8	3.4	(0.6)

- Smooth branch operations
- Efficient policy issuance
- Reliable claim processing

MANUFACTURED CAPITAL
- Business continuity readiness
- Disaster recovery capability
- Infrastructure modernisation

	Value derived in 2025	Value derived in 2024	Change in the Value Created
No	649	655	(6)
No	178	171	7
%	22	20	10%
%	16.8	33.6	-50%
Rs. Mn	0.6	0.7	(0.1)
Rs. '000	2.2	1.2	1
No	246	295	(49)
Rs. '000	55.7	29.2	26.5

- Employee bonuses
- Training opportunities
- Career progression

HUMAN CAPITAL
- Retention of key talent
- Succession planning
- Strong technical capability pipeline

	Value derived in 2025	Value derived in 2024	Change in the Value Created
Rating	A (lka) Stable	A (lka) Stable	-
Rs. Mn	18.9	15.8	3.1
No	90	70	20

- Enhancing the brand visibility
- Strong brand reputation
- Improved business processes
- Deepend technical expertise
- Knowledge sharing initiatives

INTELLECTUAL CAPITAL
- Continuous system upgrades
- Cybersecurity resilience
- Strong data governance
- Sustainable product innovation capability

	Value derived in 2025	Value derived in 2024	Change in the Value Created
kg	137.7	11,035.0	(10,897)
GJ	2,217.0	2,070.0	147
m3	5,410	7,385.0	(1,975)

- Recycle and reuse of paper
- Environmental stewardship
- Responsible energy consumption
- Responsible underwriting practices

NATURAL CAPITAL
- Climate risk exposure managed
- Sustainable investment strategy
- Reduced catastrophe concentration risk

	Value derived in 2025	Value derived in 2024	Change in the Value Created
No	128,894	78,671	50,223
Rs. Mn	146.6	248.3	(102)
No	2,875	1,439	1,436
Rs. Mn	4	2	2
Rs. Mn	117,471	272,194	(154,723)

- High customer satisfaction
- Strong relationship with brokers
- Regulatory confidence

SOCIAL & RELATIONSHIP CAPITAL
- Sustained brand reputation
- Long-term customer loyalty
- Regulatory confidence maintained

Stakeholder Engagement

GRI: 2-29

Strong and sustainable relationships are central to the way we operate. As a general insurer, our ability to create long-term value depends on understanding the expectations, concerns, and priorities of those who influence and are influenced by our operations.

At People's Insurance PLC (PI), strong and sustainable relationships are central to the way the Company operates. As a general insurer, PI's ability to create long-term value depends on understanding the expectations, concerns, and priorities of those who influence and are influenced by our operations.

Given the scale and scope of its operations, PI engages with a diverse range of stakeholders. For clarity and effective management, stakeholders are broadly categorised as internal and external. Internal stakeholders primarily comprise our employees and management, whose commitment and expertise drive operational excellence. External stakeholders include policyholders, shareholders, regulators, intermediaries, reinsurers, suppliers, and the wider community. These groups are identified based on their connection to our value chain and their influence on or exposure to the Company's strategic, operational, and financial performance.

While the Board of Directors retains ultimate responsibility for ensuring that stakeholder engagement is structured, consistent, and aligned with the Company's long-term objectives, PI's corporate management team is entrusted with the responsibility of engaging regularly with stakeholder groups with all engagements guided by recognised best practices, including the principles of inclusivity, materiality, and responsiveness outlined in the AA1000 Stakeholder Engagement Standard (2015). The corporate management is further responsible for monitoring stakeholder feedback and expectations, and integrating stakeholder concerns into operational decision-making, risk management, and strategic planning processes, thus ensuring PI remains responsive, accountable, and aligned with the evolving expectations of its stakeholders while strengthening trust and sustaining corporate value.

STAKEHOLDER ENGAGEMENT PRINCIPLES

Inclusivity

- Identify all relevant stakeholders and ensure their views are meaningfully considered in decision-making processes

Materiality

- Focus engagement on the issues that are most significant to both the organisation and its stakeholders

Responsiveness

- Act on stakeholder feedback and communicate clearly how concerns and expectations have been addressed



Stakeholder Engagement Process

Stakeholder Identification

Establish stakeholders across the Company's value chain

Stakeholder Analysis and Mapping

Prioritise Stakeholders based on Power/Interest Matrix

Develop Suitable Stakeholder Communication Strategies

Determine Stakeholder Engagement methodologies based on Power / Interest Matrix

Review Feedback and Strengthen

Review Stakeholder feedback and strengthen engagement methodologies

Investors	Shareholders	Customers	Employees
Business Partners	Regulators	Community	Suppliers

The Power/Interest Grid

Power \ Interest	
Actively Consult • Shareholders/ Investors • Regulators	**Regularly Engage** • Employees • Customers
Keep Informed • Communities	**Maintain Interest** • Business Partners

The value Company creates, preserve and erode

The effectiveness of the stakeholder engagement process is assessed to ensure they deliver meaningful impact and identify opportunities for improvement. Scale based self-assessment is used to indicate the quality of the relationship across key stakeholder groups;

😊	😊😊	😊😊😊	😊😊😊😊	😊😊😊😊😊
Non-existent relationship or fractured relationship that requires significant effort to overcome challenges	Established relationship that requires further work to improve its quality	Good quality relationship, with room for further improvement	Strong relationship with mutual trust and respect	Very strong relationship, based on mutual trust and shared benefit

Stakeholder Engagement

GRI: 2-29

Shareholders / Investors

Shareholders / Investors

- Parent entity - People's Leasing and Finance PLC
- Ultimate parent - People's Bank
- Retail investors - 25%

Strength of Relationship

😊😊

Engagement Mechanisms

- Annual General Meeting
- Annual Report
- Monthly Board papers
- Quarterly financial results
- Investor meetings (as needed)
- Networking events (as needed)
- Disclosures to the CSE (as needed)

Stakeholder Concerns

- Financial Performance:
- Regulatory Compliance
- Market Position and Growth Strategies
- Approach to Risk Management
- Governance and Ethics
- Dividend Policy

PI's Response

Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Profitable Growth • Managing macroeconomic vulnerabilities • Product innovation and diversification • Efficiency • Group Synergies • Responsible Business • Brand Identity	• Profitable Growth • Enhance Operational Efficiency and Compliance		• EPS of Rs. 1.74 • Return on equity of 6% • Proactive involvement in strategy formulation with 29% Board members representing PLC and 29% representing People's Bank • 53% contribution from captive business of the Group	Ensure sustainable profitable growth and selective general insurance portfolio expansion



Customers

Customers

- Corporate clients - 3,316
- Individual clients - 189,033

Strength of Relationship

😊😊😊😊

Engagement Mechanisms

- Face to face interactions (as needed)
- Engagement through digital channels (continuous and ongoing)
- Promotional Campaigns (as needed)
- 24-hour call centre (continuous and ongoing)
- Roadshows (as needed)
- Customer complaint procedure (as needed)
- Social Media Platforms (continuous and ongoing)

Stakeholder Concerns

- Product Offerings
- Customer Service Accessibility
- Claims Process
- Financial Stability

PI's Response

Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Profitable Growth • Managing macroeconomic vulnerabilities • Product innovation and diversification • Distribution Channels • Digital Capabilities • Efficiency • Group Synergies • Responsible Business • Brand Identity • Customer Centricity	• Profitable Growth • Enhance Operational Efficiency and Compliance • Develop a Skilled Workforce		• Claims settled Rs. 3,504 Mn • 31% claim payments made through digital platforms • Customer retention rate of 72% • Complaint resolution ratio 100%	Scaling financial inclusion to ensure affordable and accessible insurance solutions for underserved and emerging customer segments



Stakeholder Engagement

GRI: 2-29

Employees

Employees

- Total employees - 649
- Permanent - 647
- Fixed Term Contracts - 2

Strength of Relationship

😊😊😊😊😊

Engagement Mechanisms

- Performance appraisal (annual)
- Engagement through digital platforms (continuous and ongoing)
- Multi-level staff meetings (as needed)
- Year-round event calendar (continuous and ongoing)
- Training programmes (continuous and ongoing)
- Quarterly newsletter
- Intranet (continuous and ongoing)

Stakeholder Concerns

- Career Development Opportunities
- Work Environment
- Employee Benefits
- Professional Growth

PI's Response

Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Managing macroeconomic vulnerabilities • Efficiency • Group Synergies • Responsible Business • Brand Identity • Talent Management • Health and Safety	• Profitable Growth • Develop a Skilled Workforce		• Payments to employees of Rs. 1,100 Mn • Remuneration per employee of Rs. 1.5 Mn • No. of promotions - 178 • ZERO incidents of discrimination	Creating supportive work environment with career development opportunities



Business Partners / Suppliers

Business Partners / Suppliers

- Reinsurance Partners - 25
- Suppliers – 104
- Insurance Brokers – 69
- Insurance Agents - 44

Strength of Relationship

😊 😊 😊

Engagement Mechanisms

- Meetings (as needed)
- Training programmes (as needed)
- Reinsurance declarations (as needed)
- Social Media Platforms (continuous and ongoing)

Stakeholder Concerns

- Procurement Process
- Supplier Registration
- Compliance and Standards
- Communication Channels

PI's Response

Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Profitable Growth • Managing macroeconomic vulnerabilities • Product innovation and diversification • Digital Capabilities • Efficiency • Group Synergies • Responsible Business • Brand Identity • Relationships with Business Partners	• Profitable Growth • Enhance Operational Efficiency and Compliance • Increase Social and Environmental Responsibility		• Commissions paid Rs. 208.6 Mn • Payments to suppliers Rs. 146.6 Mn • New business generated Rs. 4,527.8 Mn	Maintaining transparent processes with mutually beneficial relationships



Stakeholder Engagement

GRI: 2-29, 207-3

Regulators

Regulators

- Insurance Regulatory Commission of Sri Lanka
- Colombo Stock Exchange
- Department of Inland Revenue

Strength of Relationship

😊😊😊

Engagement Mechanisms

- Meetings (as needed)
- Regulatory Reporting (as needed)
- Written Communications (as needed)

Stakeholder Concerns

- Regulatory Compliance
- Risk-Based Capital (RBC) Adequacy
- Corporate Governance Practices
- Financial Reporting and Transparency
- Risk Management Practices

PI's Response

Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Profitable Growth • Managing macroeconomic vulnerabilities • Distribution Channels • Digital Capabilities • Efficiency • Responsible Business • Brand Identity • Distribution Channels • Community Engagement • Minimising Environmental Footprint	• Profitable Growth • Enhance Operational Efficiency and Compliance • Increase Social and Environmental Responsibility		• Payment of taxes Rs. 1,577.7 Mn • ZERO incidents of non-compliance • ZERO fines in relation to non-compliance	Protection of policyholder interests through transparent and prudent business operations.



Community

Community

Society within which the Company operate including the natural resources consumed for the day to day operations

Strength of Relationship

😊😊😊

Engagement Mechanisms

- CSR engagements (continuous and ongoing)
- Meetings (as needed)
- Localised awareness campaigns (as needed)
- Social media (continuous and ongoing)

Stakeholder Concerns

- Community Support
- Resource Conservation and Waste Reduction

PI's Response

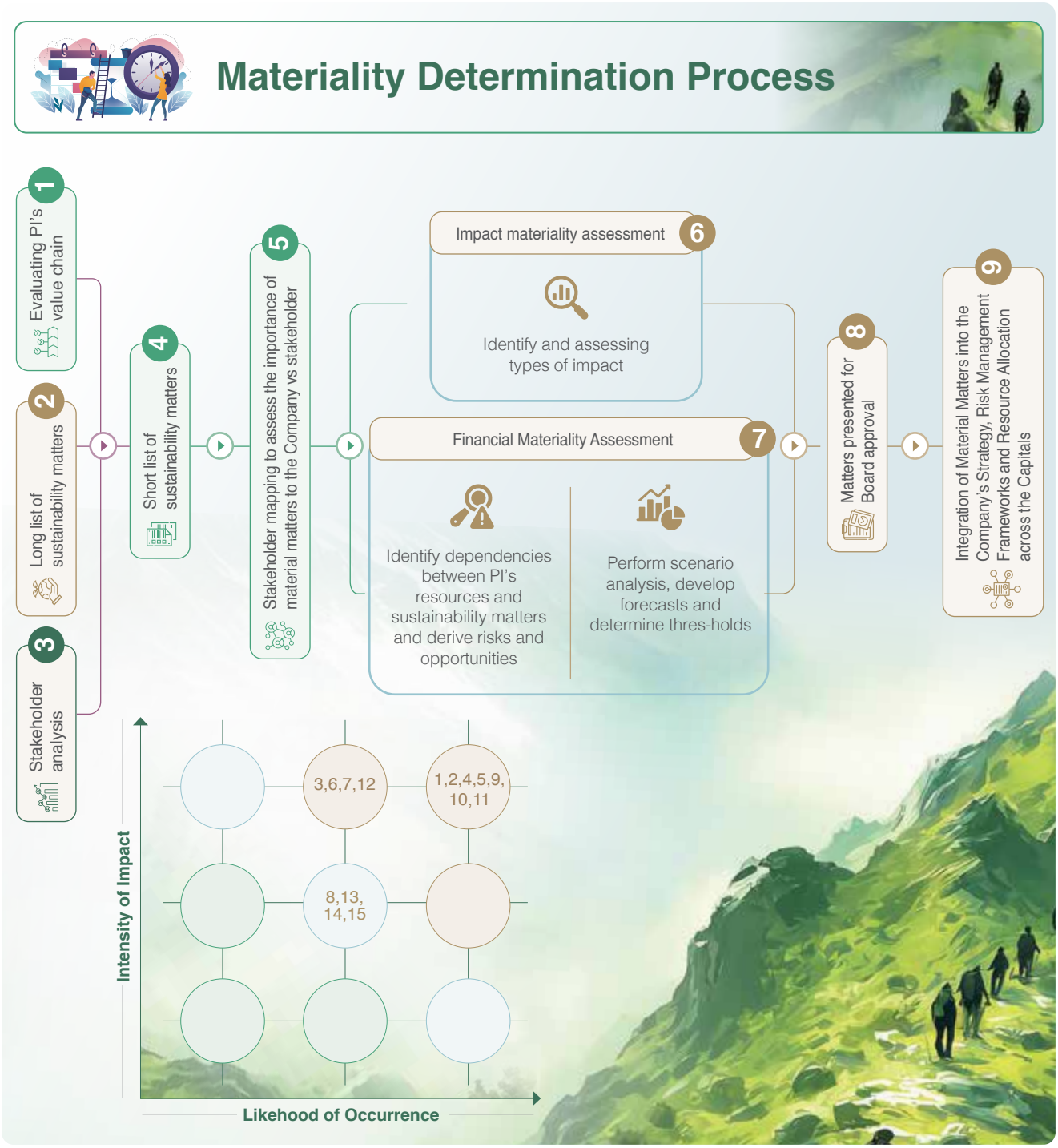
Material Matters	Strategy Integration	Resource Allocation through Capitals	Value Creation for FY 2025	Future Targets
• Responsible Business • Brand Identity • Community Engagement • Minimising Environmental Footprint	• Enhance Operational Efficiency and Compliance • Increase Social and Environmental Responsibility		• Investment in CSR Rs. 4.3 Mn	Provide reliable and accessible insurance service and operate responsibility



Materiality

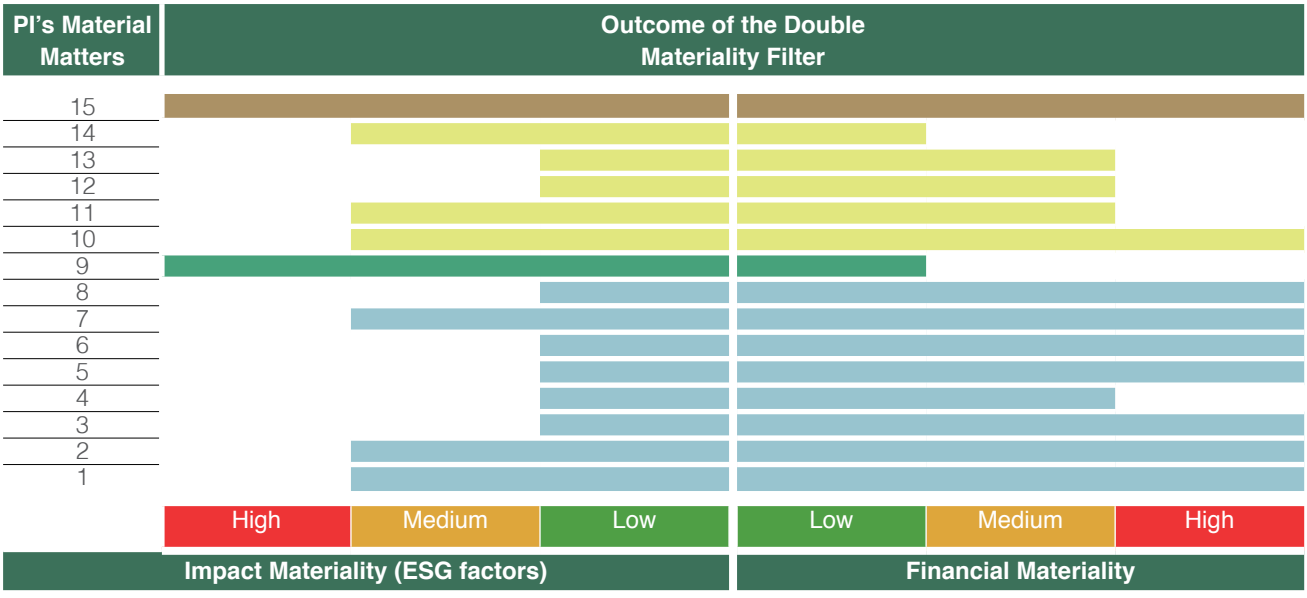
GRI: 3-1, 3-2, 3-3

PI's materiality determination process examines the key issues most relevant to the Company across Economic, Environmental, Social, and Governance (EESG) dimensions. The process begins with an evaluation of the Company's value chain and stakeholder insights to develop a comprehensive list of sustainability-related matters, which are then refined based on their relevance to the Company's core insurance operations. The next step involves stakeholder mapping to assess the significance of each shortlisted matter to both the Company and its stakeholders, considering impact, stakeholder concern, and alignment with strategic and risk priorities. The Double Materiality filter is then applied to further evaluate issues through both impact and financial perspectives.



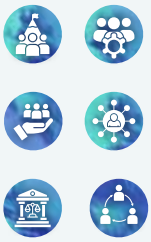
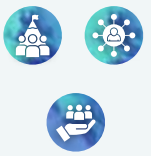
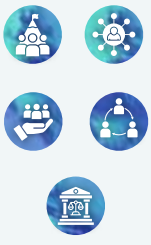
Our approach to impact materiality ensures that material matters are assessed not only for their broader societal and environmental implications, but also for their potential impact on profitability, solvency, and business continuity.

Impact Materiality assesses how PI's operations, underwriting practices, investment activities, and service delivery affect the environment, customers, employees, intermediaries, and the wider community. Financial Materiality focuses on analysing how sustainability-related risks and emerging issues influence the Company's financial performance, capital adequacy, risk profile, and long-term operational resilience. This dual-lens approach ensures material matters are considered not only in terms of their broader societal and environmental effects but also in relation to their potential impact on profitability, solvency, and business continuity, thereby strengthening strengthens its ability to prioritise key issues and integrate material matters into its strategic pillars, risk management framework, and capital allocation decisions, thereby supporting sustainable value creation for all stakeholders.



Materiality

	Material Topic	Topic Boundary	GRI Relevance	Risks	Opportunities
MM1	Profitable Growth	I/E	N/A	• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Offering innovative, sustainability-linked products can attract environmentally conscious customers, create new revenue streams, and position PI as a leader in sustainable insurance
MM2	Managing macroeconomic vulnerabilities	I/E	N/A	• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Adopting AI-driven risk assessment, automated claims processing, and digital distribution channels, PI can streamline operations, lower expenses, and improve customer accessibility
MM3	Efficiency	I	GRI 201 GRI 302 GRI 305 GRI 306 GRI 306	• Operational Risks	Leverage technology and automation to transition to paperless operations, and use data analytics for risk assessment can reduce costs, minimise resource wastage, and improve service delivery
MM4	Group Synergies	I	N/A	• Operational Risks • Strategic Risks	Shared resources, technology, and expertise can support innovation and efficiency, resulting in cost savings, improved service offerings, and expanded market reach
MM5	Brand Identity	I/E		• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Position PI as a socially responsible insurer that prioritises transparency, environmental responsibility, and social impact
MM6	Distribution Channels	I/E	GRI 203 GRI 418 GRI 416	• Financial Risks • Operational Risks • Strategic Risks	Expanding into digital distribution channels to increase market penetration, reduce operational costs, and attract younger, tech-savvy customers who prefer the convenience of online transactions

Management Approach	Link to Strategy	Resource Allocation through Capitals	Stakeholders Impacted	SDG's
Achieve consistent business growth to ensure sustainable returns to shareholders	• Business Growth • Enhance Operational Efficiency and Compliance • Develop a Skilled Workforce • Increase Social and Environmental Responsibility			
Proactive monitoring of the macroeconomic environment to identify and manage aspects that could significantly impact performance	• Enhance Operational Efficiency and Compliance • Develop a Skilled Workforce • Increase Social and Environmental Responsibility			 
Deploy broad based measures to drive cost efficiency	• Enhance Operational Efficiency and Compliance • Develop a Skilled Workforce			
Collaborate and leverage shared resources, expertise, and best practices as well as the brand name of the parent and the ultimate parent to drive business scalability and operational efficiency	• Business Growth • Enhance Operational Efficiency and Compliance			
Strategic investments to boost PI's brand value	• Business Growth			
Driven by the commitment to making insurance accessible to all Sri Lankans PI strives to expand and diversify its distribution channels to ensure island-wide coverage	• Business Growth			 

Materiality

	Material Topic	Topic Boundary	GRI Relevance	Risks	Opportunities
MM7	Relationships with Business Partners	I/E	GRI 204 GRI 308 GRI 414	• Financial Risks • Operational Risks • Sustainability Risk	Collaborating with partners who prioritise social responsibility, environmental sustainability, and governance (ESG) standards can also open up new markets,
MM8	Talent Management	I	GRI 202 GRI 401 GRI 402 GRI 404 GRI 405 GRI 406 GRI 407 GRI 408	• Operational Risks	Offering focused development opportunities and promoting a purpose-driven work culture to enhance employee satisfaction, engagement
MM9	Minimising Environmental footprint	I/E	GRI 302 GRI 303 GRI 306	• Operational Risks • Sustainability Risk	Invest in greener office spaces, digitalisation, and adopting sustainable practices such as reducing waste and improving energy efficiency
MM10	Product innovation and diversification	I/E	GRI 416	• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Introduce green insurance solutions covering electric vehicles (EVs), renewable energy projects, or climate resilience policies.
MM11	Customer-Centricity	I/E	GRI 416 GRI 417	• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Develop tailored products and services to exceed customer expectations
MM12	Digital Capabilities	I/E	GRI 418	• Operational Risks	Advanced digital solutions, such as AI-powered claims processing, blockchain for fraud detection, and mobile-first customer engagement can significantly enhance efficiency, transparency, and customer satisfaction

Management Approach	Link to Strategy	Resource Allocation through Capitals	Stakeholders Impacted	SDG's
Build long term relationships with reputable, financially stable organisations that uphold strong ESG credentials.	• Business Growth • Increase Social and Environmental Responsibility			
Attracting and retaining the right talent to support the Company's strategic aspirations	• Business Growth • Enhance Operational Efficiency and Compliance • Develop a Skilled Workforce			
Commitment to consistently reducing PI's carbon footprint and contributing to the achievement of the SDGs	• Increase Social and Environmental Responsibility			
Focus on developing new products that provide first mover advantage in order to reduce the dependence on captive business	• Business Growth			
Customer centricity remains at the heart of everything, driving PI to continuously innovate and deliver tailored solutions that prioritise customer satisfaction and long-term relationships.	• Business Growth • Enhance Operational Efficiency and Compliance • Increase Social and Environmental Responsibility			
Systematically strengthening digital front and back-end capabilities to facilitate seamless customer experiences streamline internal processes and improve operational efficiency	• Business Growth • Enhance Operational Efficiency and Compliance			

Materiality

	Material Topic	Topic Boundary	GRI Relevance	Risks	Opportunities
MM13	Health and Safety	I	GRI 403	• Operational Risks	Implementing comprehensive health, safety and wellbeing programmes and ensuring work-life balance of employees
MM14	Community Engagement	E	GRI 203 GRI 413	• Strategic Risks • Sustainability Risk	Enhance its social impact by investing in community development and capacity building initiatives
MM15	Responsible Business	I/E	GRI 205 GRI 206	• Financial Risks • Operational Risks • Strategic Risks • Sustainability Risk	Early adoption of regulatory compliance and voluntary adoption of global best practices can enhance stakeholder confidence, attract responsible investors, and build long-term customer loyalty

	Economic
	Environment
	Social
	Governance

I - Internal **E** - External

Management Approach	Link to Strategy	Resource Allocation through Capitals	Stakeholders Impacted	SDG's
Offering a best-in-class value proposition, prioritising employee development, competitive compensation, and a supportive work environment to attract, retain, and empower top talent for sustained organisational success	Enhance Operational Efficiency and Compliance Develop a Skilled Workforce			
Focused CSR initiatives to reduce socioeconomic inequalities	Increase Social and Environmental Responsibility			
ZERO tolerance of non-compliance of regulations alongside a strong commitment to the highest level of integrity and accountability across operations	Business Growth Enhance Operational Efficiency and Compliance Develop a Skilled Workforce Increase Social and Environmental Responsibility			



Strategy and Resource Allocation

Our strategy is supported by disciplined allocation of both financial and non-financial resources across the six capitals, ensuring capital allocation balances immediate business objectives with long-term resilience.

Strategy Development Process at People's Insurance PLC (PI)

As a general insurer operating in a dynamic risk landscape, PI's strategic planning begins with a comprehensive assessment of the external and internal environment. This includes evaluating macroeconomic conditions, regulatory developments, competitive dynamics, climate-related risks, technological advancements, as well as evolving customer and employee expectations. Analytical tools such as SWOT and PESTLE assessments, risk reviews, and capital adequacy analyses support the identification of key risks and opportunities.

A critical component of this process is the identification and prioritisation of material matters, derived through value chain analysis and stakeholder engagement. The outcomes of this process inform the formulation of strategic priorities across underwriting, claims management, distribution, digital enablement, investment management, and sustainability. The corporate management team is tasked with translating strategic priorities into measurable business plans, budgets, and operational targets and ensuring risk management processes are embedded within decision-making to ensure that growth initiatives remain aligned with the Board-approved risk appetite and capital adequacy requirements. Clear reporting lines, internal controls, and policy frameworks support consistent implementation across the organisation.

Allocation of Financial and Non-Financial Resources

The execution of PI's strategy is supported by disciplined allocation of both financial and non-financial resources across the six capitals, ensuring capital allocation balances immediate business objectives with long-term resilience, competitive positioning, and sustainable value creation for all stakeholders.

Financial and Manufactured Capital underpin solvency, underwriting capacity, reinsurance, operational efficiency, and digital infrastructure, while Intellectual Capital drives innovation, advanced analytics, and robust governance. Human Capital investments cultivate talent, leadership, and a high-performance culture, and Social & Relationship Capital strengthens trust and enduring partnerships with customers, intermediaries, and regulators. Natural Capital is embedded in underwriting, investment, and sustainability practices, reflecting PI's commitment to responsible operations.

Monitoring Performance Outcomes

The Board monitors performance supported by clearly defined Key Performance Indicators (KPIs) covering financial performance, underwriting profitability, claims ratios, solvency margins, investment returns, operational efficiency, customer service standards, and ESG-related metrics. The corporate management provides periodic performance reports to the Board and its Committees, highlighting variances against targets and emerging risks to enable timely strategic recalibration if needed to respond to evolving economic conditions, regulatory developments, competitive pressures, and climate-related risks.

PI's Strategic Priorities

Business Growth

Growing profitably through varying economic cycles is a top priority for PI. In this regard the Company focuses on topline expansion by ensuring optimal performance across both motor and non-motor portfolios. Managing claim ratios and cost containment are the other key focus areas that helps to build resilience and strengthen the Company's capacity to generate and sustain profitability over time

Material Matters

- Profitable Growth
- Managing Macroeconomic Vulnerabilities
- Efficiency
- Group Synergies
- Brand Identity
- Talent Management

Key Risks

Underwriting Risk | Claim Settlement Risk | Claims Reserving Risk | Credit Risk on Insurance Receivables | Concentration Risk | Reinsurance Risk | Liquidity Risk | Credit Risk - Financial Instruments | Business Risk | Reputation Risk | Sustainability Risk

Enhance Operational Efficiency and Compliance

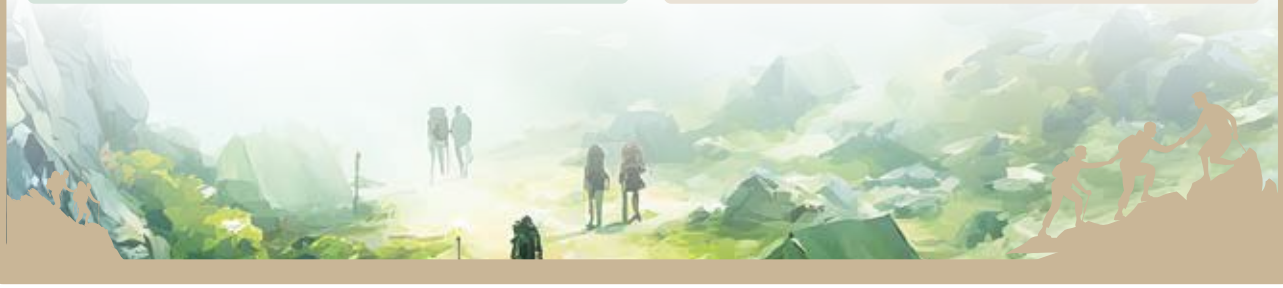
Based on the premise that operational efficiency provides a key competitive advantage, PI strives for continuous improvement across all spheres of the business, encompassing product innovation, delivery channels, service quality enhancement and process transformation. In recent years, these efforts have been increasingly underscored by investments in digital technology. Furthermore, operating in the highly-regulated local insurance industry, PI is keen to be known as a compliance leader with a 100% compliance record

Material Matters

- Profitable Growth
- Group Synergies
- Brand Identity
- Distribution Channels
- Relationships with Business Partners
- Talent Management
- Product innovation and diversification
- Customer-Centricity
- Digital Capabilities
- Responsible Business

Key Risks

Credit Risk on Insurance Receivables | Reinsurance Risk | Information Technology (IT) Risk | Human Resource Risk | Regulatory Risk



PI's Strategic Priorities Contd.

Develop a Skilled Workforce

As a service organisation, PI acknowledges the value of having a competent workforce that understands the Company's purpose and is fully committed to the key deliverables associated with this mandate. Accordingly, PI invests in nurturing a strong and reliable talent base capable of driving the Company's strategic ambitions

Material Matters

- Profitable Growth
- Managing Macroeconomic Vulnerabilities
- Efficiency
- Talent Management
- Health and Safety

Key Risks

Business Risk | Human Resource Risk | Reputation Risk | Sustainability Related Risks

Increase Social and Environmental Responsibility

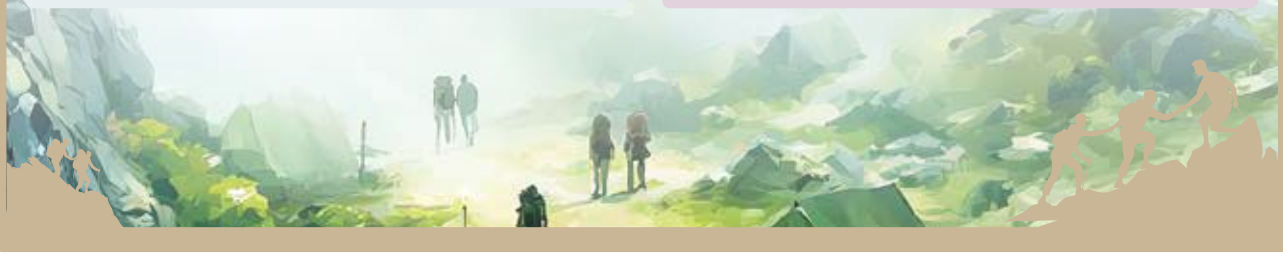
In alignment with the values of the People's Group, PI has always expressed a deep commitment towards social and environmental responsibility. Over the years, the Company has intensified its commitment through systematic efforts to tackle social and environmental challenges in the modern world

Material Matters

- Profitable Growth
- Managing Macroeconomic Vulnerabilities
- Relationships with Business Partners
- Minimising Environmental Footprint
- Customer-Centricity
- Community Engagement
- Responsible Business

Key Risks

Business Risk | Reputation Risk | Sustainability Risks





Business Growth S1

Highlights for FY 2025

Contextual Aspects	Resource Allocation through Capitals
The increasingly competitive and price-sensitive general insurance market necessitates sharper branding and highlights the need to preserve balance sheet resilience for the purpose of future expansion. At the same time given Sri Lanka's historically low insurance penetration, strengthening PI's reach was a strategic imperative in supporting sustained business growth.	Rs. 22 Mn spent on branding activities Leveraging the branch network of the parent to expand PI's network of window offices Strengthened relationships with reinsurance partners

Capital Trade-offs

Diversion of financial resources from other operational or strategic priorities can constrain short-term liquidity and capital availability. Additionally, management focus on expanding physical networks or strengthening partnerships may limit attention on internal process improvements and other growth-enabling activities

Key Risks

- Financial Risk
- Operational Risk
- Strategic Risk

Performance Outcomes	Target	2025	2024	2023	SDG's
GWP Growth	25%	34%	8%	-6%	
Motor & Non-motor Composition	60%:40%	79%:21%	75%:25%	75%:25%	
Policy Renewal Rate	80%	72%	70%	77%	
New Customers Acquired	125,000	128,894	82,536	65,157	
Net Claims Ratio	65%	69%	66%	75%	
Operating Margin	(Rs. 520 Mn)	(Rs. 634 Mn)	(Rs. 513 Mn)	(Rs. 675 Mn)	

Focus for the Future

Short-Term Priorities

Strengthen underwriting standards, claims practices and governance requirements.

Medium-Term Priorities

On board new strategic partners to diversify risk and safeguard quality and consistency of service delivery.

Long-Term Priorities

Leverage group synergies to improve operational scalability.



Enhance Operational Efficiency and Compliance

S2

Highlights for FY 2025

Contextual Aspects	Resource Allocation through Capitals
With heightened competition applying pressure on margins, tighter cost management and process optimisation was critical to enhancing operational efficiency and preserving profitability. Moreover, with customers increasingly demanding greater differentiation, product and process innovation became essential to improve service quality, accelerate turnaround times, and deliver a seamless, customer-centric experience that reinforces trust and loyalty	Rs. 1.5 Mn allocated as the annual Research and Development budget Rs. 2,875.3 Mn paid to re-insurers Introduction of instant support through the "Call & Go Facility" People's Buddy - an AI-powered customer support and engagement Tool **Capital Trade-offs** Short-term strain on financial and operational resources, as funds are directed toward long-term R & D projects and building, external partnerships, while efforts to enhance service offerings can increase operational complexity that may limit flexibility in other areas. **Key Risks** • Financial Risk • Operational Risk • Strategic Risk

Performance Outcomes	Target	2025	2024	2023	SDG's
Expense Ratio	35%	45%	44%	41%	
Claim Settlement Ratio	70%	69%	66%	75%	
Customer Satisfaction Score Index	85%	89%	85%	84%	
Customer Retention Ratio	85%	72%	70%	77%	
Incidents of Non-Compliance of Regulations	-	-	-	-	

Focus for the Future

Short-Term Priorities

Strengthen customer engagement and service accessibility through targeted digital enhancements.

Medium-Term Priorities

Invest in end-to-end digital transformation.

Long-Term Priorities

Develop a comprehensive insurance agency model to support distribution and customer access.



Develop a Skilled Workforce

S3

Highlights for FY 2025

Contextual Aspects

Given the historically high attrition rates in the local insurance industry, it is vital to build a highly skilled and committed workforce that has the capacity to support the Company's long-term growth objectives.

Resource Allocation through Capitals

246 new recruits

Rs. 1,100 Mn total monetary payments to employees

53,595 training hours

Capital Trade-offs

Increased financial outflows and operational costs associated with recruiting, compensating, and training employees. Moreover, rapid expansion of the workforce can create challenges in maintaining organisational culture, consistency, and cohesion across teams.

Key Risks

- Operational Risk
- Strategic Risk

Performance Outcomes	Target	2025	2024	2023
Employee Retention Ratio	85%	77%	66%	62%
Total No. of Promotions	200	178	171	198
Employee Attrition Among Senior Management	-	1%	2%	26%
Females in Leadership (as a % of total leadership)	33%	33%	21%	21%
Overall Gender Balance	70%:30%	78%:22%	80%:20%	78%:22%
No. of Employees benefiting from training	649	655	560	620
Revenue per Employee (Rs. Mn)	9	9	10	9

SDG's

Focus for the Future

Short-Term Priorities

Implement a structured framework to measure employee satisfaction on a regular basis.

Medium-Term Priorities

Build a strong leadership pipeline for all key positions across the Company.

Long-Term Priorities

Expanding the use of people analytics to support data-driven workforce planning.



Increase Social and Environmental Responsibility

S4

Highlights for FY 2025

Contextual Aspects	Resource Allocation through Capitals
Rising stakeholder expectations, including those of customers, regulators, and investors, demand that insurers demonstrate a commitment to sustainable business practices and ethical conduct. Climate change and increasing frequency of extreme weather events create both physical and financial risks, necessitating proactive environmental stewardship and responsible underwriting. Additionally, evolving regulatory frameworks and sustainability standards, continue to promote the integration of social and environmental considerations into core operations, products, and investment decisions.	Discontinued underwriting new thermal coal power plant covers, Introduced green insurance solutions, including solar panel insurance and electric mobility insurance LKR 90.46 Mn invested in the DFCC Bank PLC Blue Bond Emission Inventory Calculation in line with ISO 14064-1:2018 supported by independent assurance to establish 2025 as the base year 137.7 kg's of waste paper reused Conduct Sustainability Maturity Assessment to assess readiness for SLFRS S1 & S2 reporting Develop Sustainability Road Map (2035) **Capital Trade-offs** May expose the Company to concentration or performance risk associated with sustainability-linked investments, where financial returns could be influenced by market acceptance and evolving ESG dynamics. Establishing environmental baselines could lead to additional compliance costs. **Key Risks** • Sustainability Risk

Performance Outcomes	Target	2025	2024	2023	SDG's
Year on year increase in green insurance solutions	10%	44%	1,318%	-	
Year on year energy consumption usage (GJ)	-	2,488	2,287	-	
Emission intensity Ratio (per employee)	0.5%	1%	0.73%	0.73%	
Trees saved annually due to the reduction in paper usage	50	17	188	71	
No. of CSR Projects	7	7	3	7	

Focus for the Future

Short-Term Priorities

- Establish robust governance structures, systems, and baseline data to support informed decision-making, including the introduction of a Green Procurement Checklist.
- Invest in renewable energy adoption.

Medium-Term Priorities

- Embed climate risk considerations into underwriting and pricing models.
- Implement methodologies to measure financed emissions.
- Establish an ISO 14001 Environmental Management System to integrate ESG principles into the Company's core operations.
- Implement supplier sustainability assessments to promote responsible practices across its value chain.
- Align environmental commitments with science-based targets.
- Increase Green and Blue Bond investments by 50%.

Long-Term Priorities

- Establish leadership in low-carbon insurance and sustainable finance by achieving Net Zero operations for Scope 1 and Scope 2 emissions and transitioning owned premises toward green building standards.
- Enhance climate analytics and scenario modelling capabilities to fully integrate science-based targets into underwriting and investment decisions.
- Expand the suite of climate-resilient products in alignment with national climate commitments, thereby positioning PI as a sector leader in sustainable insurance solutions.

Our Sustainability Commitment

From a social perspective, we harness digital innovation to broaden access to financial protection, particularly for individuals underserved by traditional insurance channels.

Sustainability has been a main strategic priority for People's Insurance for many years. Derived from the mission to deliver more reliable and accessible insurance solution to customers, the Company manages sustainability risks and opportunities across its underwriting, investments and operations.

A key pillar of PI's sustainability strategy is its proactive management of climate-related risks and its ongoing efforts to minimise environmental impact owing to business operations.

Internally, the Company has strengthened operational efficiency by promoting responsible resource consumption, including the implementation of energy-efficient practices across its office network.

From a social perspective, PI harnesses digital innovation to broaden access to financial protection, particularly for individuals underserved by traditional insurance channels. Through mobile and online platforms, customers - especially those in rural and remote regions - can conveniently purchase policies, lodge claims, and obtain support services. Employee well-being and diversity remain central to the Company's social agenda, supported by policies that encourage equal opportunity, continuous professional development, and an inclusive workplace culture. In addition, PI undertakes meaningful corporate social responsibility initiatives, including disaster relief support, road safety awareness programmes, and financial literacy campaigns.

From a governance standpoint, the Company upholds high ethical standards through a zero-tolerance approach to misconduct, reinforced by a comprehensive Code of Conduct and established whistleblowing mechanisms. Data protection and cybersecurity are treated as critical priorities. Furthermore, PI operates under a robust risk management framework overseen by the Board, ensuring strong internal controls, fraud mitigation, regulatory compliance, and the safeguarding of long-term sustainability objectives

Sustainability Maturity Assessment

To support PI's efforts to align with the SLFRS S1 & S2 disclosures requirements, a Sustainability Maturity Assessment was conducted in 2025 to benchmark the Company's current capabilities, identify development priorities, and guide its progression toward fully embedded sustainability practices.

The assessment is aligned with the Company's strategic objectives, risk management framework, and long-term value preservation goals.



SLFRS Sustainability Maturity Assessment

SMAF Maturity Levels

Naive Level	Fragmented Level	Established Level	Integrated Level
Sustainability is not strategically recognised and is addressed only when externally required due to regulator pressure or reputational concerns	Sustainability initiatives exist but isolated with lack of enterprise wide integration	Sustainability governance structures and formal processes are implemented and consistently applied.	Sustainability is fully embedded into strategy, capital allocation, risk management, performance evaluation, and organisational culture

GOVERNANCE

1.	The organisation has identified the governance body (s)/ individuals responsible for the oversight of sustainability-related risks and opportunities.
2.	The organisation has formally documented a term of reference, mandates, role descriptions, and other related policies the roles and responsibilities in managing sustainability-related risks and opportunities (SRROs).
3.	The governing body or individuals evaluates the availability of the necessary skills and competencies to effectively manage the sustainability-related risks and opportunities (SRROs) and ensure that adequate mechanisms are in place to develop the required skills and competencies.
4.	Has the organisation defined the cadence for the governance body or individuals to inform the main Board about sustainability-related risks and opportunities (SRROs)?
5.	How does the organisation's governance body or individuals consider the sustainability-related risks and opportunities (SRROs) into the entity's strategy, decision-making and risk management processes?
6.	How does the organisation's governance body or individuals oversee the setting of targets related to sustainability-related risks and opportunities (SRROs), and are the performance metrics related to sustainability performance included in the entity's remuneration policies?
7.	Has the role and responsibilities of overseeing sustainability-related risks and opportunities (SRROs) been delegated to a specific management-level position or committee and clearly defined? The execution of the responsibilities has not been operationalised with occasional updates to the Board with regards to the management of the SRROs.
8.	Has any controls and procedures been put in place by the management to support the oversight of SRROs?

Our Sustainability Commitment

	STRATEGY	
1.	The organisation identifies sustainability-related risks and opportunities (SRROs) that could reasonably be expected to affect the entity's prospects**, based on the time horizons (short, medium, long term) over which these impacts are expected to occur.	
2.	The organisation has clearly defined the time horizons by bringing clarity of how 'short term', 'medium term' and 'long term', are linked to the strategic decision-making/ planning horizons of the entity.	
3.	The organisation has a structured process in place to identify and measure the current and anticipated effects of SRROs on its business model and value chain and provides sufficient disclosure on where in its business model and value chain the SRROs concentrated (example, geographical areas, facilities and types of assets?)	
4.	The organisation has established processes and frameworks with regard to the following areas in relation to strategy and decision-making: i. How the organisation responded to, and plans to respond to, the SRROs identified ii. Progress against plans from previous reporting periods, including quantitative and qualitative information. iii. Any trade-offs between SRROs that were considered in decision-making.	
5.	The organisation has implemented structured processes to assess and measure qualitative and quantitative information on the current and anticipated effects of SRROs on its financial position, financial performance, and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning.	
6.	The organisation has well defined processes to specifically identify the SRROs which are anticipated to cause a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period & how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage SRROs.	
7.	What processes, controls, and frameworks do the organisation have in place to identify, assess, and manage its sustainability-related risks (SRROs), including qualitative and quantitative mechanisms to evaluate the resilience of its strategy and business model to address the uncertainties arising from sustainability-related risks (SRROs)?	
8.	Does the entity expect to disclose the significant areas of uncertainty considered in its assessment of climate resilience?	
9.	Can the entity elaborate on its capacity to adjust or adapt its strategy and business model to climate change over the short, medium, and long term?	
10.	Does your organisation use climate-related scenario analysis to assess the resilience of its strategy and business model to climate-related risks and opportunities?	
11.	Can the entity provide detailed disclosures on the inputs and assumptions used for scenario analysis? This should include information on how and when the scenario analysis was conducted, along with the specific inputs and assumptions applied during the analysis.	

RISK MANAGEMENT

1.	The entity has a well-defined risk identification policy and process in place for sustainability related risks and opportunities, which incorporates pre-defined data sources, and parameters, comprehensively covering all relevant areas of operation.	
2.	The entity assesses the nature, likelihood, and magnitude of the effects of sustainability-related risks and opportunities based on qualitative factors and quantitative thresholds or other criteria.	
3.	The entity prioritises sustainability related risks over other types of risks based on the assessment of the nature, likelihood, and magnitude of the effects of sustainability-related risks.	
4.	The entity has put in place a formal process to continuously monitor sustainability-related risks on a real time basis.	
5.	The processes for identifying, assessing, prioritising, and monitoring sustainability-related risks and opportunities are integrated into the entity's overall risk management process.	

METRICS AND TARGETS

1.	Availability of clear metrics (SBTi targets/ GHG Emission targets/ SDG goals) to measure sustainability related risks and opportunities of the entity.	
2.	How robust is the entity's formal target-setting process to monitor progress towards the achievement of the strategic goals of the entity.	
3.	What is the level of clarity and consistency of the target setting process in terms of calculating the metrics, redefining/ replacing metrics, and labelling the metrics and targets using meaningful, clear, and precise names?	
4.	Does the entity have transparent and comprehensive processes in place to manage its performance in relation to its sustainability-related risks and opportunities?	
5.	The entity has established clear processes to track, monitor, and evaluate progress against its targets, including those required by law or regulation, ensuring systematic measurement and follow-up.	
6.	What is the level of identification and application of appropriate metrics in an instance when there is no applicable SLFRS Sustainability Disclosure Standard for a specific risk or opportunity?	
7.	Have you measured and documented your organisation's Green House Gas (GHG) emissions across all relevant scopes (Scope 1, Scope 2, and Scope 3) based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) Protocol?	

METRICS AND TARGETS CONTD.		
8.	Does the entity possess adequate resources and expertise to provide comprehensive disclosures of its approach to measuring GHG emissions? This includes disclosing Scope 1 and Scope 2 emissions for the consolidated accounting group and other investees, reporting location-based Scope 2 emissions (and any contractual instruments used for a market-based approach if applicable), as well as sector-specific disclosures for Scope 3 emissions.	
9.	Does the entity disclose the approach it uses to measure its GHG emissions, including the reason why it has chosen the measurement approach, inputs and assumptions? Also, whether any changes it has made to the measurement approach, inputs and assumptions during the reporting period and the reason for those changes?	
10.	Is the entity able to identify and quantify the amount and percentage of its assets or business activities that are susceptible to climate-related transition risks?	
11.	Has the entity incorporated climate-related physical and transition risks into its overall risk universe, and how mature are the processes for identifying, measuring, and assigning responsibility for these risks across the organisation?	
12.	Is the entity able to identify and quantify the amount and percentage of its assets or business activities that are susceptible to climate-related physical risks ?	
13.	Is the entity able to identify and quantify the amount and percentage of its assets or business activities that are aligned with climate-related opportunities ?	
14.	Does the entity have a framework to identify the amount of capital expenditure, financing or investment deployed towards CRROs?	
15.	Is your organisation utilising internal carbon pricing mechanisms, and can you report on its application and impact?	
16.	To what extent are climate-related metrics integrated into remuneration policies and practices across the organisation, from operational staff to executive and board levels, with measurable impact on performance outcomes?	
17.	Have you applied the industry-based metrics relevant to your sector, as outlined in the SASB Standards and the Industry-Based Guidance on Implementing SLFRS S2?	
18.	Have you developed and are you ready to disclose any entity-specific metrics that are relevant to your organisation's climate-related impacts and strategies?	
19.	Has your organisation established specific climate-related targets, including GHG emission reductions, increased renewable energy use, and other relevant sustainability goals, aligned with recognised frameworks such as the Science-Based Targets initiative (SBTi)?	

METRICS AND TARGETS CONTD.

20.	Has the organisation established a formal process for defining and managing its GHG inventory boundaries (organisational and operational), setting objectives aligned with organisational goals, and developing reduction plans, with oversight from the governing body?	
21.	Is the organisation adequately prepared to disclose detailed information regarding its approach to setting and reviewing climate-related targets, the mechanisms in place for monitoring progress against these targets, and its performance in relation to each target, including an analysis of trends or changes in performance over time?	
22.	Is the organisation prepared to provide a detailed disclosure of its specific GHG emissions targets in accordance with paragraph 36 of SLFRS S2, including information on: (a) the greenhouse gases covered by each target; (b) whether Scope 1, Scope 2, or Scope 3 emissions are included; (c) whether the targets are gross or net emissions targets, with separate disclosure of associated gross targets if applicable; (d) whether a sectoral decarbonisation approach was used to derive the targets; and	

Score allocation for the sustainability maturity stages

	Naive	Fragmented	Established	Integrated
Score	1	2	3	4

Company's over score on the Sustainability maturity assessment

	Governance	Strategy	Risk Management	Metrics and Targets
Mark	28	37	15	62
No. of Questions	8	11	5	22
Average Score for each section	3.5	3.4	3.0	2.8
Total Average score				3.2

SLFRS Sustainability Related Financial Disclosures GRI: 201-2

Reporting Entity, Organisation Boundary and Value chain

This section provides an overview of People's Insurance PLC's sustainability related disclosures in accordance with Sri Lanka Financial Reporting Standards (SLFRS) S1 & S2. This indicates a summary of how Company integrates Climate-Related Risk and Opportunities into the core business model and value chain, aligning the factors in accordance with the governance, strategy, risk management, matrices and targets. The sustainability related financial disclosure are in consistent with the reporting boundary of the audited Financial Statements.

Company is not within the first 100 listed companies by market capitalisation in Sri Lanka. However, company has adopted the standard on voluntary basis.

Basis of Materiality

Company will report only those matters which are having a reasonable impact on Company's prospects which is stemming from identified sustainability related risk and opportunities of the Company.

The Company adopted the double materiality assessment when determining material topics and reporting content. Double materiality assessment was initially conducted in 2025 which combines qualitative and quantitative parameters with the stakeholder feedback. Company has further used relevant material judgment relevant to the organisation.

Quantitative Factors

Quantitative threshold for materiality determination is as follows;

	Indicator	Threshold
Impact on Financial Performance	Operating Profit	+- 1% impact of Company's average Operating Profit for past 5 years
Impact on Financial Position	Total Assets	+- 1% impact of Company's average total assets for past 5 years
Impact on Cash Flows	Net Operating Cash-flows	+- 1% impact of Company's average net operating cash-flows for past 5 years

Qualitative Factors

In the process of determining the qualitative factors which is material to company following factors have been considered;

- Strategic Impact-Matters affecting company's long term strategy, market positioning or operations
- Regulatory Compliance- Matters affecting the compliance with insurance regulation, taxes, or other directives issued by the regulatory authorities
- Impact on the Reputation- Events impacting the brand reputation and confidence of the stakeholders
- Matters Affecting Governance- Issues affecting decisions of the board, governance process and internal control

Functional Currency

All disclosures are made in Sri Lankan Rupees

Sources of Guidance

- SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information
- SLFRS S2 – Climate-related Financial Disclosure Standard
- Sustainability Accounting Standards Board (SASB) Index- Insurance Sector Standard

Time Horizon

Company has applied time horizon as follows to determine the impact;

Time Horizon	Definition	Financial years
Short term	Immediate up to 12 months	2026
Medium term	2-3 years	2027-2028
Long term	Beyond 3 years	Beyond 2028

Connected Information

The climate related disclosures are presented to indicate how company's identified CRROs related to its governance, risk management frameworks and performance management.

SLFRS S1 and S2 Section	Location of the Related Disclosures	Location of Connected Information
Governance	The governance structures are defined in the corporate governance report	Page 188
Strategy	CRROs identified are directly have an impact on the achievement of the strategies of the Company included in the Strategy and Resource allocation section	Page 50
Risk Management	Risk Management Report	Page 248
Metrics & Targets	Social and Relationship Capital , Natural Capital and Non-Financial Indicators	Page 138

Company has selected to apply all available transitional reliefs during the first year of adoption;

- SLFRS S1 - Disclosure of information is only on CRROs –Entity is permitted to disclose information only on CRROs in the first year of adoption
- SLFRS S1- Disclosure of comparative information- In the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its climate-related risks and opportunities; and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability-related risks and opportunities, other than its climate related risks and opportunities.
- SLFRS S2 - Disclosure of Scope 3 greenhouse gas emissions: Entities must initially disclose scope 1 & 2 and full compliance becomes mandatory after two years of the initial application
- SLFRS S2 - Disclosure of qualitative information regarding anticipated risks and opportunities: Entities are permitted to defer the disclosure of qualitative information regarding anticipated risks and opportunities for a period of two years following the mandatory application of the standard.
- SLFRS S2- Disclosures on Climate resilience: Relief period of two years are granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirement.

Significant Judgement and Uncertainties

Significant judgements have been used and uncertainties prevailed when determining the impact on the business model and value chain due to evolving nature of the data related to sustainability and climate related risk and opportunities.

SLFRS Sustainability Related Financial Disclosures

CRR1	Physical – Acute Risk stemming from extreme whether events
Impact on the Company prospects	There will be significant impact on the prospects of the company due to extreme whether events resulting increased claim frequency and higher reinsurance cost from catastrophic reinsurance premium adjustment. Capital and solvency positions also will be impacted due to the requirement of maintain buffers for catastrophic events.
Physical or Transition Risk	Physical Risk
Time Horizon	Short ✓ Medium ✓ Long ✓
Current effects on the Business Model & Value Chain	Company experienced a high frequency and severity in the flood related claims recently with regard to cyclone Ditwah and significant impact on the underwriting profitability
Anticipated impact on the business Model & Value Chain	The pricing mechanisms with regard to disaster prone areas and risks undertaken required to be adjusted and rebalancing portfolio mix has become a strategic necessity
Where the risk is concentrated	The risk is concentrated on the areas prone to flooding, drought, cyclone and heavy rainfall
Strategy and Decision Making	Implementing risk selection control in the high disaster prone areas by restricting undertaking of certain types of risk Optimisation of the reinsurance arrangement through structured catastrophe excess of loss treaties
Financial Effects Current year financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- High claim cost and reinsurance cost impacting underwriting results • Balance Sheet- Increased insurance contract liabilities due to higher claim reserves and higher insurance receivables from the reinsurance recoveries • Cash Flow Statement- Significant impact on the operating cash flows due to the requirement of settling claims on urgent basis. However, this will be partly offset by reinsurance recoveries
Anticipated financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- Increase in reinsurance cost due to higher catastrophic risk and premium growth will be impacted due to pricing adjustments • Balance Sheet- The requirement to maintain additional claim reserve to settle unsettled catastrophic related claims • Cash Flow Statement- There will be potential reallocation of investment cash flows to operating cash due the requirement of settling catastrophic related claims

CRR2	Increasing policy holder demand for green insurance products
Impact on the Company prospects	Inability perform accurate pricing due to unavailability of historical claim data on new technologies such as EV batteries and energy storage. Higher claim cost due to higher replacement cost of new technologies
Physical or Transition Risk	Transition Risk
Time Horizon	Medium ✓ Long ✓
Current effects on the Business Model & Value Chain	There is no material impact on the current business model and value chain
Anticipated impact on the business Model & Value Chain	Company will be required to expand into climate –resilience insurance solutions and development if specialised knowledge on underwriting green insurance products
Where the risk is concentrated	The risk is concentrated on technical underwriting risk on new technologies and higher repair or replacement cost due to new technologies
Strategy and Decision Making	Company is planning to ensure prior engagement of reinsures partners to ensure more accurate pricing and use the evolving claim experience date to make pricing adjustments
Financial Effects Current year financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- There is no material impact on the Profit Loss during the current reporting period • Balance Sheet- There is no material impact on the Balance Sheet during the current reporting period • Cash Flow Statement- There is no material impact on the Balance Sheet during the current reporting period
Anticipated financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- Increase in premium income covering renewable energy products, electronic vehicles and parametric insurance • Balance Sheet- Increase in insurance contract liabilities and technical reserve • Cash Flow Statement- Growth in the premium related to green insurance products



SLFRS Sustainability Related Financial Disclosures

CRR3	Long term climate shifts
Impact on the Company prospects	There will be gradual increase in the catastrophic related loss frequency and company may have to withdraw from certain market segments due to high risk zones
Physical or Transition Risk	Physical
Time Horizon	Medium ✓ Long ✓
Current effects on the Business Model & Value Chain	There is no material impact on the current business model and value chain
Anticipated impact on the business Model & Value Chain	Company may require developing internal climate risk expertise to underwrite high risk policies and more strategic reinsurance arrangement to lower the pricing cost
Where the risk is concentrated	The risk is concentrated on the policies issued in high disaster prone areas
Strategy and Decision Making	The pricing will be adjusted by conducting risk base catastrophic loading based on the region and monitor the RBC sensitivity under more sever climate scenarios
Financial Effects Current year financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- There is no material impact on the Profit Loss during the current reporting period • Balance Sheet- There is no material impact on the Balance Sheet during the current reporting period • Cash Flow Statement- There is no material impact on the Balance Sheet during the current reporting period
Anticipated financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- Increase in claim frequency due to gradual changes in the claim patterns and high reinsurance cost due to rising climate exposure • Balance Sheet- Increase in insurance claim liabilities due to climate related claims • Cash Flow Statement- Company may be required to spend on risk analytics, catastrophic modelling and climate resilient initiatives

CRO1	Diversification of the portfolio into sustainable investment opportunities
Impact on the Company prospects	Company's investments can be channelled to investment products such as green bods, blue bonds and renewable energy projects
Physical or Transition Risk	Not Applicable
Time Horizon	Short ✓ Medium ✓ Long ✓
Current effects on the Business Model & Value Chain	There is no material impact on the current business model and value chain in the current period
Anticipated impact on the business Model & Value Chain	This will reduce the company's exposure on the carbon – intensive sectors and the fund flow will align with the long term trends in the climate transition
Where the risk is concentrated	Not Applicable
Strategy and Decision Making	Company will route the reinvestments cash flow on sustainable investment solutions
Financial Effects Current year financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- Investment income generated from green bonds and renewable energy investments • Balance Sheet- diversification of the investment portfolio • Cash Flow Statement- Outflow of cash used to acquire sustainable financial instrument
Anticipated financial effects to PL, Balance sheet and Cash Flow Statement	• Profit & Loss- Reduced exposure on carbon intensive products may reduce the exposure on transition and regulatory aspects • Balance Sheet- Increased financial investments in ESG aligned financial investments • Cash Flow Statement- Capital allocation towards green investment products and potential divestment from carbon-intensive investments

Scenario Analysis and Materiality of Impact

Company has conducted a higher level analysis on climate scenarios based on the NGFS reference scenarios. The assessment evaluates potential impacts on underwriting, investment performance, catastrophe exposure, and solvency position.

Scenario	Characteristics	Type	Primary Risk Focus	Impact on the Materiality
Net Zero 2050	Global warming is limited to around 1.5°C–2°C	Orderly Transition	Moderate transition cost; lower long-term physical risk	Medium
Delayed Transition	Global warming is below–2°C but via abrupt action	Disorderly	Unexpected policy tightening; inflation and market volatility	High
Current Policies	Temperature Outcome: ~3°C or higher by 2100	Hot House World	Higher long-term physical damage and catastrophe risk	High

Financial Impact Summary (2030 Projection)

Metric	Baseline	Net Zero	Delayed	Current Policies
GWP Growth	8%	7.5%	5%	8%
Claims Severity	+5%	+6%	+9%	+6%
Cat EAL (Net)	250 Mn	265 Mn	270 Mn	310 Mn
Combined Ratio	96%	98%	104%	101%

Time Horizons

2026–2030	Business planning and capital protection horizon
2030–2050	Strategic and long-term climate exposure horizon

Variable	Assumption	Source for the Assumptions
Real GDP Growth	3.0% per annum	Central Bank of Sri Lanka (CBSL) – Annual Report / Monetary Policy Report
Inflation	5.0% per annum	CBSL – Monetary Policy Review / Inflation Outlook
Motor Claims Inflation Sensitivity	0.7 × Consumer Price Index	Company's historical data
Property Cat EAL (2026, Net of RI)	LKR 250 Mn	Reinsurer's catastrophic modelling
Bond Portfolio Duration	4 Years	Internal Investment portfolio analytics

Risk Management Implications

Underwriting

- District-level flood exposure monitoring and limits
- Climate-adjusted pricing loadings
- The need to review of catastrophe reinsurance attachment points

Investment Strategy

- Duration risk review
- Sector exposure limits for carbon-intensive industries
- Climate-resilient investment allocation review

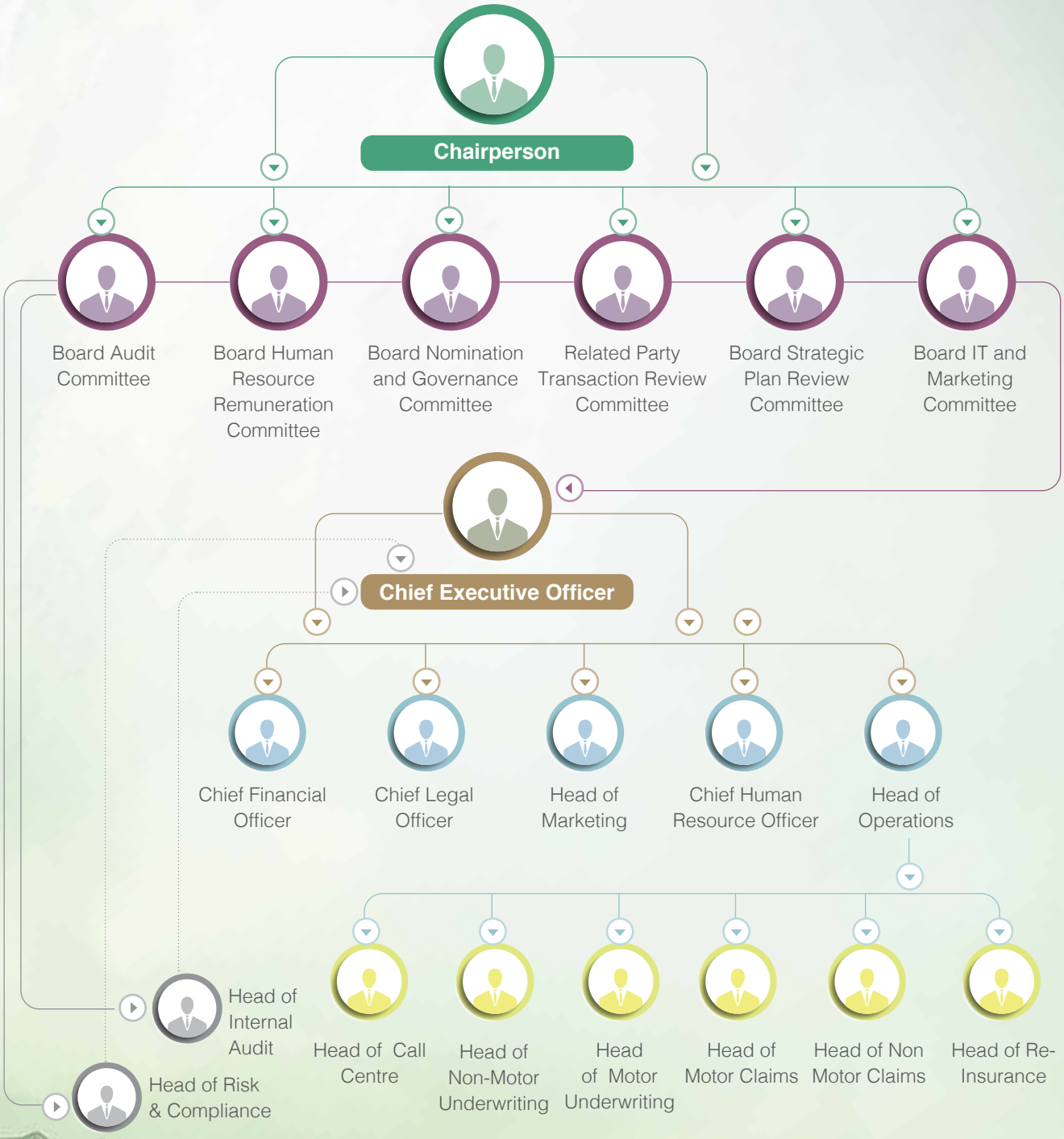
Governance

- Annual NGFS scenario refresh
- Quarterly climate exposure reporting to the Board

Organisation Structure

GRI: 2-9





New Insights, Renewed Vision

Our leadership shares an open reflection on the year's journey: what shaped our decisions, how we performed, and what we learned along the way. Looking ahead with clarity and confidence, we reaffirm our direction and the shared purpose that continues to guide People's Insurance



MANAGEMENT COMMENTARY

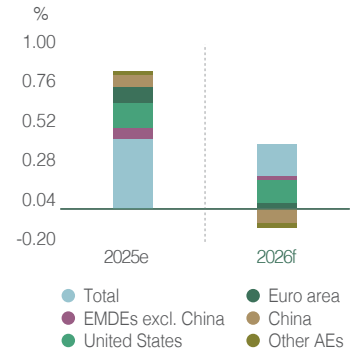
Operating Environment

The Sri Lankan insurance industry recorded robust growth during the year, with total Gross Written Premiums (GWP) increasing by 15% to LKR 150.25 Bn, up from LKR 130.56 Bn in 2024.

Global Economic Performance

The year 2025 was characterised by slower global growth, with world GDP estimated at approximately 2.4–2.7%, a notable deceleration compared with 2024 levels. This moderation reflects a broad-based slowdown across both advanced and developing economies, as highlighted in the World Bank's Global Economic Prospects report published in January 2026. Advanced economies faced subdued expansion due to weaker consumer demand, investment headwinds, and tighter financial conditions, while emerging markets and developing economies continued to outperform on aggregate, albeit at more moderate rates than seen in previous decades.

Contributions to global growth revisions

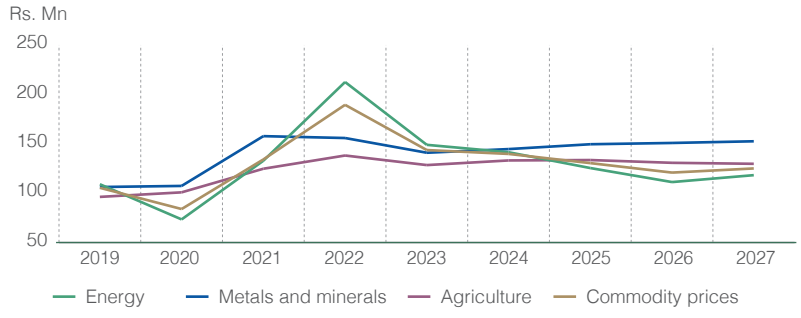


Source: World Bank

Commodity prices broadly trended lower during the year, with key inputs such as oil, coal, and food staples declining. While this provided some relief by tempering headline inflation in many regions, it also posed challenges for commodity-dependent economies, impacting fiscal balances and external sector performance.

Global trade growth weakened in 2025, weighed down by elevated policy uncertainty and the persistence of trade barriers that constrained cross-border flows and investment. Geopolitical tensions and tariff fragmentation further exacerbated uncertainty, contributing to cautious business sentiment and deferring investment decisions across markets.

Commodity price forecasts



Source: World Bank

Sri Lankan Economy

In 2025, Sri Lanka continued to advance towards macroeconomic stability, supported by ongoing policy reforms and improving economic fundamentals. Building on the revival observed in 2024, growth momentum was broad-based across key sectors, resulting in GDP expansion of approximately 5% for the year.

Industry indicators reflected this positive trend, with the Index of Industrial Production (IIP) showing sustained improvement, while the Manufacturing, Construction, and Services PMIs all recorded notable gains, signalling overall sectoral recovery despite lingering trade policy ambiguities, financial market volatility, and geopolitical uncertainties.

Inflation

Inflation remained largely contained, benefiting from favourable base effects and timely policy adjustments. Headline inflation briefly turned negative in early 2025 due to VAT-related base effects and reductions in electricity tariffs, before returning to positive territory by mid-year. Both CCPI- and NCPI-based measures stabilised at broadly desired levels for the remainder of the year, contributing to a more predictable pricing environment.

Interest Rates

Interest rates trended downward, reflecting the Central Bank's continued accommodative stance to support sustainable recovery. Short-term rates were adjusted in line with policy rate reductions in May 2025, while the AWCMR remained closely aligned with the OPR. Lending and

deposit rates also declined, with the AWPR falling to 8.22% by end-June, creating a supportive environment for credit growth.

External Sector

Sri Lanka's external sector demonstrated resilience in the first half of 2025, recording a current account surplus of USD 1.5 Bn. Strong inflows from services and secondary income, alongside a narrowing primary income deficit, underpinned stability. Tourism earnings rose 10%, supported by 1.2 Mn arrivals, while workers' remittances increased nearly 19% year-on-year to USD 3.7 Bn. Although the merchandise trade deficit widened in 2Q 2025 due to higher vehicle imports, this was partially offset by export growth in textiles, garments, and food products. Receipt of the fifth tranche under the IMF Extended Fund Facility in July further strengthened reserves, supporting a broadly stable exchange rate.

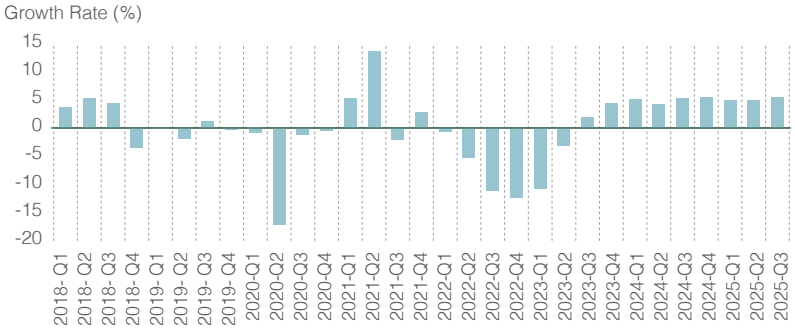
Exchange Rate

The Sri Lankan rupee (LKR) experienced a modest 3.1% depreciation against the USD by 22 July 2025 amid relaxed import restrictions, before remaining stable for the rest of the year and closing at approximately Rs. 310.00 against the USD.

Impact of Cyclone Ditwah

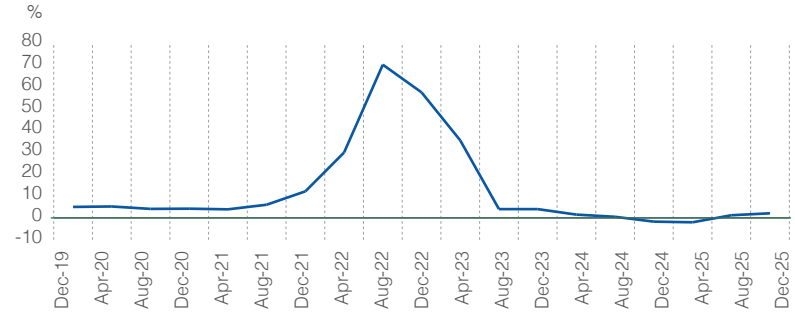
Sri Lanka's exposure to climate risks was highlighted by the impact of Cyclone Ditwah in late 2025. The event caused widespread disruption across social, economic, and environmental sectors, with the World Bank's Global Rapid Post-Disaster Damage Estimation (GRADE) report estimating direct physical damages of USD 4.1 Bn, nearly 4% of GDP. Infrastructure losses were forecast at approximately USD 1.735 Bn, housing and residential losses USD 985 Mn,

Quartely real GDP Growth



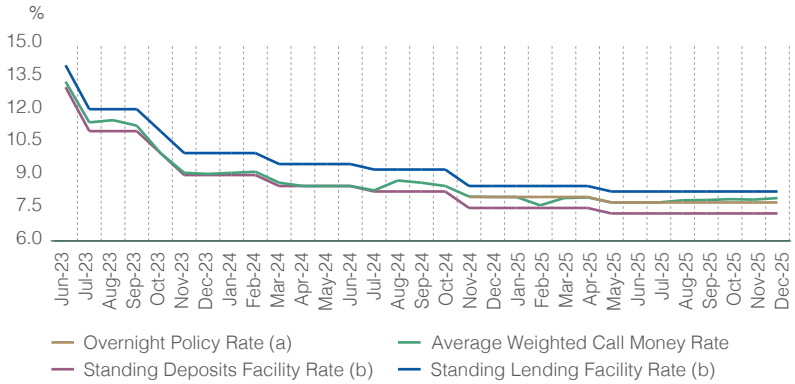
Source: Central Bank of Sri Lanka, Economic and Statistical Charts

CCPI based Y-o-Y Headline Inflation



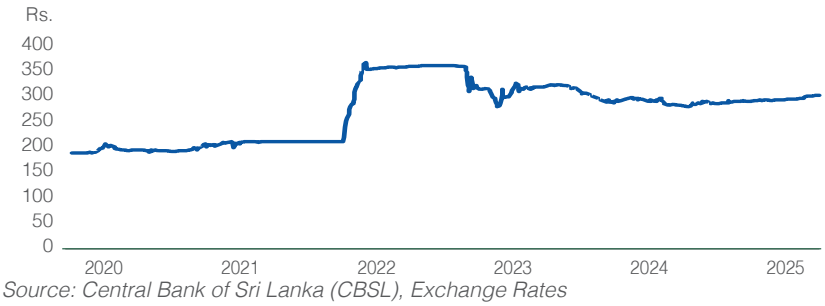
Source: Central Bank of Sri Lanka (CBSL), Measures of Consumer Price Inflation

Policy Rate, Standing Facility Rates and AWCMR



Source: Central Bank of Sri Lanka (CBSL), Policy Rates

Exchange Rate



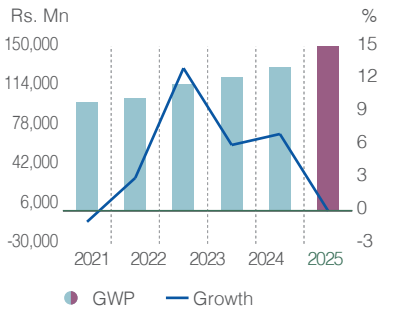
Source: Central Bank of Sri Lanka (CBSL), Exchange Rates

agricultural losses USD 814 Mn, and non-residential structures, including schools, healthcare facilities, and commercial establishments sustained damages of around USD 562 Mn.

Local General Insurance Industry

In 2025, Sri Lanka's general insurance industry achieved robust growth, with total Gross Written Premiums (GWP) rising by 15% to LKR 150.25 Bn, up from LKR 130.56 Bn in 2024.

Local General Insurance Industry



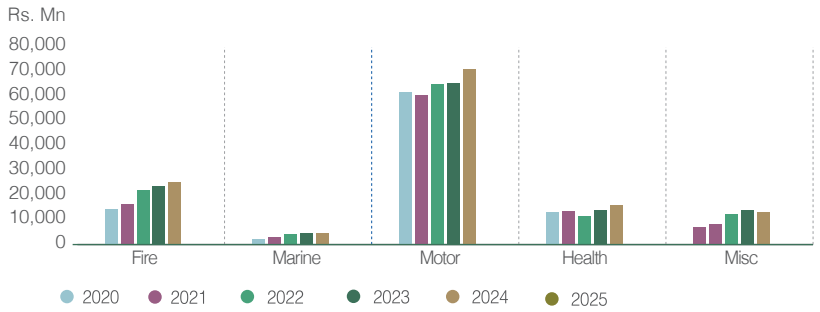
Source: IRCSL Statistical Review & CBSL Industry Highlights Q4 2025

GWP Mix

Motor insurance remained the primary driver of industry growth, with premiums surging 26% to LKR 89.24 Bn, supported by higher vehicle imports, renewed regulatory focus, and rising customer demand. Consequently, the motor segment accounted for 59% of total industry GWP, up from 54% in 2024, highlighting its increasing dominance in the market.

Non-motor lines collectively grew by 3% to LKR 61.01 Bn, reflecting steady performance across Fire & Engineering (5% growth to LKR 26.72 Bn) and Marine (14% growth to LKR 5.49 Bn), while Medical and General Accident & Miscellaneous lines experienced slight declines of 2% and 1%, respectively.

Gross Premiums for Different classes of Insurance



Source: IRCSL Statistical Review & CBSL Industry Highlights Q4 2025

Claim Trends

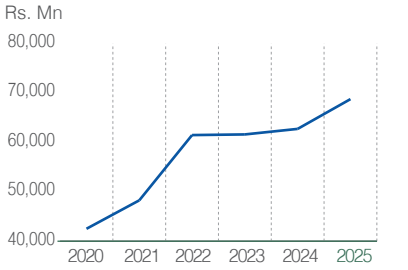
The claims trends across the general insurance industry in 2025 was mixed, with several insurers recording significantly higher ratios compared to 2024.

Motor insurance, the largest segment, saw varied claims experiences across insurers, with some achieving stable or slightly improved claims ratios, while others faced increases, reflecting cascading the impact of higher vehicle density, inflationary pressures on repair costs, and changing traffic and accident patterns.

The Fire & Engineering experienced substantial increases in claims ratios, suggesting higher loss activity and potentially elevated exposure to property-related risks.

Marine insurance showed divergent trends, indicating the uneven impact of shipping risks, cargo losses, and weather-related incidents. In Medical insurance, claims ratios were generally high across the industry, reflecting ongoing pressures from healthcare costs and rising medical utilisation, while for General Accident and Miscellaneous saw moderate to high claims activity, highlighting the persistent exposure to accident and liability risks, while volatility in certain portfolios suggests the influence of occasional large claims or catastrophe-linked losses.

Claim's incurred

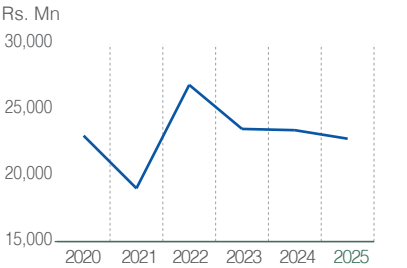


Source: IRCSL Statistical Review & CBSL Industry Highlights Q4 2025

Profitability

Sri Lanka's general insurance industry recorded healthy profitability in 2025. With GWP expansion, helping to offset the overall increase in claims, industry profitability Reported the decline of 10%.

Profitability

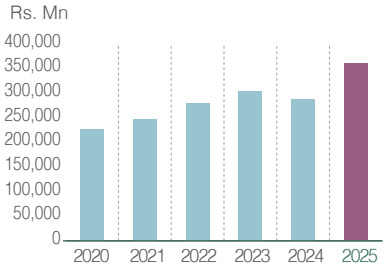


Source: IRCSL Statistical Review & CBSL Industry Highlights Q4 2025

Assets

Assets of the general insurance sector showed moderate growth. The total assets of the insurance industry increased by 17% compared to the previous year.

Assets



Source: IRCSL Statistical Review & CBSL Industry Highlights Q4 2025

Liquidity and Solvency

Solvency position remained string across the sector, underpinned by careful underwriting, adequate reserving, and the strategic use of reinsurance to mitigate significant risks. The industry's overall capital buffers were sufficient to absorb shocks, allowing insurers to pursue selective growth opportunities and maintain confidence among policyholders and regulators.

KPI	Industry Average for 2025	PI's Performance FY 2025
GWP Growth	15%	34%
Net Claim Ratio (overall)	58%	69%
Net Claim Ratio (motor)	63%	70%
Net Claim Ratio (non-motor)		
Fire & Engineering	144%	44%
Marine	65%	-41%
Health	88%	57%
Profit Growth (year on year)	-10%	-17%

Five Forces Analysis

Competitive Rivalry	Treat of New Entrants	Bargaining Power of Suppliers	Threat of Substitutes	Bargaining Power of Customers
High	**Low to Moderate**	**Low to Moderate**	**Low**	**Moderate to High**
Fragmented with 13 local and international firms offering similar products driving intense competition on price, distribution, and service.	New firms require significant capital, regulatory approval and solvency requirements.	Main suppliers include reinsurers, third party administrators and IT/ digital platform providers. Reinsurers and service partners influence cost and risk assumptions	Direct substitutes are limited as the general insurance providers remain dominant choice for both statutory and commercial risk coverage	Negotiating power of customers is high as they compare price, coverage and claim service when making a purchasing decision
Our Response Implementation of data driven underwriting process Focused differentiation	**Our Response** Strengthening brand and reputation Entering into exclusive distribution agreements	**Our Response** Diversify reinsurance panel and internal technical capability development	**Our response** Offering affordable entry level policies	**Our Response** Implementation of customer education programs and emphasise on the claim reliability than lower premiums

Operating Environment

Key Aspects Likely to Influence the Performance and Prospects of Sri Lanka's General Insurance Industry in 2026

Continued Economic Recovery and Consumer Confidence

Sri Lanka's economy is expected to maintain a gradual recovery trajectory in 2026. Improving macroeconomic indicators and policy stability will likely enhance consumer confidence to drive the demand for insurance products, particularly as awareness of financial protection rises.

Low Insurance Penetration

Insurance penetration in Sri Lanka remains below global averages, presenting a significant growth opportunity for insurers to widen their reach, introduce innovative products, including low-cost options as well as expand risk protection awareness in order to promote insurance adoption among wider audiences.

Competitive Pressures

Competition continues to intensify across key lines, particularly motor and property, leading to persistent pricing pressures which if not managed carefully could lead to progressive margin erosion.

Evolving Regulatory and Compliance Expectations

Regulatory oversight is becoming more comprehensive, with enhanced expectations for governance, risk-based capital adequacy, and disclosures, calling for insurers to strengthen compliance frameworks and internal controls to meet evolving supervisory standards.

Technological Adoption and Digital Transformation

Digitalisation remains a compelling trend as insurers leverage technology to enhance operational efficiency, improve customer experience, and streamline distribution. Adoption of AI, data analytics, and automated workflows is enabling improved underwriting, faster claims processing, and more personalised services.

Heightened Awareness of Climate and ESG Considerations

As climate vulnerabilities become increasingly more relevant in Sri Lanka, insurers will be called upon to integrate climate risk assessments into underwriting and product design, while exploring sustainable finance instruments and ESG-aligned investment strategies.

Risk and Opportunities

Risk and Opportunities

Underwriting & Pricing Volatility

Risk
- Aggressive price competition in the motor insurance segment leading to underpricing
- Adverse selection due to aggressive discounting and inadequate actuarial pricing models

Opportunities
- Usage based motor insurance
- Portfolio segmentation by using data analytics

Capitals impacted: Financial Capital; Social and Relationship Capital

Source: Internal External
Type: Financial
Nature: Short to Medium

Competitive Pressure & Margin Compression

Risk
- Intense competition in motor and fire classes over price
- Reduced underwriting discipline and broker driven price wars

Opportunities
- Product differentiation
- Customer retention strategies

Capitals impacted: Financial Capital; Social and Relationship Capital

Source: Internal External
Type: Financial
Nature: Short to Medium

Catastrophe & Climate Exposure

Risk
- Increased floods and extreme weather events with the concentration risk in the high-exposure areas
- Rising reinsurance costs

Opportunities
- Improved catastrophe modelling
- Structured excess-of-loss reinsurance

Capitals impacted: Financial Capital; Social and Relationship Capital; Human Capital; Natural Capital

Source: External
Type: Sustainability
Nature: Short to Medium

Risk and Opportunities

Regulatory & Capital Pressure

Risk
- Solvency margin compliance
- Increased IRCSL regulatory scrutiny

Opportunities
- Enhanced stress testing & capital planning
- Transparent governance as brand differentiator

Capitals impacted: Financial Capital; Social and Relationship Capital

Source Internal External

Type Financial

Nature Short to Medium

Information Technology Risks

Risk
- Cyber security threats
- Legacy systems

Opportunities
- Digital transformation programs
- AI-based fraud detection

Capitals impacted: Financial Capital; Manufactured Capital; Intellectual Capital

Source Internal External

Type Operational

Nature Short to Medium

Investment Income Volatility

Risk
- Investment income instability
- Asset concentration in illiquid instruments

Opportunities
- Diversified investment portfolio
- Asset-liability matching discipline

Capitals impacted: Financial Capital

Source Internal External

Type Financial

Nature Short to Medium

Low Insurance Penetration

Risk

- Limited growth in the traditional segments
- Low insurance awareness in rural areas

Opportunities

- Micro insurance products
- SME insurance growth
- Digital on-boarding

Capitals impacted

- Financial Capital
- Social and Relationship Capital

Source Internal External

Type Financial

Nature Short to Medium

Economic volatility driven by global geopolitical tensions in the Gulf region

Risk

- Fluctuations in interest rates, equity markets, and government securities may affect investment income
- Inflationary Pressure on Claims
- Increase in reinsurance premium due to currency depreciation
- Economic slowdown affecting overall business growth

Opportunities

- Increase demand for sectors such as marine and trade credit insurance, cyber insurance and political risk insurance

Capitals impacted

- Financial Capital
- Social and Relationship Capital
- Intellectual Capital
- Human Capital

Source Internal External

Type Financial

Nature Short to Medium

Financial Capital



Financial capital played a decisive role in sustaining business continuity and protecting policyholder interests amidst a highly challenging operating environment. The Company's capital base, comprising equity and accumulated reserves, was effectively deployed to absorb shocks arising from the catastrophic event while maintaining regulatory strength. This disciplined approach reinforces our commitment to stability, trust and long-term value creation.

Management Approach

PI's approach to financial capital was guided by a prudent and forward-looking approach amid a gradually stabilising, yet challenging economic environment in Sri Lanka. With moderating inflation, evolving interest rate conditions and continued market uncertainty, management focused on maintaining capital adequacy, liquidity strength and balance sheet flexibility while addressing claims volatility, cost pressures and competitive dynamics. Capital allocation decisions were driven by risk-adjusted return considerations, asset quality and regulatory compliance, alongside targeted investments, people and risk management capabilities. This disciplined approach supported operational stability, safeguarded stakeholder interests and reinforced the Company's long-term financial sustainability.

Material Matters

- Managing financial sustainability
- Ensuring business continuity in an evolving operating context
- Challenging macroeconomic environment
- Volatility in the financial market
- Governance and ethics
- Regulatory compliance

Relevance to Strategy

- Business growth and profit
- Enhance operational Efficiency and compliance
- Increase social and environmental responsibility

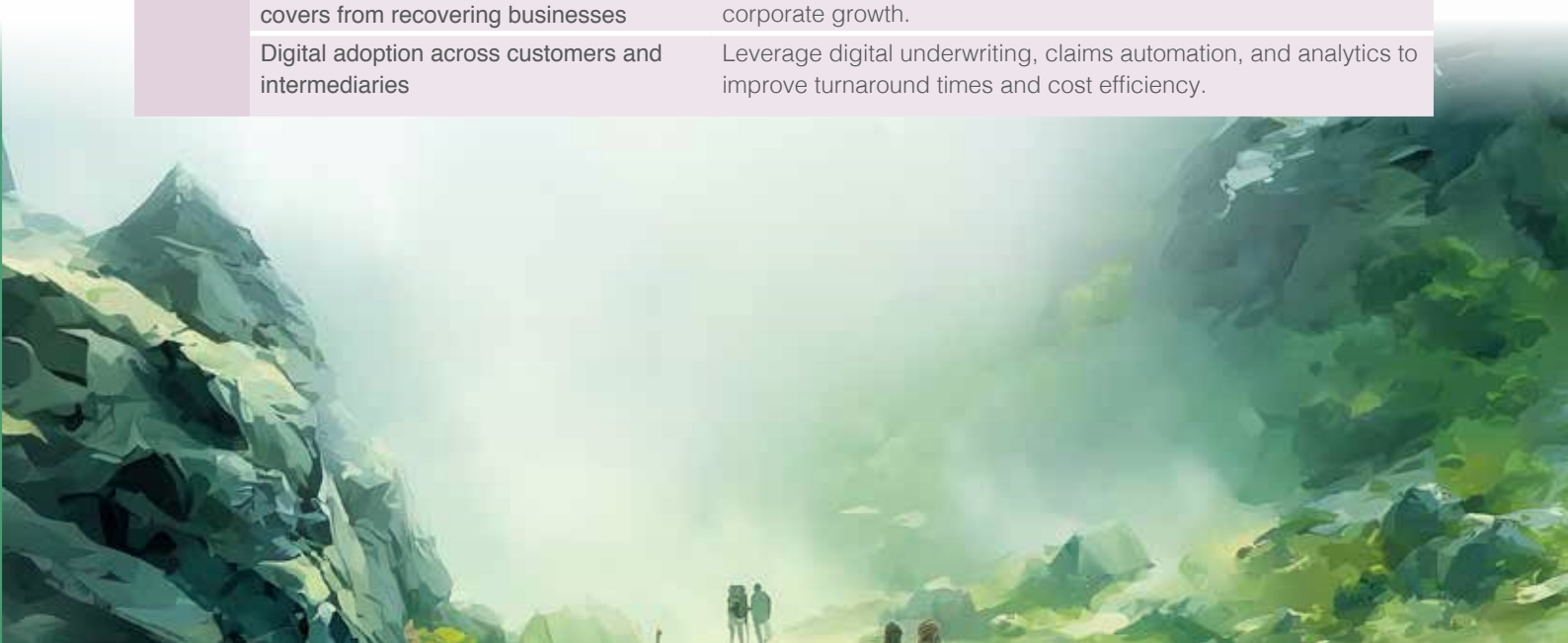
Key Risks

- Underwriting Risk
- Claim Settlement Risk
- Reinsurance Risk
- Credit Risk on Insurance Receivables
- Liquidity Risk
- Market Risk
- Business Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Competitive premium pricing amid low insurance penetration and cautious consumer demand	Premiums are optimised through refined risk based pricing models, targeted product bundling, and channel-focused promotions to maintain profitability while expanding market reach.
Rising claims severity from emerging risk exposures in motor, property and liability portfolios	Claims are controlled through prudent underwriting and risk selection, proactive monitoring of high risk portfolios, use of predictive analytics to anticipate large losses, and enhanced fraud detection and cost-containment measures.
Pressure on liquidity management amid slow premium collection cycles and claim settlement demands	Liquidity is managed through staggered premium collection strategies, short-term liquid investment allocation, and dynamic cash flow monitoring to meet claims obligations without strain.
The transition to IFRS 17 increased actuarial, accounting, and reporting complexity, requiring enhanced systems, data, and governance to maintain compliance and accurate financial reporting	Compliance is ensured through integrated actuarial and finance platforms, scenario based cash flow and risk testing, strengthened governance, comprehensive staff training, and active collaboration with external consultants to support accurate, timely, and fully IFRS 17-compliant reporting.
Cyclone Ditwah triggered exceptionally high claims, testing liquidity, solvency buffers, reinsurance recovery, and operational capacity while highlighting gaps in risk management and cash flow forecasting	Capital adequacy and claims responsiveness are reinforced through reinsurance optimisation, pre-positioned catastrophe funds, and accelerated claims processing protocols supported by real time reporting and scenario modelling.
Opportunities	
Gradual economic stabilisation and improving consumer confidence	Expand retail and SME insurance offerings through affordable, modular products aligned with income recovery trends.
Increasing climate related risk awareness	Develop risk based pricing, parametric covers, and enhanced reinsurance structures to capture demand for property and catastrophe protection.
IFRS 17 implementation maturity across the industry	Use improved data, actuarial insight, and reporting transparency to strengthen capital planning and investor confidence.
Growing demand for fleet and liability covers from recovering businesses	Tailor sector specific insurance solutions to support SME and corporate growth.
Digital adoption across customers and intermediaries	Leverage digital underwriting, claims automation, and analytics to improve turnaround times and cost efficiency.



Financial Capital

Management Approach

Outputs for PI

- Significant growth in gross written premium by **34%**
- Enhanced investment portfolio to **Rs. 11.50 Bn**
- Strengthened equity base with retained earnings growth to **Rs. 4.55 Bn**
- Return on capital employed **8%**
- Earning per share **1.74**

Stakeholder Outcomes	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
Return on Equity	6.12%	7.88%	(-)
Net asset value per share	29.32	27.69	(+)
Share Price Movement	32.50	32.00	(+)
Free Cash Flow (Rs. Mn)	1,354	521	(+)
Return on average shareholders' funds	5.95%	7.61%	(-)
Market share in total assets	4%	4%	(=)
Market Capitalisation (Rs. Mn)	6,618	6,516	(+)

Impact on other Capitals

Social & Relationship Capital - Strong capital adequacy and liquidity enabled the Company to meet claims and obligations without disruption, reinforcing confidence among policyholders and business partners. Financial stability supported consistent engagement with reinsurers and intermediaries, ensuring continuity of coverage and capacity. This reliability strengthened long-term stakeholder relationships and market credibility.

Natural Capital - Financial capital enabled the Company to incorporate environmental risk considerations into underwriting, claims management and operational planning. Cost-efficient initiatives and responsible resource use were prioritised in a constrained economic environment. These actions supported environmental resilience while maintaining business efficiency.

Human Capital - Disciplined financial capital management enabled strategic investment in talent acquisition, capability development and knowledge retention, ensuring the workforce remained adaptable to evolving business needs. By fostering employee engagement and sustained performance, the Company reinforced long-term organisational capability.

Intellectual Capital - Financial capital was strategically deployed to strengthen the Company's intellectual capital through enhanced underwriting expertise and technology enabled risk assessment. This enabled more accurate pricing, effective portfolio and claims management, and informed capital allocation amidst a volatile economic and regulatory environment.

SDGs



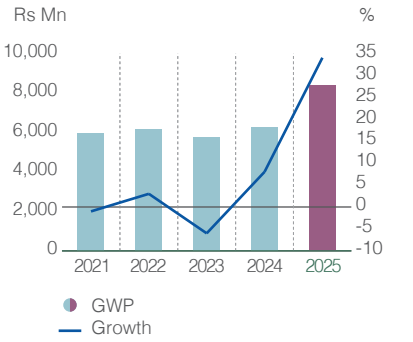
Analysis of Financial Performance

Company delivered a resilient performance during 2025, combining exceptional growth, strong underwriting, disciplined cost management, and strategic investments. These actions not only safeguarded profitability but also strengthened our capital position, reinforcing confidence for investors and paving the way for sustainable growth.

Gross Written Premium (GWP)

People's Insurance PLC achieved a robust 34% growth in Gross Written Premium in 2025, reflecting both strategic execution and favourable market dynamics. The heightened awareness of risk management among corporates and individuals, coupled with increased demand for motor, property and specialised insurance solutions, contributed significantly to growth. Macroeconomic pressures, including inflation and currency volatility, reinforced the need for comprehensive insurance coverage, while the Company's targeted underwriting strategies and risk-based pricing optimised portfolio performance. Climate related and catastrophic exposures prompted demand for tailored policies, which PI effectively addressed through innovative product structures. Operational efficiency, strengthened distribution channels, and enhanced digital engagement further amplified market penetration. This performance demonstrates PI's resilience, underwriting discipline, and capability to deliver sustainable value to policyholders and investors alike.

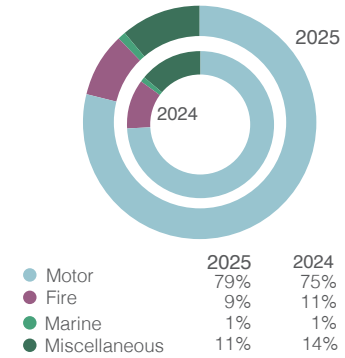
Gross Written Premium



Class-wise Analysis of GWP

The Motor segment remained the dominant contributor to Gross Written Premium in 2025, increasing its share to 79% (2024: 75%), driven by higher vehicle values, increased repair costs, and sustained demand for compulsory and comprehensive motor insurance. The Fire segment's contribution declined to 9% (2024: 11%), reflecting subdued construction activity, cautious capital expenditure by corporates, and intensified price competition within the property insurance market. However, the Company recorded a 15% growth in the Fire segment in 2025 compared to 2024. The Marine segment remained stable at 1%, aligned with moderate trade volumes and controlled import activity during the year. The Miscellaneous segment contributed 11% to total GWP during the year, supported by steady demand for liability and specialised insurance covers amid heightened operational and environmental risk awareness. This composition underscores the Company's prudent risk management and strategic focus on long-term value creation.

GWP Composition

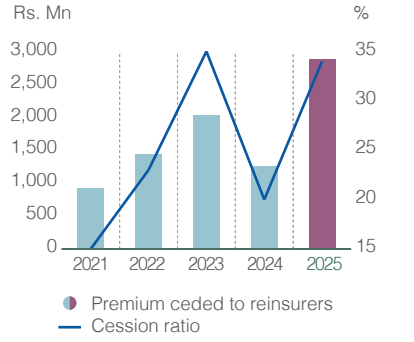


	2025	2024
Motor	79%	75%
Fire	9%	11%
Marine	1%	1%
Miscellaneous	11%	14%

Premium Ceded to Reinsurers

In 2025, the Company significantly expanded its reinsurance utilisation, with premium ceded to reinsurers increasing by approximately 131% to Rs. 2,875 Mn (2024: Rs. 1,246 Mn), resulting in a higher cession ratio of 34% (2024: 20%). This increase reflects deliberate risk transfer in response to rapid portfolio growth, elevated insured values, and heightened exposure to climate-related and catastrophe risks. Volatility in claims severity and increased capital protection requirements further necessitated enhanced reinsurance support. The strengthened reinsurance structure was designed to safeguard solvency, mitigate earnings volatility, and support sustainable premium expansion.

Premium ceded to reinsurers

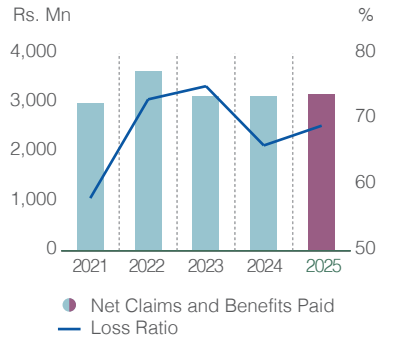


Financial Capital

Net Insurance Benefits and Claims

Net insurance benefits and claims paid increased marginally by approximately 1% to Rs. 3,165 Mn in 2025 (2024: Rs. 3,130 Mn), The increase in claim cost was largely driven by accelerated portfolio growth, which expanded overall risk exposure across key lines of business. Furthermore, losses arising from the catastrophic event led to a higher level of claim costs during the year. Consequently, the loss ratio increased to 69% (2024: 66%). Notwithstanding these pressures, disciplined underwriting standards, effective claims governance, and enhanced reinsurance protection supported earnings stability. The Company continued to meet policyholder obligations while maintaining prudent control over claims outflows.

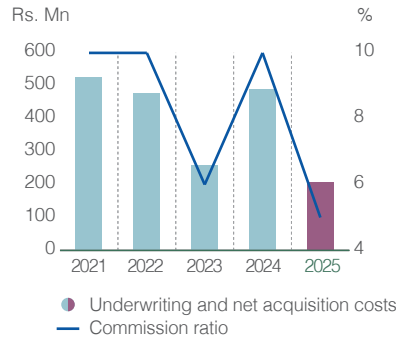
Net Claims and Benefits Paid



Underwriting and Net Acquisition Costs

Underwriting and net acquisition costs declined significantly to Rs. 209 Mn in 2025 from Rs. 491 Mn in 2024, reflecting a reduction of approximately 57%. This improvement was primarily driven by disciplined commission management, a shift towards direct and digital distribution channels, and an improved business mix with lower acquisition cost intensity. The commission ratio reduced to 5% (2024: 10%), supported by tighter intermediary terms, enhanced productivity of the sales force, and selective risk acceptance. Cost rationalisation initiatives and improved reinsurance commission structures further contributed to efficiency gains. These improved cost discipline reinforce the Company's commitment to prudent cost management and sustainable value creation.

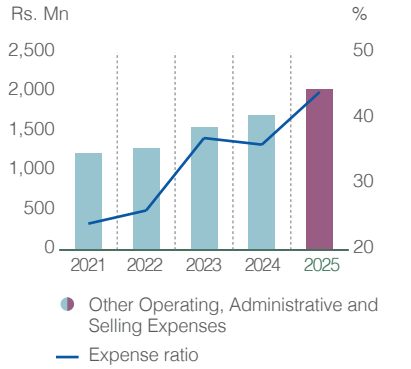
Underwriting and Net Acquisition Costs



Other Operating and Administrative Expenses

Other operating, administrative, and selling expenses increased to Rs. 1,876 Mn in 2025 from Rs. 1,606 Mn in 2024, reflecting a rise of approximately 17%. The increase was mainly attributable to elevated staff expenses following the restructuring of the Direct Sales channel, higher shared service charges in line with the expanded operational activities, increased legal costs arising from tax-related matters, and higher stationery expenses in line with revenue growth. Despite the increase, these strategic investments underpin the Company's operational robustness, service quality, and long-term competitiveness in a dynamic and challenging economic environment. The expense ratio rose to 40%, reflecting both the deliberate expansion of operational capacity and the Company's commitment to sustainable business growth.

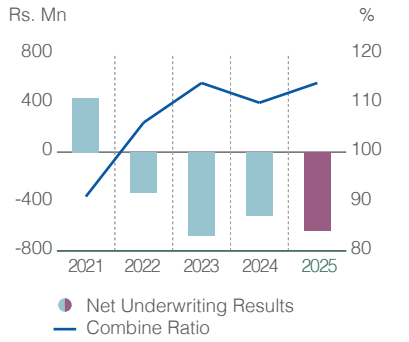
Other Operating, Administrative and Selling Expenses



Net Underwriting Results

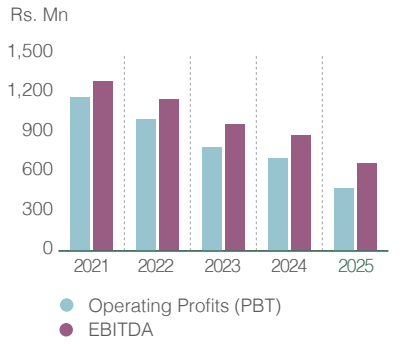
In 2025, the Company recorded a net underwriting loss of Rs. 634 Mn, reflecting an increase from the Rs. 513 Mn loss in 2024. The deterioration in underwriting results was primarily driven by high claim frequency and severity, particularly in the motor segment, as well as increased exposure to climate-related catastrophic events. The Company recorded an adverse underwriting impact of Rs. 182 Mn in 2025 attributable to claims arising from Cyclone Ditwah. The combined ratio rose to 114% (2024: 110%), highlighting the pressure on underwriting margins in a challenging economic and environmental context. Notwithstanding this, the Company maintained disciplined underwriting, selective risk acceptance, and effective reinsurance strategies, reinforcing resilience and laying the foundation for sustainable long-term profitability.

Net Underwriting Results



markets. This was partially offset by a substantial increase in net fair value gains, which rose to Rs. 75 Mn (2024: Rs. 18 Mn) due to favourable market revaluations, and stable other income. Company's investment strategy remained prudent, focusing on capital preservation, risk-adjusted returns, and portfolio diversification to support long-term financial stability and deliver sustainable value to investors.

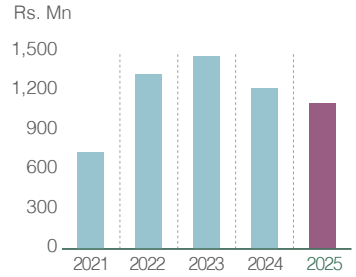
EBITDA & Operating Profits



Investment and Other Income

Investment and other income decreased to Rs. 1,107 Mn in 2025 from Rs. 1,215 Mn in 2024, reflecting a reduction of approximately 9%. The decline was primarily due to lower interest and dividend income, which fell by 12% to Rs. 1,032 Mn, influenced by prevailing low interest rates and volatility in domestic capital

Investment and Other Income

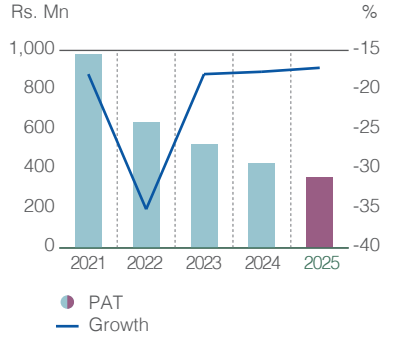


Profit After Tax (PAT)

Profit After Tax (PAT) for 2025 was Rs. 355 Mn, down 17% from Rs. 429 Mn in 2024, primarily due to increased reinsurance cessions, as a result of cyclone Ditwah. Despite these challenges, disciplined underwriting, prudent cost management, and robust risk transfer arrangements ensured sustainable earnings and reinforced the Company's financial resilience.

Rs. Mn	2025	2024	Growth
Interest and dividend income	1,032	1,179	-12%
Net fair value gains/(losses)	75	18	314%
Other Income	(0.5)	18	-103%

PAT Growth



Operating Profits and Earnings before Interest Tax Depreciation & Amortisation (EBITDA)

Operating profit (PBT) declined to Rs. 473 Mn in 2025 (2024: Rs. 702 Mn), while EBITDA reduced to Rs. 664 Mn (2024: Rs. 879 Mn), reflecting higher claims outflows in select high-risk segments, increased reinsurance cessions to mitigate catastrophe exposures, and strategic investments in digital infrastructure and operational enhancements. Inflationary pressures and rising utility and service costs contributed to higher operating expenses, partially offsetting premium growth. The EBITDA margin declined to 7.9% (2024; 14.1%) compared to the previous year, highlighting the impact of these factors on profitability. Despite this, disciplined underwriting, prudent cost management, and effective risk transfer arrangements reinforced operational resilience.

Rs. Mn	2025	2024
EBITDA (PBT+Depreciation+ Amortisation + Finance cost)	664	879
EBITDA margin (EBITDA/ GWP)	7.9	14.1%

Total Other Comprehensive Income

Other comprehensive income (OCI) for 2025 recorded a loss of Rs. 23 Mn, slightly improved from a loss of Rs. 25 Mn in 2024. The improvement was primarily due to a reduction in actuarial losses, which decreased from Rs. 9 Mn to Rs. 7 Mn during the year. Total comprehensive income for the year stood at Rs. 332 Mn (2024: Rs. 404 Mn), underscoring continued resilience in challenging market conditions.

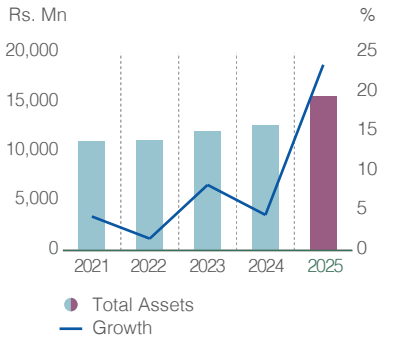
Financial Capital

Analysis of Financial Position

Total Assets

The Company's total assets increased significantly by 23.5% to Rs. 15.67 Bn as at 31 December 2025, reflecting a robust expansion from Rs. 12.69 Bn in 2024. Financial investments grew by 14% to Rs. 11,496 Mn, reinsurance receivables surged by 295% to Rs. 1,783 Mn, insurance receivables increased by 29% to Rs. 1,760 Mn. The strengthened asset position enhances the Company's capacity to meet policyholder obligations, support growth initiatives, and provide assurance to investors of its financial resilience. A well-diversified and robust asset portfolio reinforces confidence in the Company's long-term sustainability and ability to navigate a dynamic economic environment.

Asset Growth

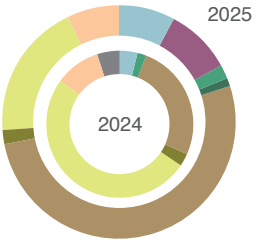


Financial Investments

The Company maintained a well-balanced and prudently diversified financial investment portfolio during 2025, supporting both capital preservation and stable returns. Fixed deposits remained the core investment, accounting for approximately 52.5% of the portfolio, reflecting a strong focus on liquidity and income stability. Government securities continued to play a significant role, with Treasury bills contributing nearly 19%, ensuring capital security amid market volatility. Exposure to growth-oriented instruments such as Unit Trusts and Repurchase agreements (aggregate composition of 17%) enhanced yield optimisation while managing risk. This diversified asset allocation underscores the Company's disciplined investment strategy, resilience in a dynamic economic environment, and its commitment to delivering sustainable value to stakeholders.

Financial investments are recognised and measured in accordance with the requirements of SLFRS 9, ensuring appropriate classification and valuation aligned with the Company's business model and risk appetite. A detailed analysis of the investment portfolio is presented on page 352. The classification of the financial investments are as follows;

Assets Composition



	2025	2024
Unit Trust	4%	8%
Repurchase agreements	0%	9%
Staff loans	2%	2%
Rent deposits	0%	1%
Fixed deposits	26%	52%
Savings accounts	3%	2%
Treasury bills	51%	19%
Debentures	10%	7%
Treasury bond	5%	0%

Rs. Mn	2025	2024
Equity instrument at FVTPL	969	389
Debt instruments at amortised cost	10.527	9,174
Debt instruments at FVOCI	-	522

Total Liabilities

Total liabilities increased to Rs. 9.7 Bn in 2025 from Rs. 7.05 Bn in the previous year, reflecting the Company's expanded underwriting activity and growing market presence. The increase was mainly driven by insurance contract liabilities, which rose to Rs. 7.12 Bn, accounting for the majority of the liability base and demonstrating disciplined reserving aligned with strong premium growth. Higher reinsurance payables further indicate prudent risk transfer practices adopted to manage volatility and protect capital. Other liabilities increased in line with business expansion, while lease liabilities declined, reflecting active balance sheet optimisation. Overall, the liability profile remains well-structured and growth-supportive, reinforcing the Company's financial resilience and its ability to meet policyholder and investor expectations.

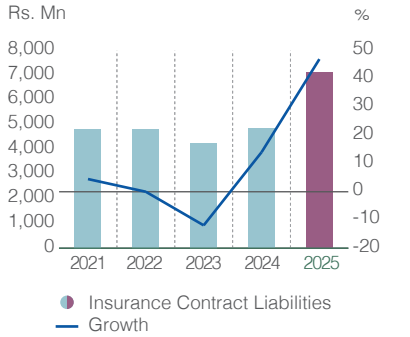
Insurance Contract Liabilities

The Company's insurance contract liabilities increased to Rs. 7.12 Bn as at 31 December 2025 (2024: Rs. 4.9 Bn), reflecting the expansion of underwriting activity, higher policy volumes, and a cautious response to evolving claims experience. The movement was primarily driven by an increase in the provision for net unearned premium to Rs. 3.46 Bn, consistent with strong premium growth during the year, and a rise in gross outstanding claims to Rs. 2.68 Bn, reflecting higher claims incidence and severity across key portfolios. The IBNR provision increased to Rs. 983 Mn, reinforcing the Company's conservative reserving stance in anticipation of claims yet to be reported.

In accordance with regulatory requirements, a Liability Adequacy Test (LAT) was performed at

the reporting date to assess the sufficiency of unearned premium reserves against unexpired risks. The Company's appointed consultant actuaries have confirmed that the UPR maintained is adequate, and that the IBNR provision, together with case reserves, is sufficient to meet future claim obligations as at 31 December 2025, in line with the guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). This disciplined reserving approach underscores the Company's commitment to financial resilience, policyholder protection, and long-term sustainability.

Insurance Contract Liabilities



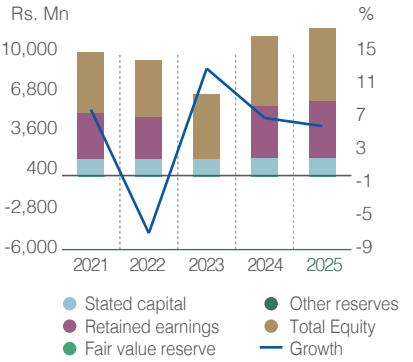
The movement in the insurance contract liabilities

Rs. Mn	2025	2024
Provision for net unearned premium	3,457	2,581
Provision for gross outstanding claims	2,679	1,440
Provision for gross incurred but not reported (IBNR) claims	983	832

Shareholders Funds

Total shareholders' equity increased to Rs. 5.97 Bn as at 31 December 2025, representing a 6% year-on-year growth, supported primarily by strong internal capital generation. Stated capital remained unchanged at Rs. 1.44 Bn, while retained earnings improved to Rs. 4.55 Bn, reflecting sustained profitability despite a challenging operating environment. The fair value reserve recorded a marginal deficit due to valuation losses on debt instruments classified under FVTOCI, consistent with market movements during the year. Other reserves declined mainly due to decrease in the actuarial valuation losses on defined benefit obligations, reflecting prudent recognition of long-term obligations. Overall, the equity base remains robust, reinforcing balance sheet strength and long-term value for shareholders.

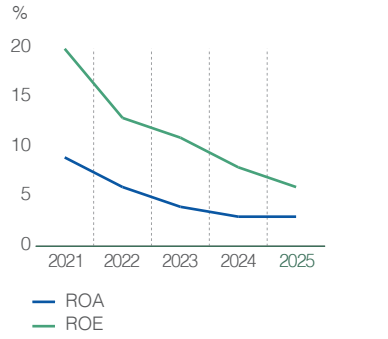
Shareholders' Equity



Return on Assets (ROA) and Return on Equity (ROE)

The Company has maintained a consistent presence in the market with a stable asset base, generating an ROA of 3% in 2025, in line with the previous year. While ROE moderated to 6%, this reflects a conservative capital management approach and prudent risk strategy amidst challenging market conditions. Historical trends indicate resilience, with the Company delivering double-digit ROE in peak years, showcasing its capacity to generate shareholder value during favourable periods. These metrics highlight the Company's disciplined growth, operational efficiency, and potential for sustainable returns. For investors, this demonstrates a stable and reliable platform for long-term value creation.

ROA & ROE



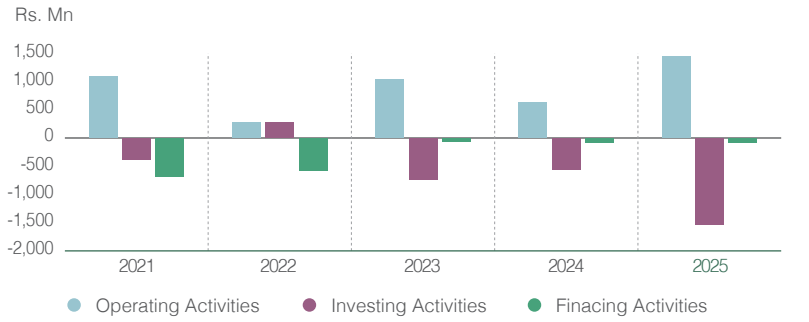
Analysis of Cash Flows

In 2025, net cash from operating activities increased sharply by 130% to Rs. 1.44 Bn, primarily driven by higher premium receipts from customers, reflecting strong core business growth. Net cash used in investing activities rose to Rs. 1.54 Bn, mainly due to significant purchases of liquid investments aimed at strategic portfolio expansion. Cash outflows from financing activities remained largely stable at Rs. 87.64 Mn, reflecting continued lease liability payments and disciplined capital management. Overall, the Company recorded a net cash outflow of Rs. 190 Mn during the year, compared to a net outflow of

Financial Capital

Rs. 25 Mn in the previous year. The increased outflow primarily reflects strategic cash deployments, working capital movements, and timing differences in investment activities during the period. Notwithstanding this movement, the Company continues to maintain a sound liquidity position and remains well-capitalised to support its operational requirements and long-term strategic objectives.

Cash Flow Analysis



Priorities for the Future

Short - Medium Term

- GWP Growth > 25%
- Claim Ratio < 65%
- Expense Ratio <39%
- Combined Ratio <104%

Long Term

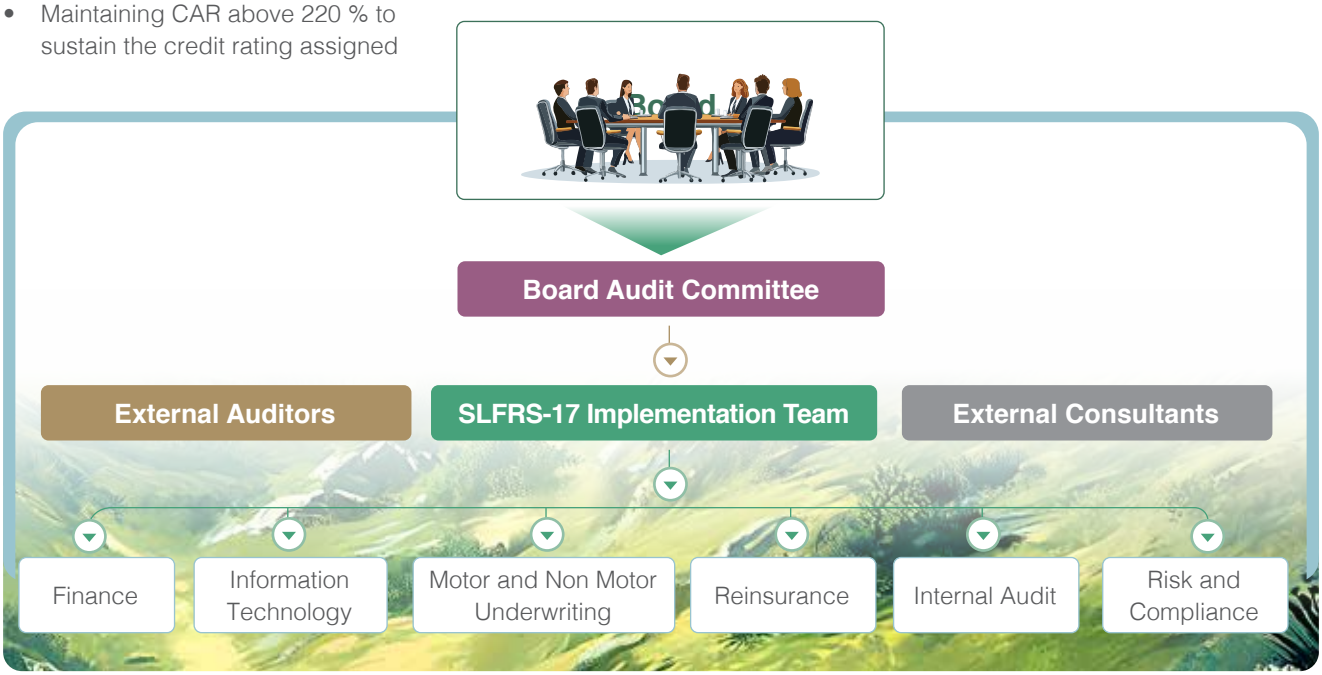
- ROE >12%
- Maintaining CAR above 220 % to sustain the credit rating assigned to PI
- Maintaining combined ratio below 100% to ensure long term underwriting profitability
- Managing proper liquidity profile to ensure working capital requirements

Implementation of SLFRS 17

The implementation of SLFRS 17 has a significant impact on the insurance industry which increases the comparability of financial performance across firms. In line with compliance deadline by 01 January 2026, Company has established a well-structured implementation process to ensure the successful adherence with the standard at the specified timelines.

Governance Structure

Board of directors of the Company oversee the successful implementation of the SLFRS 17 in line with the set timeline of 01 January 2026. Strong project management team has been appointed including representatives from Finance, IT and technical departments underscores the Company's commitment to the successful implementation of the standard. The implementation plan is strictly followed and regular meetings were conducted to discuss the progress. It has been further planned to conduct a progress audit to ensure the successful compliance. The SLFRS 17 implementation project governance structure is as follows;





SLFRS 17 Implementation Roadmap



1 Phase

June 2020- November 2021

- Selection of consultant for Phase 1
- Conduct of SLFRS 17 Operational Impact Gap Assessment
- Preparation of Initial Accounting Position Papers
- Evaluation of impact based on the findings of the Gap assessment

2 Phase

February 2023-November 2023

- Obtaining request for proposals (RFP)from vendors for phase 2
- Evaluation of the RFPs submitted by the vendors and going through the relevant presentations conducted by the consultants
- Obtaining the Approval of Board of Directors
- Selection of a vendor for the Phase 2

3 Phase

December 2023- April 2025

- System Selection
- Technical Analysis and Developments
- System Implementation
- Transition and Opening Balance Sheet

4 Phase

April 2025-Dec 2025

- Parallel Run
- Model financial statement review
- Conducting opening balance audit procedure

5 Phase

Jan 2026 onwards

- Go Live



Impact of the SLFRS 17 on the Financial Statements

Effects on the Statement of Comprehensive Income

Presentation of Premium	Gross Written Premium represents the Insurance Revenue	Insurance revenue is recognised based on the amount of expected premium receipts allocated to the period (excluding the investment components and adjusted to reflect the time value of money and the effect of financial risk, if applicable)
Onerous contracts	Losses and reversal on onerous contracts identified in the Insurance Revenue	Standard requires groups of insurance contracts to be assessed based on the likelihood of them being or becoming onerous at initial recognition. Accordingly, Company required to recognise onerous contracts at the inception
Investment Component	Deposit component to be Included within premiums as income and within change in insurance contract liabilities as expense	Company's existing product portfolio do not contain either distinct or non distinct investment components. So, the Company is not currently required to segregate the related income separately
Directly attributable expenses	Directly attributable expenses included within premiums (as income) and within change in insurance contract liabilities (as expense) More than 12 month's products to be measured under GMM model if the PAA is not satisfied	Company currently amortise acquisition expenses over the period of the contract. Under SLFRS 17, entity is permitted to charge directly attributable expenses up front to the profit and loss statement provided contracts are one year or less. This option will have a point of time impact to the financial statements of the entity. However, the impact is expected to be minimal over time
Presentation of insurance Finance expense	Presentation of insurance Finance expense	Company consider discounting the liability using a suitable discounting rate for the claims outstanding more than one year. Interest expense in P & L will be determined using locked in rate at the date the incurred claim is recognised

Effects on The Statement of Financial Position

Insurance Contract Liabilities	Change in valuation based on historical assumptions to forward looking valuation	Present separately in the financial statements. A combination of • Liability for Remaining Coverage ("LRC") for unexpired risk/future coverage; and • Liability of Incurred Claims ("LIC") for past coverage. The discounted balances of LIC and the impact of unwinding as at each reporting date
Reinsurance Contract Assets	Present separately in the Financial statements	• Reinsurance payable and receivable balances will be netted off and presented in an asset position. Company is required to charge for the expected credit risk at the point of recognition of the insurance receivable • Reconciliation from the opening to closing balances of insurance acquisition cash flows will be included as a disclosure note • Expected credit risk to be recognised at the point of recognition of the insurance receivable
Deferred Acquisition Cost	Cost will be included in the insurance contract liabilities	Reconciliation from the opening to closing balances of insurance acquisition cash flows will be included as a disclosure note
Premium Receivable	Premium receivable will be netted-off against the insurance contract liability	Expected credit risk to be recognised at the point of recognition of the insurance receivable
Onerous Contracts	Loss component will be recognised as a liability	Company will adjust the carrying amount of the liability with the loss component in relation to onerous contracts. As a result, liability for remaining coverage will be increased based on the loss component in relation to group of onerous contracts.

Effects on Disclosure Notes

Reconciliation of Insurance Contract Balances

Company is required to present detailed roll-forward reconciliation of

- Insurance Contract Assets and Liabilities
- Separate movement of:
  - Fulfilment Cash Flows
  - Risk Adjustment
  - Contractual Service Margin (CSM)

Analysis of Insurance Revenue and Service Result

Disclosures to be included consists followings:

- Insurance revenue
- Insurance service expenses
- Net insurance service result
- Components of insurance finance income/expense

Risk Adjustment Disclosure

Company is required to include following disclosures

- Risk adjustment amount
- Methodology used
- Confidence level equivalent (or explanation)

Significant Judgements and Assumptions

Disclosure required on:

- Discount rate determination
- Risk adjustment methodology
- Contract grouping approach
- Coverage units methodology
- Significant estimation techniques

Insurance Risk and Financial Risk Exposure

Expanded disclosures on:

- Credit risk
- Liquidity risk
- Market risk
- Sensitivity analysis (interest rate, lapse, claims)

  Includes:
  - Concentration of risk
  - Claims development tables

Transition Disclosures (Initial Adoption)

Company is required to disclose:

- Method used (Full retrospective / Modified / Fair value)
- Impact on retained earnings
- Comparative restatements

Presentation of Cash Flow Information

Company is required to disclose

- Disclosure of expected future cash flows
- Timing of insurance revenue recognition
- Reconciliation between insurance liabilities and cash receipts/payments

Share Information

Shareholder value creation

Shareholder value creation is anchored on disciplined capital stewardship, consistent book value accretion, and long-term earnings sustainability. During 2025, intrinsic value per share increased notwithstanding the absence of dividend distribution, reflecting a deliberate reinvestment strategy to strengthen solvency and underwriting capacity. Enhanced market liquidity and stable float-adjusted capitalisation have improved the stock's institutional investability. Management remains focused on compounding shareholder wealth through prudent underwriting, capital preservation, and sustainable profitability expansion, ensuring long-term total return optimisation rather than short-term distribution bias.

Our share performance over the past five years reflects a restoration of value following the 2022 market contraction, with three consecutive years of positive returns culminating in a share price of Rs. 32.50 in 2025.

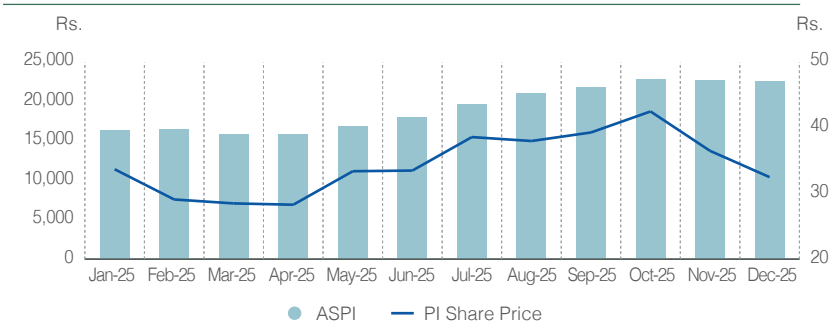
Share Performance

In 2025, PI PLC (PINS.N0000) delivered a resilient and stable share performance, closing the year at Rs. 32.50 compared with Rs. 32 at the end of 2024, maintaining a market capitalisation of Rs. 6.62 Bn. Throughout the year, broader market sentiment experienced upward movement tempered by intermittent downward pressure, particularly in late November when Cyclone Ditwah caused widespread flooding and economic disruption across Sri Lanka, briefly weighing on investor confidence and market indices. Against this backdrop, PI's share delivered a positive return, reflecting the Company's ability to navigate market fluctuations more stable than many peers.

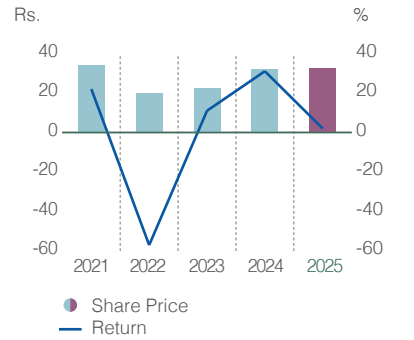
PI's share price closed at Rs. 32.50 in 2025, recording a 2% year-on-year capital appreciation and reflecting sustained market confidence in the Company's strategic direction. The counter traded within a prudent range, reaching a low of Rs. 27.30 on 09 April and a peak of Rs. 44.40 on 21 October, indicating active investor participation and confidence. This steady performance highlights the Company's disciplined strategy, strengthened fundamentals, and continued commitment to enhancing long-term shareholder value.

The average daily trading volume amounted to 219,573 shares during the year. The Company's share beta, which measures the sensitivity of the share price to movements in the ASPI, stood at 1.29 as at the fourth quarter of 2025.

PI share Vs ASPI



Market Price Vs Return

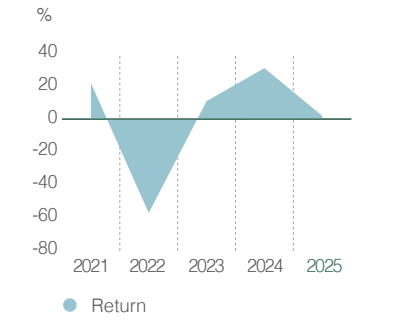


Total Shareholder Return

PI's share performance over the past five years demonstrates a clear restoration of value following the 2022 market contraction, with three consecutive years of positive returns culminating in a price of Rs. 32.50 in 2025. This sustained upward trajectory signals strengthened financial fundamentals, improved earnings quality, and disciplined capital management. Amid a strong equity rally, with the S&P Sri Lanka 20 Index delivering a 36.58% total return, PI reinforced its valuation strength and demonstrated disciplined price stability.

Financial Capital

Total Shareholder Return



Trading Statistics

In 2025, PI's market activity demonstrated strong investor confidence and growing liquidity. The number of transactions more than doubled to 15,086 from 7,346 in 2024, reflecting heightened investor interest and active trading participation. Shares traded surged to 52 Mn from 20.1 Mn, representing 25.6% of total shares in issue versus 9.9% last year, indicating deeper market engagement and ease of entry for new investors. The value of shares exchanged increased to Rs. 1.90 Bn from Rs. 520 Mn, signalling strong market demand and confidence in the Company's growth prospects. Market capitalisation strengthened to Rs. 6.62 Bn from Rs. 6.52 Bn, demonstrating resilient valuation support. Collectively, these trading metrics underscore the Company's robust market presence, disciplined financial management, and consistent ability to create shareholder value, positioning PI as an attractive investment for sustainable long-term returns.

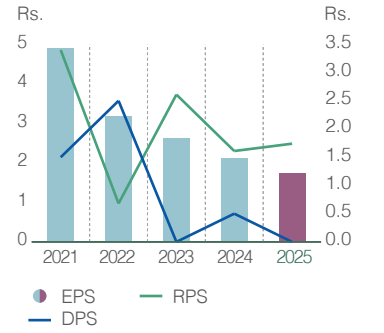
	2025	2024
Number of transactions	15,086	7,346
Number of shares traded	52,038,693	20,099,384
Value of shares traded	1,898,786,727	519,761,355
Shares traded as a percentage of total shares in issue (%)	25.6%	9.9%
Market Capitalisation (Rs. Mn)	6,618	6,516
Percentage of Market Capitalisation (%)	0.08%	0.11%
Gross Dividend (Rs. Mn)	-	100

EPS Vs. RPS

Earnings Per Share (EPS), reflecting profit attributable to each share, moderated from Rs. 2.11 in 2024 to Rs. 1.74 in 2025, in line with a PAT movement from Rs. 429 Mn to Rs. 355 Mn, demonstrating the impact of earnings variability on shareholder returns. Retention Per Share (RPS), representing reinvested profits for growth, remained robust at Rs. 1.74 in 2025, illustrating a disciplined strategy to deploy capital efficiently for sustainable operations and future expansion. No dividend was declared during the year, allowing retained earnings to be fully reinvested into strengthening operations, supporting strategic growth initiatives. From an investor perspective, this disciplined allocation signals prudent financial management, supporting long-term wealth maximisation while reinforcing confidence in PI's ability to deliver consistent returns and value accretion over time.

Further, as per Direction No. 06 of 2025 issued by the regulator, all general insurance companies were directed to refrain from declaring or distributing dividends until 30 June 2026 as an immediate measure in response to the catastrophic event, Cyclone Ditwah

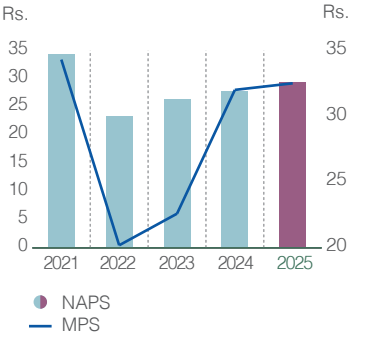
EPS, DPS & RPS



Net Assets Per Share (NAPS)

Investors value PI for its strong underlying fundamentals, reflected in a steady rise in Net Assets per Share (NAPS) from Rs. 27.69 in 2024 to Rs. 29.32 in 2025. The Market Price per Share (MPS) of Rs. 32.50, trading at a premium to book value, signals strong market confidence in the Company's growth prospects. This alignment of robust net assets with a stable market valuation demonstrates disciplined capital management and positions PI as a financially solid, value-accretive investment for long-term shareholder wealth creation. PI's higher NAPS provides a robust buffer to absorb risks, supports sustainable dividend potential, while the Market Price exceeding NAPS highlights market confidence in the Company's strategic direction.

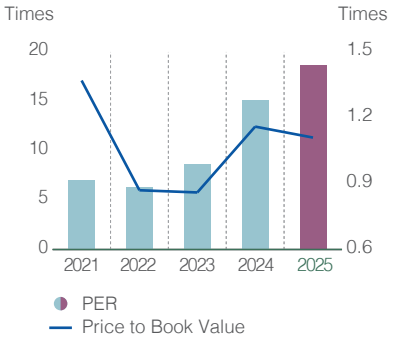
NAPS Vs MPS



Price Earnings Ratio (PER) and Price to Book Ratio

Price–Earnings (P/E) and Price–to–Book (P/BV) ratios remain critical valuation indicators for investors assessing growth expectations and intrinsic value. PI's P/E ratio has expanded from 7.00x in 2021 to 18.68x in 2025 (2024: 15.17x), reflecting a sustained market re-rating of the Company's earnings quality and forward growth prospects. Notably, the 2025 P/E stands well above the insurance sector average of 8.33x and the overall market average of 10.73x, signalling strong investor confidence and a premium placed on PI's strategic direction and profitability outlook. Concurrently, the Company's P/BV ratio stood at 1.11x in 2025 (2024: 1.16x), broadly aligned with the insurance sector benchmark of 1.14x and below the broader market multiple of 1.45x. This valuation remains firmly supported by a steadily increasing Net Assets Per Share of Rs. 29.32 in 2025 (2024: Rs. 27.69; 2023: Rs. 26.24), demonstrating strengthening balance sheet fundamentals.

Price Earnings Ratio (PER) and Price to Book Ratio



The combination of an elevated P/E and a stable, fundamentally anchored P/BV indicates that PI is valued not merely on its asset base but on its capacity to generate sustainable earnings growth. For institutional and long-term investors, this premium yet disciplined valuation profile reflects earnings resilience, capital strength, and continued value accretion potential—positioning PI as an attractive, growth-oriented investment within the Sri Lankan insurance sector.

Distribution and Composition of Shareholding

As at 31 December 2025, PI's shareholding structure reflects a well-anchored and strategically aligned ownership profile, with over 85% of shares held within the highest holding category, signalling long-term investment commitment and confidence in the Company's fundamentals. The shareholder base expanded to 3,389 from 3,214 in 2024, demonstrating increasing market participation and liquidity depth. The rise in mid-tier holdings (10,001–100,000 shares) to 5.19% from 3.92% indicates progressive accumulation by financially informed investors. Resident ownership remained strong at 99.94%, underscoring sustained domestic institutional confidence. Overall, compared to the previous year, the increased shareholding concentration, together with the growth in mid-tier holdings, reflects strengthened investor confidence and highlights PI's ability to support disciplined, long-term value creation.

As at 31 December 2025

Shareholding	Resident			Non resident			Total		
	No of Share Holders	No of Share	% of Total No of Shares	No of Share Holders	No of Share	% of Total No of Shares	No of Share Holders	No of Share	% of Total No of Shares
1 to 1,000 Shares	2,003	444,803	0.22	4	549	0	2,007	445,352	0.22
1,001 to 10,000 Shares	969	3,291,591	1.62	7	25,877	0.01	976	3,317,468	1.63
10,001 to 100,000 Shares	346	10,463,159	5.14	4	106,398	0.05	350	10,569,557	5.19
100,001 to 1,000,000 Shares	49	15,863,108	7.79	0	0	0	49	15,863,108	7.79
Over 1,000,000 Shares	7	173,436,993	85.17	0	0	0	7	173,436,993	85.17
	3,374	203,499,654	99.94	15	132,824	0.06	3,389	203,632,478	100

As at 31 December 2024

Shareholding	Resident			Non resident			Total		
	No of Share Holders	No of Share	% of Total No of Shares	No of Share Holders	No of Share	% of Total No of Shares	No of Share Holders	No of Share	% of Total No of Shares
1 to 1,000 Shares	1,820	395,884	0.19%	5	1,687	0%	1,825	397,571	0.19%
1,001 to 10,000 Shares	1,014	3,316,452	1.63%	8	26,677	0.01%	1,022	3,343,129	1.64%
10,001 to 100,000 Shares	315	7,889,212	3.88%	3	105,888	0.05%	318	7,995,100	3.92%
100,001 to 1,000,000 Shares	39	11,459,452	5.63%	0	0	0%	39	11,459,452	5.63%
Over 1,000,000 Shares	9	179,028,583	87.92%	1	1,408,643	0.69%	10	180,437,226	88.61%
	3,197	202,089,583	99.25%	17	1,542,895	0.75%	3,214	203,632,478	100%

Public Shareholding

As at 31 December 2025, PI's public shareholding stood at 25% of total issued shares (50.9 Mn shares), well above regulatory requirements under "Option 2" of Rule 7.13.1.a. This broad public ownership improves market liquidity, allows fair price formation, while providing investors with flexibility and confidence in portfolio deployment. The strong and stable public ownership structure also mitigates concentration risk, underscores prudent governance, and signals the Company's capacity to sustain value creation and deliver long-term, risk-adjusted shareholder returns.

As at 31 December 2025

Composition	31-Dec-25			31-Dec-24		
	No of Shareholders	No of Shares	% of Total Holding	No of Shareholders	No of Shares	% of Total Holding
Public Shareholding	3,387	50,901,401	25%	3,212	50,901,401	25%

Float Adjusted Market Capitalisation

PI's float-adjusted market capitalisation increased to Rs. 1.65 Bn in 2025, up 2% from the previous year, reflecting the value of shares actively available for trading. A strong float-adjusted market cap enhances liquidity, facilitates efficient price discovery, and provides shareholders with confidence in market accessibility and fair valuation.

DIRECTORS' SHAREHOLDINGS

Name of the Director	No of Shares	
	As at 31 December 2025	As at 31 December 2024
Mr. Chandana Guniyangoda	-	-
Ms. Nayanganie Wickramasinghe	-	-
Mr. Johnson Fernando	-	-
Prof. Kasun Wijetilleke	-	-
Mr. Sanjeewa Bandaranayake	-	-
Mr. Dulinda Perera	-	-
Ms. Thushari Hewawasam	-	-

CEO'S SHARE HOLDING

CEO's Shareholding

	As at 31 December 2025	As at 31 December 2024
No. of Shares	6,719	6,719

Twenty Largest Shareholders

As at 31 December 2025

No	As at 31 December 2025			As at 31 December 2024		
	Name of the shareholder	No. of shares	%	Name of the shareholder	No. of shares	%
1	People's Leasing & Finance PLC	152,724,358	75.00%	People's Leasing & Finance PLC	152,724,358	75.00%
2	Mr. Kulappu Arachchige Don Anurada Perera	12,102,246	5.94%	Mr. Kulappu Arachchige Don Anurada Perera	12,102,246	5.94%
3	Employees Trust Fund Board	3,734,590	1.83%	Employees Trust Fund Board	3,938,090	1.93%
4	Odyssey Capital Partners (Private) Limited	1,450,000	0.71%	J. B. Cocoshell (Pvt) Ltd	3,344,143	1.64%
5	Jafferjee Brothers Exports (Private) Limited	1,180,355	0.58%	Odyssey Capital Partners (Private) Limited	1,598,514	0.78%
6	Mr. Jayampathi Divale Bandaranayake.Joint- Dr.Vasantha Bandaranayake / Miss. Ishani Bandaranayake	1,131,900	0.56%	Mr. Divale Jayampathi Bandaranayake, Joint-Miss.Niluka Bandaranayake/ Dr.Vasantha Bandaranayake	1,563,544	0.77%
7	Mr. Jayampathi Divale Bandaranayake, Joint-Dr.Vasantha Bandaranayake/ Miss. Niluka Bandaranayake	1,113,544	0.55%	Mr. Divale Jayampathi Bandaranayake, Joint-Dr.Vasantha Bandaranayake/ Miss. Ishani Bandaranayake	1,543,751	0.76%
8	People's Leasing & Finance PLC / Mr. K.A.D.R.M.K. Kariyapperuma.	1,000,000	0.49%	Sandwave Limited	1,408,643	0.69%
9	Deutsche Bank AG-National Equity Fund.	872,438	0.43%	Jafferjee Brothers Exports (Private) Limited	1,180,355	0.58%
10	Mr. Murtaza Ali Jafferjee	815,005	0.40%	Mr. L. C. A. Lankeshwara/DFCC Bank PLC	1,033,582	0.51%
11	Mr. Bentara Wadumestrige Risijaya Srikantha.	763,526	0.37%	People's Leasing & Finance PLC /L.P.Hapangama	956,966	0.47%
12	Assetline Finance Limited / M.E. Amarasinghe.	721,160	0.35%	Confab Steel (Pvt) Ltd	822,101	0.40%
13	J. B. Cocoshell (Pvt) Ltd	714,761	0.35%	Mr. Murtaza Ali Jafferjee	815,005	0.40%
14	People's Leasing & Finance PLC /L.P.Hapangama	631,840	0.31%	ACL Plastics Ltd	596,134	0.29%
15	ACL Plastics Ltd	596,134	0.29%	Mr. Weerasuriya Arachchillage Ananda Weerasuriya Bandara	529,120	0.26%
16	Commercial Bank of Ceylon PLC	509,361	0.25%	Synamon Global (Pvt) Ltd	500,000	0.25%
17	Mr. Sarath Chandra Weerasooriya	425,000	0.21%	People's Leasing & Finance PLC /U.L.B. Ariyaratna	491,597	0.24%
18	Mr. Rajinda Priyanjith Weerasooriya.	410,500	0.20%	People's Leasing & Finance PLC / Mr. D.M.P. Disanayake	471,242	0.23%
19	Mr. Kulappuarachchige Don Harindra Perera.	407,264	0.20%	Bank of Ceylon A/C NDB Wealth Growth Fund	410,861	0.20%
20	DFCC Bank PLC	401,950	0.20%	Mr. Kulappuarachchige Don Harindra Perera	407,264	0.20%
Top 20 Total		181,705,932	89.23%	Top 20 Total	186,437,516	91.56%
Others		21,926,546	10.77%	Others	17,194,962	8.44%
Total Outstanding Shares		203,632,478	100.00%	Total Outstanding Shares	203,632,478	100.00%

Manufactured Capital



Manufactured Capital at PI comprises the Property, Plant and Equipment that support operations across its physical footprint, together with the digital infrastructure and channels that enable customers across Sri Lanka to access the Company's insurance products and services.

Management Approach

PI's approach to developing Manufactured Capital focuses on maintaining an optimal balance between physical presence and digital enablement. In doing so, the Company continues to strengthen branch and digital infrastructure to form a solid infrastructure base to ensure island-wide access and consistent service delivery across every interaction.

Material Matters

- Profitable Growth
- Managing Macroeconomic Vulnerabilities
- Product Innovation and Diversification
- Efficiency
- Digital Capabilities
- Group Synergies
- Brand Identity
- Customer-Centricity
- Distribution Channels

Relevance to strategy

- Business and Profit Growth
- Enhance Operational Efficiency and Compliance

Key Risks

- IT Risk
- Regulatory Risk
- Reputational Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Cost pressures and significant operations cost of maintaining branch footprint	Re-use of furniture, fittings and office equipment to minimise additional capital expenditure
Opportunities	
Continued customer preference for human interaction for complex insurance needs	Establishment of a new branch in Nugegoda and relocation of the Rathnapura branch based on identified area potential
Shift in customer preference towards digital channels for routine transactions	Enhancements to the digital channels to improve functionality and operational efficiency

Management Approach

Outputs for PI

- GWP - National Sales (Per Region) - **Rs. 171.9 Mn**
- Direct Administration Cost per Branch - **Rs. 1.1 Mn**
- Direct Administration Cost - National Sales (Per Region) - **Rs. 7.3 Mn**
- Asset Turnover Ratio - **59%**

Stakeholder Outcomes	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
Branch customer base	200,014	166,773	(+)
Year-on-year increase in new policies	56%	25%	(+)
Insurance proposals issued through digital channels	1,978	978	(+)

Impact on other Capitals

Improved GWP driven by market share growth (Financial Capital)

Improved visibility enhances brand reputation (Intellectual Capital)

Improved access to insurance contributes to community wellbeing (Social and Relationship Capital)

SDGs







Manufactured Capital

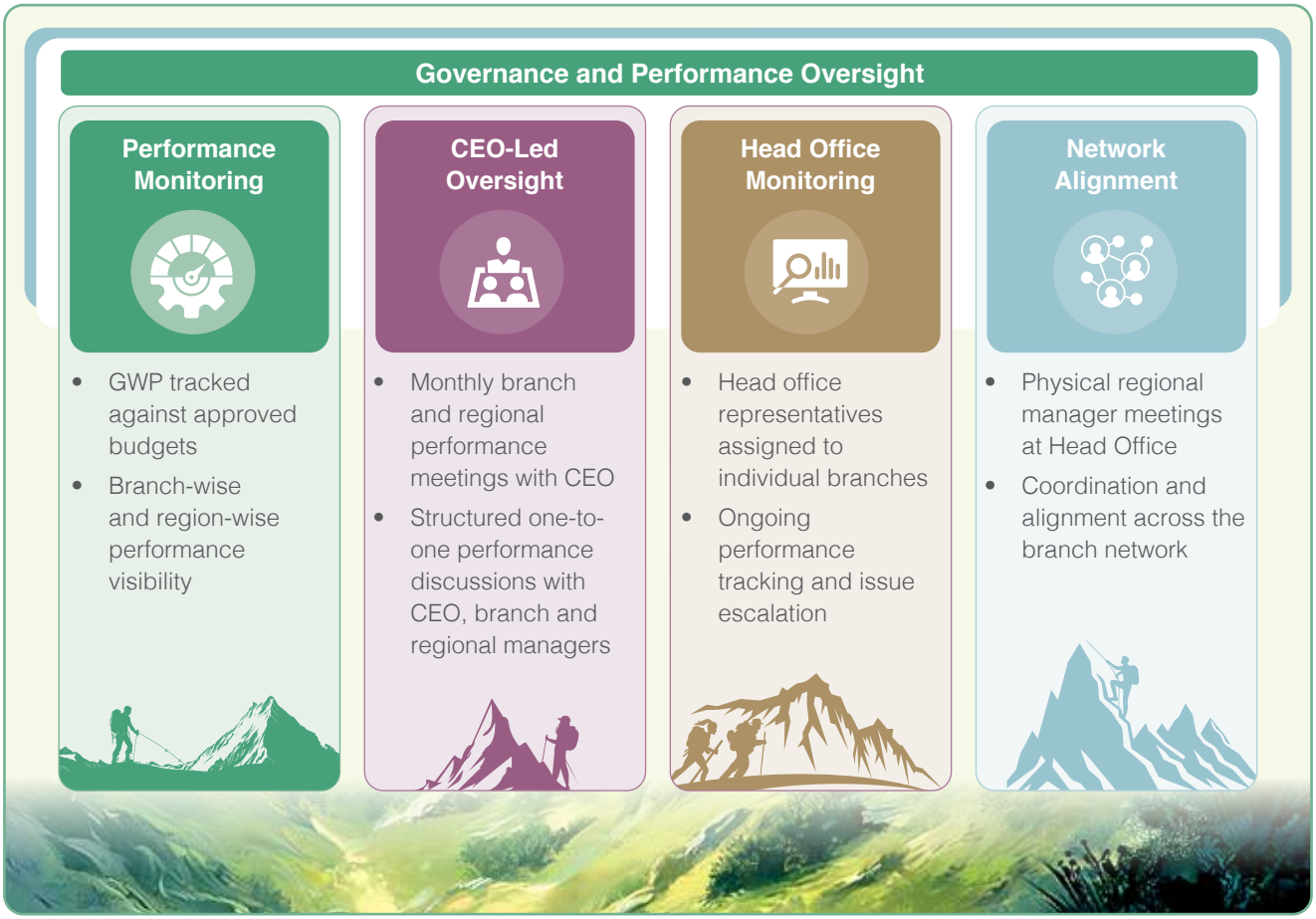
Branch Network

The People's Insurance PLC's (PI's) branch network forms a central component of the Company's Manufactured Capital. The network supports sales, policy servicing and customer engagement, while enabling PI to maintain proximity to customers across diverse geographic markets and reinforce trust through human interaction.

Given its strategic significance, PI's approach to managing its branch footprint seeks to balance nationwide reach with cost discipline. To that end, branches are strategically located across cities and townships to ensure accessibility to a geographically diverse customer base, while the extensive use of leasehold premises ensures effective management of cost pressures.

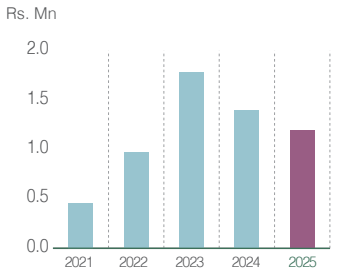
Decisions relating to the establishment, relocation and scale of branch operations are guided by established location selection guidelines, where potential locations are assessed based on visibility and ease of access, availability of parking, connectivity to major roads and public transport, customer behaviour within the area and the presence of competitors. The scale of investment is supported by quantitative assessment techniques, including break-even analysis and predictive analytics to forecast potential revenue, market share and return on investment.

Standardisation across branches is prioritised with branch layouts designed to enhance operational efficiency and effective use of resources to optimise space utilisation and support consistent service delivery.

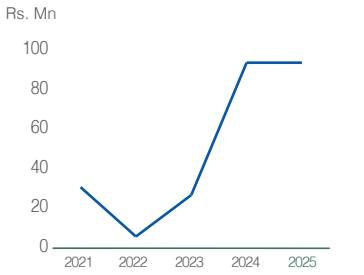


Within this framework, targeted changes to the branch footprint were implemented during 2025. A new stand-alone branch was opened in Nugegoda with a view to strengthening the Company's presence within the Colombo suburbs and improving accessibility for customers in surrounding areas. In addition, the Rathnapura Branch was relocated to a more central and easily accessible location to improve customer access and service delivery within the Sabaragamuwa Province.

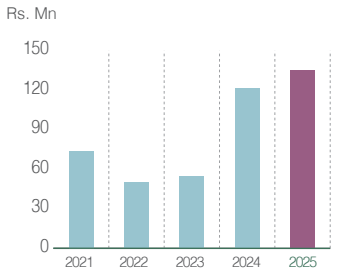
Branch Maintenance Expenses



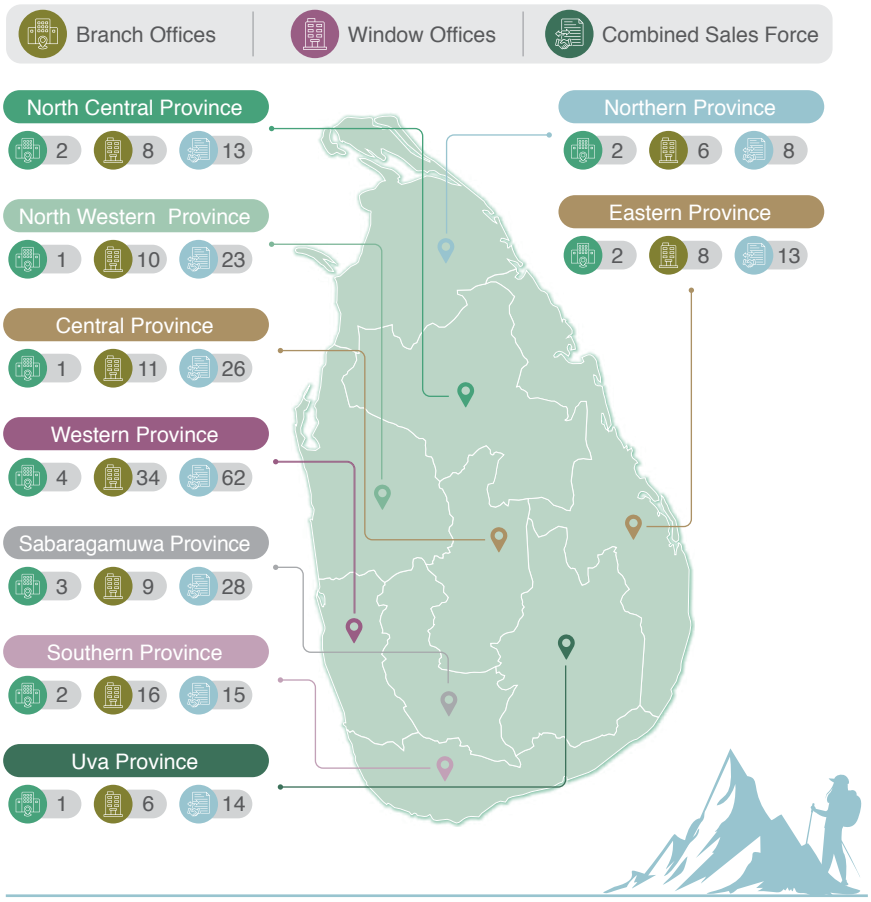
Fixed Asset Addition



Net Book Value



Branch Network



Window Offices

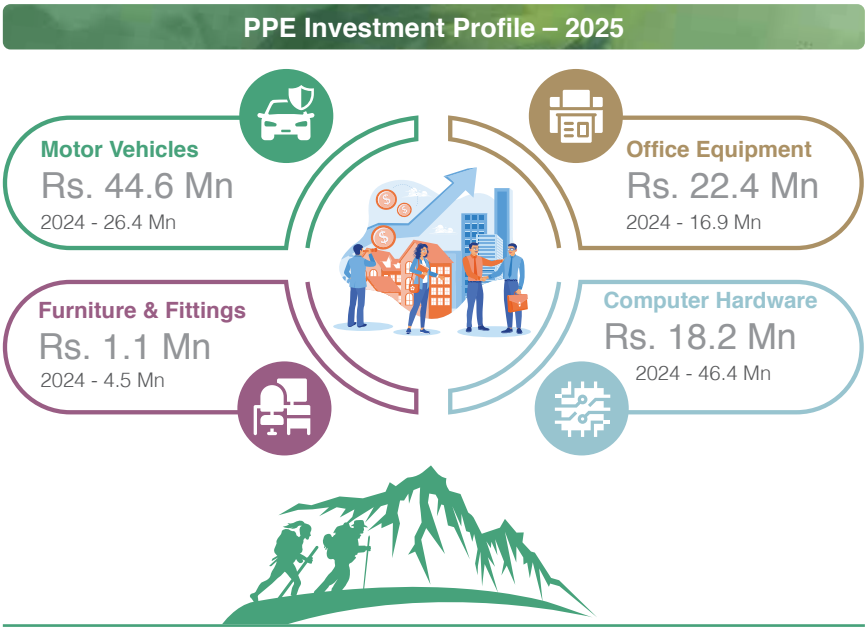
PI's Window Offices operate within the branch network of its parent entity, People's Leasing and Finance PLC (PLC). The Window Office concept was first introduced in the year 2010 as part of an asset-light strategy to extend the Company's physical presence across all nine provinces in Sri Lanka. This model enables PI to enhance customer access and service reach while optimising the use of shared infrastructure and minimising incremental capital investment.
In 2025, PI expanded its window office footprint with the opening of a new window office at the People's Leasing and Finance PLC branch in Puthukkudiyiruppu, bringing the total Window Office network to 108 as at 31 December 2025.

Meanwhile ongoing efforts to enhance the window office proposition in the current year saw the enablement of end-to-end customer onboarding at counters, introduction of priority services for long-standing customers, fast-track escalation handling with closure updates, and an accelerated claims settlement process.

Manufactured Capital

We maintain a diversified partnership portfolio spanning bancassurance, leasing, and broker-driven channels, enabling broader customer reach in an evolving market environment.

PPE Investment Profile – 2025



Property, Plant and Equipment

The effective functioning of PI's branch operations is underpinned by the availability and disciplined management of Property, Plant and Equipment (PPE). PPE enables day to day operational continuity, customer servicing and administrative efficiency across the Company's branch network, making it a foundational component of Manufactured Capital.

PI's PPE base comprises furniture and fittings, office equipment, computer hardware and motor vehicles deployed across branch and head office operations. The Company does not own land or buildings and continues to operate from leasehold premises.

PPE is procured only for essential business needs with all such Capital Expenditure (CAPEX) managed through the annual capital investment framework which is governed by the Board-approved Fixed Asset Administration Policy. The policy sets out clear principles for asset acquisition, utilisation and disposal, with due consideration given to purpose, cost and expected useful life.

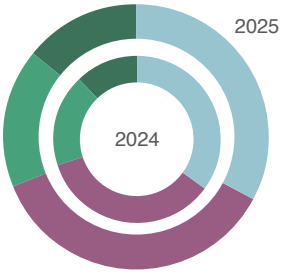
To ensure alignment with operational priorities, branch / department-wise asset needs are identified by respective Heads of Departments and consolidated into the annual CAPEX plan, which is reviewed and approved by the Board to ensure appropriate oversight. The CAPEX budget also provides the flexibility to respond to emerging business needs that may not have been fully anticipated at the time of budgeting, subject to defined approval protocols.

The procurement of PPE requires branches and departments to initiate purchase requisitions supported by Capital Expenditure forms. Stock availability and budget provision are verified prior to approval. Budgeted purchases are approved at the designated authority level, while un-budgeted acquisitions require the approval of the Chief Executive Officer. Where applicable, the potential impact of asset acquisitions on the Company's capital adequacy position is also considered as part of the approval process.

Vendor selection is undertaken through a structured quotation process, with procurement decisions reviewed and approved by the designated Decision Making Unit.

Capital investments during the year included motor vehicles amounting to Rs. 44.6 Mn, office equipment of Rs. 22.4 Mn, furniture and fittings of Rs. 1.1 Mn, and computer hardware of Rs. 18.2 Mn.

PPE Composition



	2025	2024
Computer Hardware	33%	35%
Office Equipment	36%	35%
Furniture and Fittings	17%	18%
Motor vehicles	14%	12%

Optimising Asset Performance

Optimising asset performance is a core element of PI's approach to effectively managing the lifecycle of its PPE. Regular maintenance forms the foundation of this approach. To enhance productivity and preserve asset condition, the performance of PI's physical asset base is monitored. Responsibility for monitoring asset condition and overseeing repairs rests with the Senior Manager – Administration, while asset custodians are required to promptly notify the Administration function of any ad hoc maintenance needs to enable timely intervention. Preventive maintenance activities are conducted in line with defined schedules as outlined by supplier warranties and service agreements.

Asset rationalisation is also undertaken in line with the Fixed Asset Administration Policy, where idle or underutilised assets are reassigned where feasible. Accordingly, assets from the closure of non-operating branches are reallocated to new or relocated branches where feasible. Moreover, assets that have reached the end of their productive lifespan, fail to generate the desired economic benefits, or have limited relevance to future operational requirements are considered for discontinuation or disposed of in a timely manner to avoid unnecessary maintenance costs.

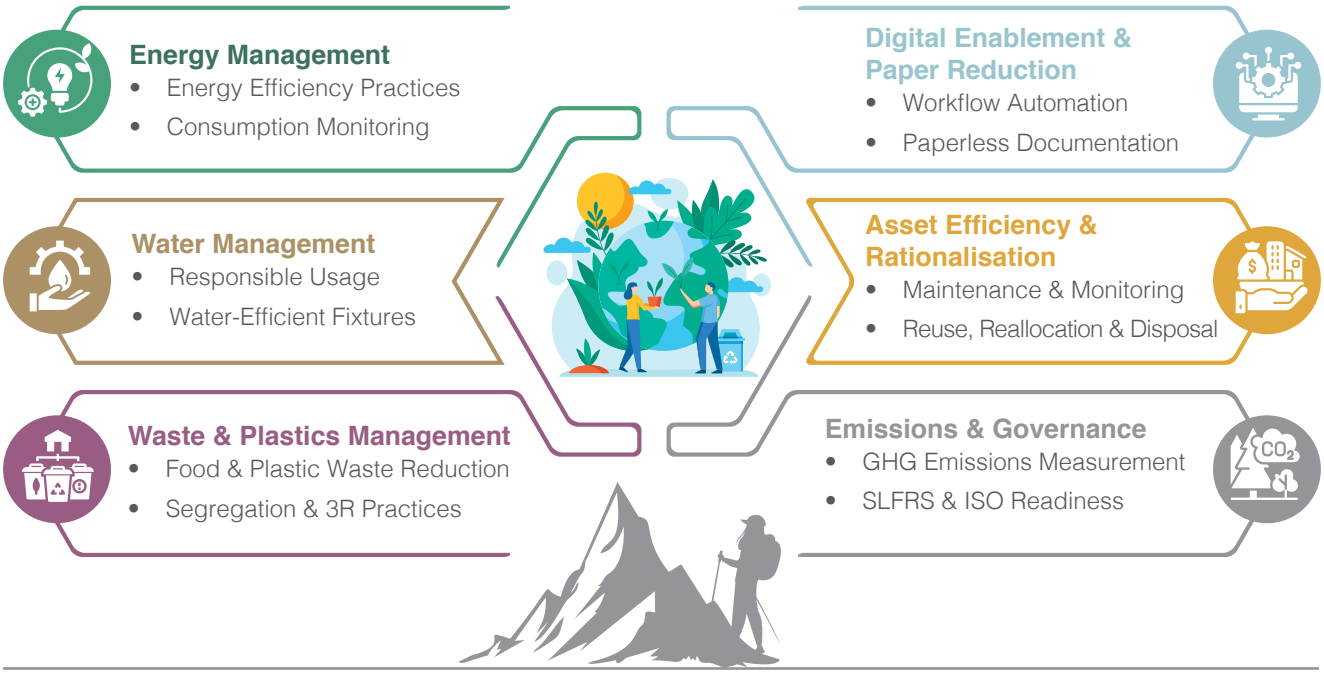
Greening of Assets

Greening of assets reflects PI's approach to reducing the environmental footprint associated with its physical operations, while supporting efficient and responsible use of Manufactured Capital. Greening efforts focus on managing the environmental footprint of physical assets.

In keeping with this approach, energy-saving practices and monitoring systems have been implemented across office floors, supported by employee awareness initiatives on responsible energy use and floor-wise consumption challenges designed to encourage behavioural change. Responsible water consumption is promoted through the installation of water-efficient fixtures and ongoing monitoring to minimise wastage.

Similarly, waste management practices are applied across operations to reduce landfill impact and support responsible disposal. Waste segregation systems are maintained for food, paper, plastic and e-waste in line with the 3R principle of Reduce, Reuse and Recycle, while daily monitoring of food waste and polythene waste is carried out to track reduction targets. Single-use plastics have been curtailed through the replacement of plastic bottles and disposable cups with reusable alternatives, alongside strict controls at pantry facilities and office events.

Greening of Assets Focus Areas



Manufactured Capital

Digital Channels

In recent years, PI has progressively expanded its digital channel architecture to complement the physical branch network.

Key developments over the years, include the Online Inbound Travel Insurance Issuance System enabling inbound travellers to purchase policies instantly through a fully digital process. Likewise, the Online Condominium Insurance Issuance System providing condominium owners and management corporations with a convenient digital platform for policy issuance. Additionally, the People's Bank–Insurance Integrated Payment Platform allows bank customers to make insurance payments through existing banking channels, supported by improved validation and reconciliation processes.

During 2025, enhancements were introduced to improve functionality and user experience across key customer-facing platforms. These included the automation of underwriting within the Online Inbound Travel Insurance Issuance System, streamlining the product configurations for the Online Condominium Insurance Issuance System, and improving validation and reconciliation mechanisms within the integrated payment platform.



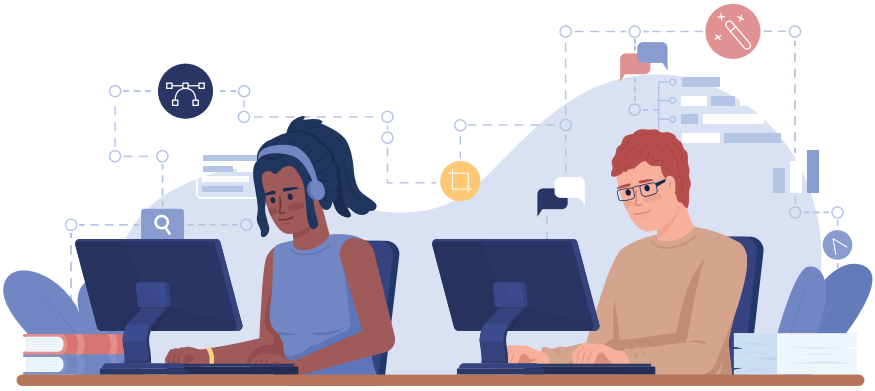
Digital Channels Enhancing Customer Access

Customer-facing Digital Channels

Channel Type	Platform	Primary Users	Key Benefit	Status
Customer facing	Online Inbound Travel Insurance System	Inbound travellers	Instant digital policy issuance	Rapid adoption
Customer-facing	Online Condominium Insurance System	Condominium owners & Management Corporations (MCs)	Quick digital policy issuance	Active usage
People's Bank	People's Bank Integrated Payment Platform	Bank customers	Convenient premium payments	Fully operational

IT Infrastructure

A resilient and scalable technology environment underpins the Company's ability to operate efficiently, safeguard data and support the reliable delivery of insurance services across its physical and digital touch-points. PI's IT infrastructure operates within a shared services model with its parent entity, People's Leasing & Finance PLC.



Targeted investments for 2025 focused on strengthening core infrastructure capacity and addressing growing data management and security requirements. As part of this effort, the file server environment was upgraded through the implementation of a more secure, high-performance solution, delivering a substantial enhancement in storage capacity to accommodate rising data volumes and improve overall system performance. Complementing this enhancement, the backup solution was upgraded to provide comprehensive protection against data loss arising from accidental deletion or vulnerabilities, enabling scheduled backups and extended data retention.

Safeguarding Physical and Digital Infrastructure

Safeguarding both physical and digital infrastructure is central to PI's ability to maintain uninterrupted operations in the event of unforeseen disruptions. This is supported through an integrated framework that combines Business Continuity Planning and Disaster Recovery infrastructure to ensure the continued availability of critical business functions and services.

The Business Continuity Plan (BCP) establishes as a structured framework for both prevention and the timely resumption of operations following a disruption. The framework focuses on identifying critical business



processes and defining appropriate recovery objectives to minimise operational, financial and regulatory impact.

Preventive operational protocols form an integral part of the BCP by reducing exposure to avoidable risks to assets and operations. Fire prevention controls address the safe storage of materials, management of electrical equipment and the use of open flames, strengthening preparedness across office premises. These measures support risk mitigation at source and reinforce operational readiness.

Building on these preventive controls, recovery strategies are in place to sustain essential activities during disruptions. These include emergency response plans, continuity of operations arrangements and structured communication mechanisms. An enterprise-wide call tree is maintained to enable rapid internal communication, with defined activation protocols to ensure timely dissemination of information. Physical and operational recovery arrangements also leverage the Company's existing branch network, with all PI branches designated as potential Disaster Recovery Sites in the event of head office unavailability and specific branches identified to support the recovery of essential functions.

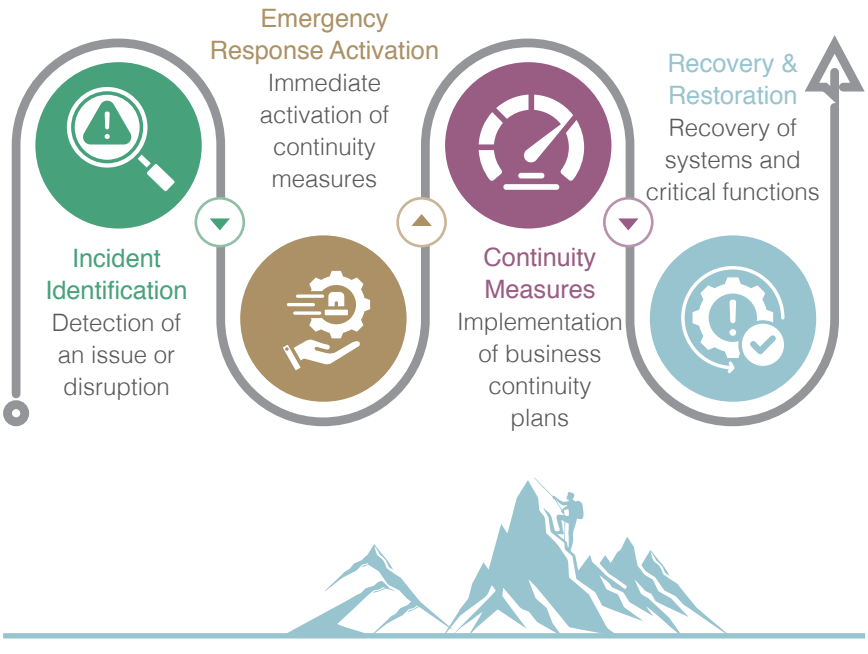
The effectiveness of the BCP framework is reinforced through regular testing, training and readiness assurance activities. The framework mandates a combination of simple and complex exercises, including desk checks, call tree drills, walkthrough assessments, emergency response exercises and full end-to-end simulations. Fire drills, safety training and first aid training sessions are also conducted to strengthen preparedness across teams involved in emergency response and recovery.

Disaster Recovery infrastructure complements the BCP. PI's DR infrastructure consists of a virtualised data centre environment with built-in redundancy across power supply, network connectivity, servers and storage to support high system availability and facilitate the timely restoration of critical systems and data in the event of infrastructure failure at the primary site. All databases are live replicated to the disaster recovery site, while critical application servers are replicated using VMware Site Recovery Manager Technology. These arrangements are designed to support timely system recovery in line with defined recovery objectives and ensure the continued availability of essential technology services.

The effectiveness of disaster recovery arrangements is validated through regular mock drills covering a range of infrastructure failure scenarios, including network failure involving leased line connectivity, firewall failure, database corruption and storage failure. Insights from these drills support the ongoing review and strengthening of IT infrastructure resilience.

During 2025, additional measures were introduced to further strengthen recovery arrangements. These included the establishment of a dedicated WhatsApp group to support emergency communication, the appointment of first aid team members across departments, the designation of fire coordinators and firefighters on relevant floors, and the finalisation of an alternative contact centre location. Access to critical Company documents was also centralised through a common repository to support recovery needs. Oversight of BCP-related matters was further enhanced through its introduction as an agenda item at Board IT and Marketing Sub Committee meetings.

Incident Response and Recovery Flow



Automation and Analytics

The purpose of automation and analytics at PI is to transform internal workflows and enhance operational efficiency across underwriting, claims and operational functions.

Ongoing automation efforts during the year focused on strengthening both field and back-office processes to improve data accuracy and management oversight. The internal Inspection Management Mobile Application was enhanced to enable underwriting and claims teams to conduct image-based inspections and link inspection data directly to relevant policies and claims, thereby significantly improving processing speed and documentation accuracy.

The Inventory Management System was also strengthened with the integration of digital tools to facilitate improved visibility and enable better control over operational inventory to support the timely availability of resources.

In parallel, analytical capabilities of the Online Marketing Dashboard was further enhanced to provide marketing and management teams with real-time insights into campaign performance and lead management.

Information Security System

The protection of information assets and technology-enabled infrastructure is integral to ensuring the confidentiality, integrity and availability of systems that support PI's operations and service delivery. The Company has ensured its Information security arrangements are aligned with regulatory expectations, including compliance with the Central Bank of Sri Lanka Direction No. 01 of 2022 on Technology Risk Management and Resilience. As part of this regulatory compliance, information security is managed through an ISO 27001:2022 certified Information Security Management System (ISMS) operated by the PLC–ICT Department. The ISMS provides a structured framework for identifying, managing and mitigating information security risks

Information Security Policy Framework

Governance and Security Mana

- Information Security Policy
- Cyber Security Management Policy
- Supplier Relationship Management Policy

Access Control and Identity Management

- User Access Management Policy
- Privileged Access Management Policy
- Password Policy

Acceptable Use and Endpoint

- E-mail Usage Policy
- Internet Usage Policy
- Laptop Policy
- Anti-Virus Policy
- Software Installation Policy

Data Protection and Backup

- Information Backup Policy
- Computer Storage Media Security Policy
- Cryptographic Control and Key Management

Secure Development and Incident

- Secure Software Development Policy
- Technical Vulnerability and Patch Manage
- Information Security Incident Management
- Log Management Policy

Physical and Workplace Security

- Physical Access and Visitor Policy
- Clear Desk and Clear Screen Policy

Manufactured Capital

across technology environments, with controls embedded across systems, processes and physical infrastructure.

A comprehensive policy framework underpins the operation of the ISMS. These policies address key areas including identity and access management, endpoint and malware protection, data storage and backup, secure system usage, software development and change management, incident response and supplier-related security controls.

All policies were reviewed in the current year and updated as needed to ensure continued alignment with current practices and evolving security requirements. At the same time, to support continuous monitoring of information security risks a cybersecurity heat map was introduced in the current year to facilitate enhanced oversight of risk exposure and control effectiveness.

Effectiveness of the information security framework continued to be further reinforced through routine due diligence activities, including internal audits, independent audits covering IT General Controls and cyber security as part of the annual financial audit, and periodic vulnerability assessments and penetration testing conducted in line with ISO 27001 requirements.

The year also saw the ISMS being rectified under the ISO 27001:2022 standard for a further three year period valid from September 2025 to September 2028.


Certificate

People's Leasing & Finance PLC
1161, Maradana Road, Colombo 08

INFORMATION SECURITY MANAGEMENT SYSTEM
is in accordance with the requirements of the international standard
ISO/IEC 27001:2022

Information system audit was conducted by quality Austria central Asia on the People's Leasing & Finance for a period of three years from 2025 to 2028.

Priorities for the future

Short-Term Priorities

In the short term, emphasis will be placed on improving the efficiency, profitability and utilisation of the Company's physical and digital assets. Focus will be directed towards optimising the branch and strengthening the window office network through targeted expansion into selected People's Bank branches.

Priority will also be given to strengthening digital enablement and process automation to reduce cost-to-serve and improve operational efficiency. Ongoing automation of internal workflows and policy issuance will support paper reduction targets, while enhancements to digital engagement platforms will strengthen lead generation and customer interaction. Investments in core IT infrastructure, computer hardware and software, together with continued training and awareness programs on information security, will support secure and reliable operations.

Medium-Term Priorities

Over the medium term, efforts will focus on selectively expanding the Company's footprint and further strengthening the performance of its manufactured assets. New branch openings will be guided by area potential and break-even profitability considerations, alongside initiatives to ensure all branches and regions contribute positively towards common costs. Greater use of Group synergies and alternative low-cost channels will continue to support sustainable growth and operational scalability.

Risk management and resilience frameworks will also be strengthened through enhanced disaster recovery capabilities, and testing of business continuity arrangements.

Long-Term Priorities

In the longer term, priorities will centre on advancing a scalable, technology-enabled operating model supported by resilient infrastructure and mature sustainability practices. Digital channels will continue to be strengthened as primary customer access points, supported by ongoing investments in IT infrastructure, data storage and system capacity to meet evolving business requirements.

Human Capital

GRI: 202, 401, 403, 406, 408



As a service organisation operating in the highly competitive domestic insurance industry, PI's Human Capital remains a key enabler for the delivery of consistent service quality, and fuelling business growth.

Management Approach

PI's approach to Human Capital management is centred on creating a holistic Employee Value Proposition that supports employees at all levels through competitive remuneration, continuous learning and development and opportunities for career growth coupled with a supportive work environment and a strong culture of engagement. These elements collectively underpin employee motivation, capability and long-term retention.

Material Matters

- Efficiency
- Talent Management
- Health and Safety
- Customer-Centricity

Relevance to strategy

- Business growth and profit
- Enhances operational efficiency and compliance
- Develops a skilled and future ready workforce

Key Risks

- Human Resource Risk
- Reputational Risk
- ESG Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Employee attrition traditionally associated with the local insurance industry	• Strengthened workforce planning and internal talent pipelines to support continuity and reduce reliance on external recruitment. • Focused capability development and clearer role expectations to support employee retention and sustain productivity.
Opportunities	
Opportunity to build a strong and reliable internal talent pool	• Continued emphasis on internal recruitment, succession planning and structured development pathways to build a sustainable talent pipeline aligned with business needs.
Leveraging PI's geographic spread to access regions with untapped talent	• Strengthened zonal, regional and branch-level management capability to support local hiring, develop regional talent pools and improve workforce availability closer to operating locations.

Value Transformation

Outputs for PI

- **17%** employee attrition (34% in 2024)
- **78:22** male to female gender ratio (80:20 in 2024)
- **Zero** incidents reported through the grievance procedure (zero in 2024)
- **178** promotions during the year (171 in 2024)
- Human capital return on investment **1.43** (1.77 in 2024)

Stakeholder Outcomes GRI: 201-3	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
New Recruits	246	295	(-)
Monetary benefits distributed	Rs. 1,100 Mn	Rs. 907 Mn	(+)
Entry-level wage between men and women	1:1	1:1	(=)
Defined Benefit Obligations	Rs. 117 Mn	Rs. 94 Mn	(+)

Impact on other Capitals

Enables optimal use of the Company's assets (Manufactured Capital)

Builds trust and strengthens loyalty with customers and business partners (Social and Relationship Capital)

Efficient and highly motivated employees drive GWP growth and help to reduce costs, thus enhancing PI's capacity for sustained profitability (Financial Capital)

Augments competitive advantage and enhances brand position against peers (Intellectual Capital)

SDGs



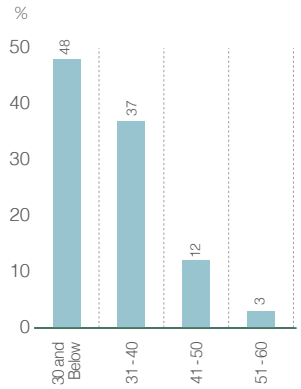


Human Capital

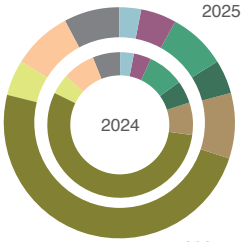
People's Insurance PLC Human Capital Profile FY 2025

GRI: 2-7

Employees by Age

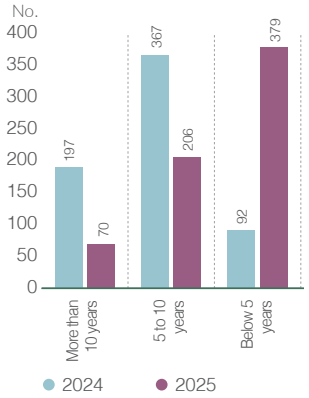


Employees by province



	2025	2024
Northern	20	21
North Central	34	26
North Western	52	53
Eastern	31	31
Central	59	49
Western	316	360
Uva	34	28
Sabaragamuwa	53	48
Southern	50	39

Service analysis of Employees



PI's Gender Parity Scorecard 2025

Diversity and Inclusion

Gender parity-policies to promote diversity and inclusion

Overall Gender Ratio

78:22(M:F)

2024 - 80:20 (M:F)

Non-Sales Gender Ratio

57:43 (M:F)

2024 - 69: 31 (M:F)

Remuneration

Guidelines on gender pay equity

Ratio of basic salary between men and women

1:1

2024 - 1:1

Median Gender Pay Gap

37%

2024 - 30%

Mean Gender Pay Gap

15%

2024 - 4%

Percentage of female employees receiving bonuses

17%

2024 - 23%

Amount paid as bonuses to female employees

Rs. 22.3 Mn

2024 - Rs 19.7 Mn

Sexual Harassment

Gender parity-policies to prevent sexual harassment at the workplace

Incidents reported

ZERO

2024 - (Zero)

Training Opportunities

Training and Development Policy

Training hours per person (M:F)

25 : 42

2024 - 20 : 20

No. of females benefiting from overseas training opportunities

3

2024 - 3

Our Board-approved HR Procedure Manual is developed in line with applicable laws and best practices as per the internationally accepted Labour Conventions

HR Governance

PI's centralised HR governance framework is designed to ensure consistency, transparency and fairness across all aspects of human capital management with clear accountability and disciplined policy application guide people practices across the organisation.

Overall responsibility for HR governance rests with the Board of Directors, which provides oversight to ensure that human capital strategies support business priorities, operational effectiveness and long-term sustainability. Relevant Board committees review and recommend HR-related policies and frameworks to ensure compliance with applicable labour laws, corporate governance guidelines and industry best practices.

HR-related activities are operationalised by the Human Resource Department (HRD) in accordance with a Board-approved HR Procedure Manual. The manual which is developed in line with applicable labour laws and labour best practices stipulated by the United Nations Global Compact and the International Labour Organisation convention, sets out roles, responsibilities and policies governing the employee life cycle and serves as the primary reference for HR decision-making across the organisation.

People's Insurance PLC - HR Governance

GRI: 2, 408 - 1

Regulatory Compliance

- Shop and Office Employees Act of 1954
- EPF Act
- ETF Act
- Payment of Gratuity Act of Sri Lanka
- Advance Personal Income Tax (APIT) Directive

Labour Best Practices

- Freedom of association and the effective recognition of the right to collective bargaining
- No forced or compulsory labour
- No Child Labour
- Equal opportunity and non-discriminatory employment

Attraction & Retention

- Recruitment Policy
- Communication Policy
- Bonus Policy
- Grading, title matrix and benefits policy
- Certificate of appreciation

Development

- Training and Development Policy
- Succession Planning
- Career progression and Promotion Policy
- Performance Management Policy

Diversity & Inclusivity

- Non-discrimination Policy
- Gender parity-policies to prevent sexual harassment at the workplace, diversity and inclusion and guidelines on gender pay equity
- Whistleblowing Policy
- Grievance Handling Policy

Behaviour

- Employee handbook
- Employee code of conduct
- Disciplinary code
- Anti-fraud policy
- Anti-bribery policy
- Code of ethics

Human Capital

GRI: 2-7, 2-8, 202-2

Recruitment and Selection

Given the people-intensive nature of insurance operations, recruitment and selection play a critical role in managing attrition, maintaining productivity and ensuring continuity across technical, sales and support functions across the Company.

Recruitment and selection activities at PI operate within defined internal policies, approval mechanisms and applicable labour legislation.

Selection follows a structured and unbiased assessment processes, supported by defined shortlisting criteria, interview protocols and approval thresholds. Candidate evaluation is carried out against role-specific technical and behavioural requirements, with appointments subject to review by designated authority levels to ensure objectivity and governance discipline. Compliance considerations form an integral part of the selection process, with PI adhering strictly to the minimum age for employment in line with applicable labour laws and age verification checks conducted prior to appointment to safeguard against child labour risks. Hence PI's operations are not at risk for child labour.

Successful candidates are issued formal contracts of employment and placed on probation in accordance with Company guidelines, with confirmation subject to performance and role suitability. PI recruits only full time employees and does not hire on a temporary or contract basis. All senior management of the Company are recruited locally from Sri Lanka.

Ongoing attrition pressures inherent in the insurance industry, together with the need to preserve productivity and service quality amidst the rapid scaling of PI's operations, underscored the need for a more forward-looking and data-driven approach to workforce planning and hiring decisions, prompting targeted enhancements in 2025. In a key effort to strengthen recruitment effectiveness and enhance workforce planning discipline, a formal annual manpower planning process aligned with the corporate plan and projected business volumes, was introduced with effect from the current year. In parallel, Job descriptions across the organisation were reviewed and updated to incorporate technical, behavioural and insurance-specific competencies with a view to enhancing role clarity and strengthening the consistency of candidate assessment.

In parallel, external recruitment decisions were supported by data-driven justification, including the analysis of attrition trends, productivity ratios, premium per employee and claims ratios, together with recruitment metrics such as time to hire, cost per hire and quality of hire.

No. of positions filled by internal talent

10

2024 - 13

Average time to fill vacant positions

30 days

2024 - 30 days

More emphasis was also placed on digital recruitment channels, including the corporate website and professional networking platforms such as LinkedIn, to broaden access to potential candidates and enhance employer visibility. In parallel, PI continued to engage with universities, training institutions and external resource persons to support access to emerging talent as well as to address regional workforce requirements.

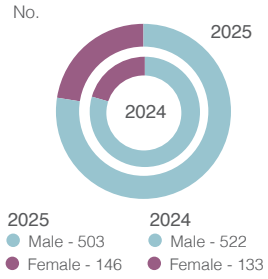
Given the wider range of recruitment channels currently in use, governance, transparency and compliance were further strengthened in 2025 by clearly delineating the roles and responsibilities of interview panels and approving authorities throughout the recruitment and selection process. 100% of the of senior management hired from the local community. Currently company have not employed any part time employees. In addition to its permanent workforce, People's



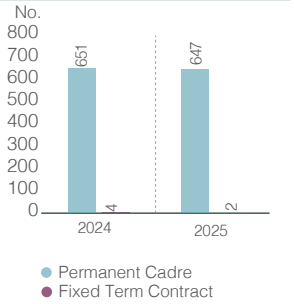
Workforce Analysis 2025

GRI: 2-7. 2 -8, 401 -1

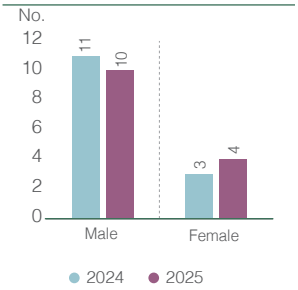
Employees by Gender



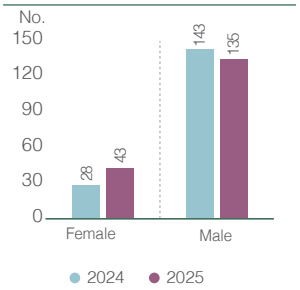
Permanent vs Non-Permanent



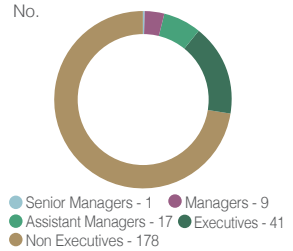
Composition of the Senior Management



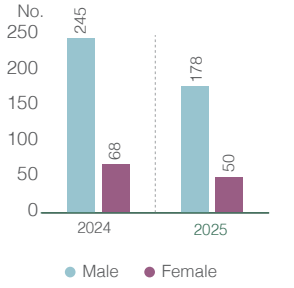
Promoted Designations



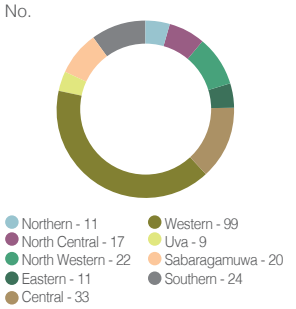
New Hires by Employment Category



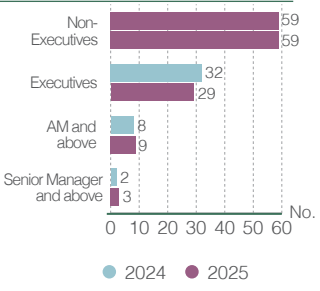
New Hires by Gender



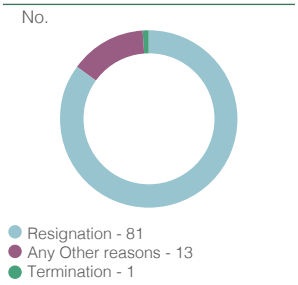
New Hires by Province



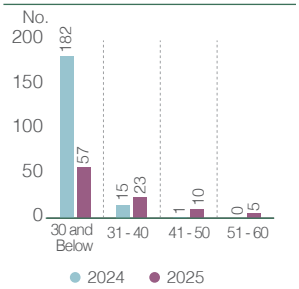
Female Representation by the Category



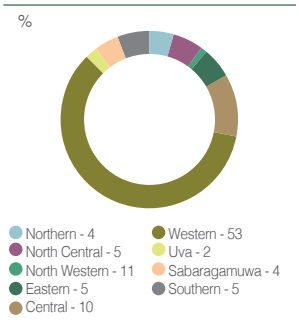
Employee Turnover by Reason



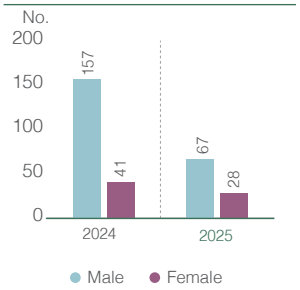
Attrition by Age



Attrition by Province



Attrition by Gender



Insurance PLC engages workers who are not employees through outsourced service arrangements and engaged 24 cleaning staff and 22 security staff.

Orientation and Induction

Orientation and induction supports the effective integration of new employees into PI's operations, culture and performance framework to enable new recruits to transition smoothly and contribute productively from the outset.

Given the rapid expansion in PI's workforce in recent years, a structured two-day induction programme was introduced with effect from the current year, to provide systematic exposure to PI's corporate values, product portfolio, policies, compliance requirements and organisational practices to all newly recruited employees including new hires in outstation locations.

Diversity and Inclusion

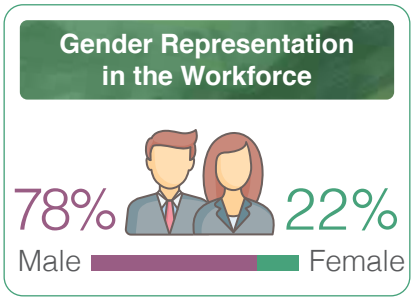
GRI: 405-2

Fostering a diverse and inclusive workplace is fundamental to PI's people practices, supporting fairness, equal opportunity and a respectful work environment across the organisation. An inclusive culture enables PI to attract, develop and retain talent by ensuring that employees are valued for their contribution and provided with equal access to opportunities, regardless of gender, background, religious beliefs or any other status protected by law.

A key aspect of PI's diversity and inclusion approach is its commitment to gender equity, particularly in relation to pay, career progression and leadership representation. PI maintains pay equity by ensuring that no gender-based pay gap exists for employees in comparable roles, applying a 1:1 salary ratio for men and women performing similar functions.

The commitment to diversity and inclusion is embedded within PI's HR governance framework and articulated through the HR Procedure Manual with equal opportunity principles applied consistently across key people processes, including recruitment, performance management, training and career development. Moreover, Managers at all levels are expected to uphold these principles and lead by example in creating and sustaining a respectful and inclusive work environment.

PI continues to demonstrate its commitment to gender equality by actively working to increase female participation in the workforce. A key focus in recent years has been promoting women in leadership roles and encouraging the active participation of females in decision making at all levels of operation. In keeping with this commitment, several programmes led by women in managerial and executive positions were conducted during the year.



Initiatives to support women's empowerment and promote health and well-being awareness also continued throughout the year. To mark Breast Cancer Awareness Month in October, PI organised an awareness and screening session for female employees in partnership with Nawaloka Hospital. The initiative focused on preventive health education and directly engaged women employees on health-related matters, reinforcing organisational support beyond the workplace and contributing to a culture of care and inclusion.

Ratio of Basic Salary between Men and Women - Non-Sales 2025

GRI: 405-2

Employee Category	Men	Women
Chief Manager , Senior Manager & Manager	1.00	-
Assistant Manager	1.00	0.02
Senior Executive	1.00	-
Executive	1.00	0.09
Junior Executive	1.00	0.59
Non-Executive	1.00	0.40

Ratio of Basic Salary between Men and Women - Sales 2025

Employee Category	Men	Women
Chief Manager , Senior Manager & Manager	1.00	-
Assistant Manager	1.00	0.42
Senior Executive	1.00	0.25
Executive	1.00	0.16
Junior Executive	1.00	0.24
Non-Executive	1.00	0.80

Human Rights

GRI: 2-30, 406-1, 408-1, 409-1

Respect for human rights is integral to PI's people practices and shapes the manner in which employees are engaged, supported and treated throughout their employment journey. The Company is committed to upholding internationally recognised labour standards and ensuring that all employees are treated with dignity, fairness and respect.

This commitment is underpinned by a non-discriminatory approach to employment where dignity and mutual respect are upheld in the workplace,

The Company continues to support employee representation through recognised unions which serve as a transparent channel to facilitate two-way dialogue between employee representatives and PI's management.

and professional conduct is expected at all times. PI places emphasis on promoting respectful behaviour across the employee life cycle and on preventing harassment through clearly articulated behavioural standards and established disciplinary procedures. No incidents of discrimination were reported during the year under review.

PI's Human Rights framework also recognises and respects the freedom of association and the right to collective bargaining, where employees are free to form and join trade unions and to participate in collective activities without fear of discrimination or retaliation. The Company continues to support employee representation through recognised unions which serves as a transparent channel to facilitate two-way dialogue between employee representatives and PI's management. With approximately 36% of PI employees represented by trade unions, PI's operations are not at risk for freedom of association or collective bargaining.

The Company is also committed to preventing forced or compulsory labour supported by policies and procedures governing recruitment, employment conditions and employee relations. Hence PI's operations are not at risk for forced or compulsory labour.

People's Insurance PLC operates within the financial services sector and does not engage in activities that pose a significant risk of child labour or forced or compulsory labour. Based on internal assessments of the Company's operations and supplier relationships, no incidents or significant risks related to child labour or forced or compulsory labour were identified during the reporting period.

Remuneration and Benefits

GRI: 202-1, 401-2

PI's remuneration practices aim to support talent attraction and retention while also strengthening the Company's position as an employer of choice within the local insurance industry.
Oversight of remuneration structures rests with the Board of Directors. The Board undertakes to ensure remuneration policies and practices implemented in accordance with applicable regulatory requirements and industry standards.

Employee leave entitlements, maternity benefits in line with the Shop and Office Employees Act of 1954, while and retirement benefits are as per provisions set out under the Employees' Provident Fund Act, the Employees' Trust Fund Act and the Payment of Gratuity Act. Accordingly, PI contributes 12% of an employee's basic salary to the Employees' Provident Fund and 3% to the Employees' Trust Fund, in addition to maintaining a Gratuity Fund for eligible employees. All statutory tax deductions are made in accordance with Advance Personal Income Tax requirements.

Operating under the delegated authority of the Board, the Board Human Resources and Remuneration Committee responsible for reviewing and recommending revisions to ensure continued relevance, competitiveness and alignment with business objectives

The need to review and enhance remuneration practices during the year arose as a result of evolving regulatory requirements, cost-of-living considerations and the importance of sustaining employee motivation and retention.

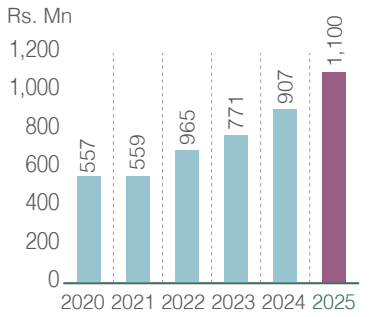
Accordingly, revisions were made where the minimum monthly basic salary was revised to Rs. 30,000 in accordance with the National Minimum Wage of Workers (Amendment) Act No. 11 of 2025.

Benefits Provided to all Permanent Employees of People's Insurance PLC

GRI: 401-2

- Vehicle/Motorbike loans
- Housing loan interest reimbursements
- Staff loans
- Medical insurance cover
- Personal accident cover
- Life insurance cover
- Travelling reimbursements
- Gymnasium and sports facilities
- Staff welfare society benefits
- Professional subscription reimbursement
- Reimbursement of mobile phone cost
- Leave encashment
- Higher education aid

Monetary Benefits



Incentive-based remuneration arrangements were also reviewed and updated during the year, with a series of amendments to the Bonus Policy approved by the Board Human Resources and Remuneration Committee and ratified by the Board of Directors. The revisions maintained the overall annual bonus quantum while rebalancing fixed and performance-linked components to strengthen alignment with performance outcomes.

The Perks Policy was also amended to revise vehicle loan limits applicable to the Regional Manager category.

Maternity Leave

GRI: 401-3

PI provides parental leave benefits in compliance with the Shop and Office Employees Act of 1954, which stipulates that female employees are entitled to 84 days of paid maternity leave following delivery. Eligible employees are also granted two hours of nursing time per day for a period of one year upon returning to work after maternity leave.

Parental leave entitlements are managed through established HR policies and procedures.

Parental Leave for Female employees

Parental Leave	2025	2024
Employees entitled to parental leave	146	3
Employees that took parental leave	7	3
Total number of employees that returned to work in the reporting period after parental leave ended	4	3
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	6	3
Return to work and retention rates of employees that took parental leave	86%	100%

Performance Management

A structured performance management framework governs performance assessment across employee categories, providing a consistent basis for goal setting, evaluation and rewards. It establishes clear performance expectations and accountability mechanisms for executives and non-executives, with performance outcomes linked to business results, risk considerations and adherence to underwriting standards.

During the year, enhancements to performance management practices were driven by the need to further strengthen portfolio quality and profitability, particularly within frontline and sales-driven functions.

Accordingly, the performance management approach for frontline teams was enhanced to incorporate a more comprehensive framework combining quantitative and qualitative indicators.

Incentive structures were aligned to a composite performance scorecard, incorporating Gross Written Premium, loss ratios, profitability and portfolio mix with stronger emphasis on driving growth in preferable segments over non-preferable segments, particularly within the motor portfolio. Adherence

Employees receiving performance evaluations in FY 2025

GRI: 404 - 3

Employee Category	Men	Women
Chief Manager	100%	100%
Senior Manager	100%	100%
Manager	100%	100%
Senior Executive	100%	100%
Executive	100%	100%
Junior Executive	100%	100%
Non-Executive	100%	100%

to underwriting guidelines and the accuracy and completeness of proposal documentation were also incorporated into the performance assessment framework, reinforcing risk discipline and data quality expectations.

At the same time, performance oversight was further strengthened with supervisors empowered to monitor outcomes on an ongoing basis, identify performance gaps at an early stage and support timely realignment where required.

Performance Management Framework



Training and Development

Training and development forms a key component of PI's strategy to enhance institutional knowledge, improve service quality and maintain leadership continuity across the organisation. Training and development activities are carried out as per the annual training plan and the Board-approved training budget. The annual training plan is developed based on training needs identified by the various business heads. Training requirements are identified through multiple channels, including the annual performance evaluation process, recommendations from supervisors and succession planning considerations.

Training interventions are implemented in line with the annual Board-approved training budget to support the development of both technical and behavioural competencies, while enabling employees to develop skills required for career progression.

Training delivery follows a blended learning approach, which combines classroom-based programmes, on-the-job training, external resource persons and online learning platforms. More recently, e-learning initiatives have continued to play a key role in allowing employees to access learning resources flexibly while balancing operational requirements across departments and locations, thereby enabling self-paced learning and fostering a culture of continuous development.

Within this established framework, the training focus for the year was on strengthening technical and functional capabilities among frontline teams. Programmes covering sales effectiveness, service orientation and professional communication were prioritised, supporting improved customer engagement and operational effectiveness. Selected employees also participated in specialised training programmes and overseas technical exposure aligned with role requirements and succession planning considerations.

During the year, PI invested Rs. 7.2 Mn in training initiatives, delivering a total of 53,595 training hours for the benefit of 2,265 employees.

Human Capital

Training & Development Highlights

Sell to Win Workshop
For Sales Teams & Managers

Boosting Sales Effectiveness
Improving Business Communication

Professional Writing Skills
For Sales Teams & Managers



Enhancing Skills & Empowering Employees

Service Mindset Training
For Back Office Staff

Enhancing Customer Service
Financial Planning Investment Tips

Personal Financial Wellbeing
For All Employees

Blended Learning Approach

Classroom Training

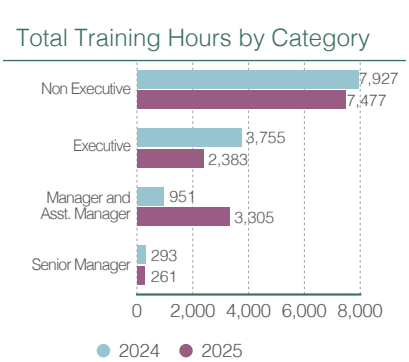
E-Learning Modules

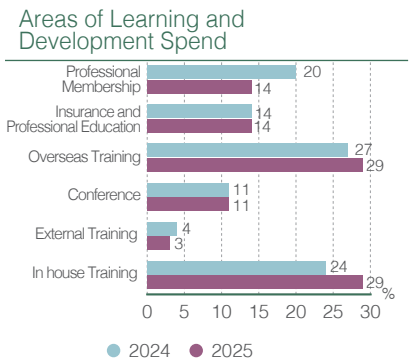
On-the Job Training

Invested in Training
Rs. 7.2 Mn
2024 - Rs. 9.2 Mn

Total Training Hours
615
2024 - 563

Employees Trained
2,265
2024 - 785





Training Programs conducted during the year GRI: 404 - 1, 404 - 2

Training Topic	Target Employee	No. of Participants	Total Training Hours		Average Training Hours Per Person	
			Male	Female	Male	Female
Technical training	Technical underwriting staff (after one month)	45	320	400	16	16
Socialisation of Company policies	All staff (online)	590	3,568	1,152	8	8
Interactive Session on Professional Etiquette & Development	Assistant Manager and above	27	144	72	8	8
How to build a 'Service Mindset'	Back office underwriters	193	904	640	8	8
Sell to Win	National sales personnel	199	1,432	160	8	8
Customer service and telephone etiquette	Call centre employees and receptionists	23	88	96	8	8
Leadership training	Succession planning pool	19	60	16	4	4
SLII training	Underwriting staff	193	560	405	5	5
Conflict management	Succession planning pool	19	60	16	4	4
Technical training	All underwriters	590	3,568	1,152	8	8
	Under-performing sales personnel					
How to manage your financial wellbeing	Selected employees across departments	82	315	95	5	5
Reinsurance & Technical Accounting course (Malaysia)	8 staff (Senior Executive and above)	8	144	48	24	24
Professional Business Writing skills programme	Selected back office staff	28	136	88	8	8
Customer service training	Motor assessors	51	273	84	7	7
Breast Cancer Awareness programme (with Nawaloka Hospital)	Female staff at Head Office	44		174		6
Annual Fire Safety Training	Designated fire coordinators, fire fighters and wardens	22	90	20	5	5

Average Training Hours by Category	2025	2024
Senior Manager	17.4	19.5
Manager and Asst. Manager	28.7	9.8
Executive	8.3	14.0
Non Executive	32.1	28.9

Career Advancement

Career advancement at PI is intended to enable employees to grow their careers in tandem with the Company's growth trajectory. Career advancement is guided by established frameworks, including the succession planning process. As per the succession policy and framework introduced in 2023/24, nomination-based selection applied to identify potential successors for key roles. Building on this foundation, the framework was strengthened through the identification of critical positions to create a reliable succession pool to facilitate continuity in leadership of specialist functions.

Promotion Granted

No of staff promoted	2025		2024	
	Male	Female	Male	Female
Senior Manager	1	1	-	-
Manager and Asst. Manager	23	4	6	1
Executive	86	20	98	13
Non Executive	25	18	39	14



Meanwhile ongoing efforts to enhance the objectivity and transparency of the succession planning process saw the introduction of the nine-box grid during the current year to support more consistent and evidence-based identification of successors. This was accompanied with the introduction of Individual Development Plans for identified successors, with development priorities defined based on the outcomes of the nine-box assessment.

Training and development interventions were subsequently aligned to these Individual Development Plans, enabling successors to participate in targeted learning, knowledge-sharing sessions and role-specific development activities aimed at strengthening readiness for future responsibilities.

Employees continued to be encouraged to pursue professional qualifications, with continued support provided through the reimbursement of examination fees and subscriptions to recognised professional institutions.

Employee Relations

GRI: 2 -25, 2 -26, 2 - 30, 402 -1, 407-1

PI has always operated on the premise that constructive employee relations helps to build trust, collaboration and effective issue resolution, contributing to a stable and productive work environment.

Hence the Company's approach to employee relations is supported through a combination of formal and informal mechanisms that facilitate dialogue and foster constructive relationships to ensure employee issues are addressed in a consistent and structured manner. Informal engagement channels including regular team meetings and an open-door policy, provide employees with accessible avenues to raise concerns, share feedback and engage directly with management on workplace-related matters. Operational changes are formally notified with employees given adequate notice prior to implementation.

Another key component of PI's employee relations framework is the collective bargaining agreement entered into with the recognised trade union, which governs terms and conditions of employment for 36% of PI employees. The collective agreement provides a formal structure for engagement, consultation and negotiation, supporting orderly labour relations and enabling the resolution of employment-related matters through established processes.

Multiple channels have also been made available for employees to raise concerns. The grievance handling process is governed by a Board-

approved Grievance Handling Policy, which establishes clear procedures for the submission, review and resolution of employee grievances. During the year, timelines applicable to the grievance resolution process were revised to support more timely consideration and closure of employee grievances.

Employee Engagement

Employee engagement at PI is supported through a structured calendar of initiatives aimed at fostering participation, recognition and a sense of connection across the workforce. Engagement activities are designed to encourage interaction across teams, reinforce organisational values and provide opportunities for employees to participate in initiatives beyond their core roles.

A range of Company-wide events were conducted during the year, with flagship initiatives such as Achievers' Night, the six-a-side cricket encounter and the annual Christmas carol service continuing to attract strong participation. Other engagement activities included the New Year celebration, overnight Pirith ceremony, International Women's Day programmes, Sinhala and Tamil New Year festivities across head office and branch locations, and a Children's Art Competition.

Employee engagement during the year also included opportunities for employees to participate in community-focused programmes aligned with broader sustainability priorities.

In addition to internal initiatives, PI contributed to wider community support efforts through its parent Company, People's Leasing & Finance PLC, including donations to national relief efforts such as the 'Rebuilding Sri Lanka' fund to support communities affected by natural disasters.

Safety and Wellbeing

GRI: 403 - 2, 403 - 3, 403 -4, 403 -5, 403 -6, 403 - 7, 403 - 9, 403 - 10

Working in a service-oriented organisation, PI employees does not face significant occupational health and safety risks that are typically associated with industrial operations. Nevertheless, safeguarding employee health, ensuring workplace safety and maintaining emergency preparedness across locations remain important considerations in the Company's efforts to foster a stable and productive work environment.

During the year, safety management practices were strengthened through the continued adoption of recognised best practices, with emphasis placed on enhancing employee awareness, workplace safety skills and emergency response preparedness.

A range of safety and health-related training programmes were conducted to reinforce preparedness and first-response capabilities. These included an annual Fire Safety Training programme to ensure that employees designated as fire coordinators, fire fighters and wardens remained familiar with fire prevention protocols and evacuation procedures. An Annual Life Saving First Aid Training programme was also conducted in partnership with the Sri Lanka Red Cross, strengthening employees' ability to respond effectively to medical emergencies within the workplace.

Employee well-being initiatives during the year focused on preventive health awareness and holistic well-being. A Breast Cancer Awareness programme, conducted in partnership with Nawaloka Hospital, supported early detection and health



Human Capital



Achievers Night 2025

education among employees. Well-being initiatives were further complemented by sessions such as the Personal Financial Well-Being programme, which addressed financial awareness and stress management beyond core job responsibilities.

In addition, PI continued to expand initiatives that support a healthier balance between professional and personal commitments, reinforcing its commitment to employee well-being as part of a supportive and inclusive workplace culture.

No work related injuries or incidents of ill health were reported in the current year.

Workforce Movement Analysis

GRI: 2-7, 401-1, 405-1

New recruits by Age & Gender	2025		%		2024		%	
	Male	Female	Male	Female	Male	Female	Male	Female
30 and Below	117	57	66%	84%	120	39	49%	78%
31 - 40	28	9	16%	13%	69	7	28%	14%
41 - 50	27	2	15%	3%	37	2	15%	4%
51 - 60	6	-	3%	0%	18	2	7%	4%
61 - 70	-	-	-	0%	1	-	-	-
	178	68	72%	28%	245	50	83%	17%

New recruits by Region	2025		%		2024		%	
	Male	Female	Male	Female	Male	Female	Male	Female
Northern	8	3	4%	4%	12	2	5%	4%
North Central	14	3	8%	4%	8	-	3%	0%
North Western	21	1	12%	1%	39	4	16%	8%
Eastern	10	1	6%	1%	15	3	6%	6%
Central	25	7	14%	10%	21	3	9%	6%
Western	59	40	33%	59%	111	29	45%	58%
Uva	7	2	4%	3%	10	1	4%	2%
Sabaragamuwa	18	2	10%	3%	17	7	7%	14%
Southern	16	9	9%	13%	12	1	5%	2%
	178	68			245	50		

Workforce by Type of Employment	2025		2024	
	Male	Female	Male	Female
Permanent Carder	417	116	518	133
Fixed Term Contract	2	-	4	-

Percentage of Employees by Age and Gender	2025		2024	
	Male	Female	Male	Female
30 and Below	44%	60%	48%	59%
31 - 40	39%	32%	38%	33%
41 - 50	13%	8%	11%	8%
51 - 60	4%	1%	3%	1%

Employee by Category	2025	2024
Senior Manager	15	15
Manager and Asst. Manager	115	97
Executive	286	269
Non Executive	233	274
	649	655

GRI: 2-7

Attrition by Region & Gender	2025		%		2024		%	
	Male	Female	Male	Female	Male	Female	Male	Female
Northern	2	2	3%	7%	8	1	5%	2%
North Central	4	1	6%	4%	7	-	4%	-
North Western	8	2	12%	7%	15	3	10%	7%
Eastern	4	1	6%	4%	6	1	4%	2%
Central	6	3	9%	11%	8	3	5%	7%
Western	36	15	54%	54%	83	29	53%	71%
Uva	1	1	1%	4%	4	-	3%	-
Sabaragamuwa	2	2	3%	7%	10	2	6%	5%
Southern	4	1	6%	4%	16	2	10%	5%
	67	28	71%	29%	157	41	79%	21%

Attrition by Age	2025	%	2024	%
30 and Below	57	60%	182	92%
31 - 40	23	24%	15	8%
41 - 50	10	11%	1	1%
51 - 60	5	5%	-	-
	95		198	

Workforce by Province	Fixed Term Contract	Permanent
Central	-	57
Eastern	-	31
North	-	19
North Central	-	34
North Western	-	52
Northern	-	1
Sabaragamuwa	-	54
Southern	1	49
Uva	-	34
Western	1	316

Priorities for the future

Short-Term Priorities

In the short term, priority will be given to strengthening employee engagement and experience through the introduction of a structured employee engagement and satisfaction framework. This will support a more systematic understanding of employee sentiment and engagement drivers, enabling targeted responses to emerging workforce needs. Continued attention will also be directed towards enhancing employee well-being initiatives that support work-life balance and reinforce a supportive workplace environment.

Medium-Term Priorities

Over the medium term, the focus will remain on strengthening leadership development and succession pipelines to support continuity in critical roles. Learning and development initiatives will be further enhanced to embed a culture of continuous learning and support the development of future-ready skills aligned with evolving business requirements. Greater emphasis will also be placed on advancing women empowerment and inclusive leadership practices, supporting a diverse and resilient leadership base.

Long-Term Priorities

In the longer term, efforts will centre on deepening the digitisation of HR processes and expanding the use of people analytics to support data-driven workforce planning and decision-making. Performance management and reward systems will continue to be refined to strengthen alignment with business objectives, risk considerations and desired behaviours. Additional focus will be placed on integrating safety, health and ESG considerations more deeply into people practices, while strengthening PI's employer brand and talent pipeline to sustain a high-trust, high-performance culture.

Intellectual Capital



Intellectual Capital at People's Insurance PLC is represented by the unique characteristics, including the equity associated with the PI brand, the collective knowledge, systems and institutional capabilities that enable the Company to adapt to change and compete within Sri Lanka's general insurance sector.

Management Approach

PI's approach to managing Intellectual Capital focuses on strengthening brand credibility, deepening industry expertise, embedding knowledge-driven systems and fostering collaborative partnerships. In this regard, resources are allocated towards marketing, digitisation, people capability and information systems to enhance differentiation, in turn enhancing PI's competitive positioning within the local general insurance sector.

Material Matters

- Profitable Growth
- Managing macroeconomic vulnerabilities
- Efficiency
- Digital Capabilities
- Group Synergies
- Brand Identity

Relevance to strategy

- Business and Profit Growth
- Enhance Operational Efficiency and Compliance
- Develop a Skilled Workforce
- Increase Social and Environmental Responsibility

Key Risks

- IT Risk
- Regulatory Risk
- Reputation Risk
- ESG Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Increasing competitive pressure in a market characterised by low insurance penetration	• Sustained brand-building initiatives to strengthen differentiation, reinforce trust and improve top-of-mind awareness across customer segments
Heightened reputational and information security risks amidst increasing emphasis on digital technology	• Strengthening of information security governance through an ISO 27001:2022-certified ISMS and structured awareness programmes
Rising customer expectations for digital engagement and service accessibility	• Continued investment in digitisation and process automation to enhance customer interaction, service turnaround times and operational transparency
Opportunities	
Growing preference for trusted insurers during periods of economic and climate-related uncertainty	• Building partnerships with reputed national and international entities to reinforce brand credibility and stakeholder confidence
Increased acceptance of digital platforms for insurance awareness and engagement	• Deployment of integrated marketing campaigns and digital channels to improve reach, engagement and brand recall
Expansion of partner-led distribution and alternative engagement models	• Strengthening strategic partnerships across bancassurance, leasing and broker channels to extend market reach through asset-light distribution

Value Transformation

Outputs for PI

- A (lka) issuer rating by Fitch Ratings
- Best General Insurer of the Year – Sri Lanka 2025 (Global Economics Awards)
- Best General Insurance Company of the Year – 2024 (Global Economics Awards)
- Best General Insurance Company by the 6th Emerging Asia Insurance Awards 2025 organised by the Indian Chamber of Commerce

Stakeholder Outcomes	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
Cyber security / information security breaches	Zero	Zero	(=)
Ethics violations	Zero	Zero	(=)

Impact on other Capitals

Streamlined processes and seamless workflows support the more efficient use physical assets (Manufactured Capital)

Resilient information security systems and strong business ethics helps to build stakeholder trust (Social and Relationship Capital)

Consistent brand build trust and reinforces top-of-mind-awareness among customers, in turn enhancing potential for high revenue generation (Financial Capital)

SDGs





In a market characterised by historically low insurance penetration and increasing competitive intensity, brand identity plays a critical role in influencing customer choice and sustaining growth. People's Insurance PLC (PI) has established a strong and recognisable brand identity within Sri Lanka's general insurance sector. Since commencing operations in 2010, over the past 15 years the PI has built a solid brand identity underpinned by its role in supporting economic activity and financial resilience across the insurance value chain, particularly during periods of heightened economic volatility. Given its diverse insurance solutions that

facilitate broader access to insurance protection across the country, the PI brand, today is positioned as a notable contributor towards safeguarding key productive sectors, support the continuity of small businesses and protect community livelihoods.

Against this backdrop, brand investments are directed towards strengthening visibility, reinforcing top-of-mind awareness and aligning brand messaging with customer expectations around security and peace of mind. These investments are guided by an ongoing assessment of brand performance and customer proximity at branch and community level.

Spent on branding activities for FY 2025

Rs. 22 Mn

2024 - Rs. 21 Mn

The effectiveness of brand initiatives is evaluated through comprehensive brand health studies conducted every 3 years. Findings from the most recent study indicated that overall branch-level awareness across several customer segments remained below optimal levels, highlighting opportunities for more localised and targeted brand activation to strengthen ground-level visibility and engagement. Insights from this study were used to inform refinements to PI's brand strategy in 2025, particularly in relation to improving branch-level visibility and customer proximity.

Building on these insights, a large-scale brand-building campaign anchored around the theme "It's not Insurance, It's Peace of Mind" was deployed across island-wide platforms. The campaign reinforced PI's positioning as a dependable insurance partner rather than a transactional service provider.

Peace of Mind Campaign

Implemented throughout 2025, the "Peace of Mind" Campaign was PI's flagship marketing initiative for the year. Moving beyond a purely transactional portrayal of insurance, the campaign was designed to position PI as a dependable general insurer equipped to provide peace of mind to customers amid in times of uncertainty.

Targeting the general public across Sri Lanka, the campaign sought to strengthen brand recall and top-of-mind awareness through sustained visibility and consistent messaging delivered across multiple customer touchpoints throughout the year.



Key Channels

- Social media platforms
- Corporate website
- Outdoor advertising
- Branch-level branding

Key Activities

- Social media competitions and trend-based digital content
- Website banner updates
- Island-wide hoardings and outdoor displays
- X-banners and in-branch branding

Intellectual Capital

Best General Insurer Award Promotion

Implemented from July to August 2025, this campaign was launched following People's Insurance PLC being recognised as the Best General Insurer in Sri Lanka at the Global Economics Awards. The campaign aimed to highlight the Company's achievement and reinforce brand credibility and leadership within the local general insurance sector.

The campaign targeted the general public, including existing and prospective customers, and focused on communicating PI's market standing, reputation and service excellence through visible and coordinated promotional activity.



Key Channels

- Outdoor advertising
- Branch-level branding
- Print media
- Digital platforms

Key Activities

- Island-wide hoardings and branch branding
- Print media advertisements and press coverage
- Website updates and blog content
- Social media content highlighting the award recognition

Crisis Communication – Flood Situation

Implemented in the months of November and December 2025, the crisis communication campaign was initiated in response to the cyclone Ditwah and the resulting flood situation that affected multiple regions across Sri Lanka. Planned seasonal marketing content was paused to prioritise timely, informative and supportive communication aligned with customer needs during the crisis.

The campaign targeted flood-affected communities and policyholders, with a focus on providing guidance, reassurance and access to claims-related information during an emergency situation.

Key Channels

- Social media platforms
- Corporate website
- Customer hotline communication

Key Activities

- Dissemination of national helpline and weather updates
- Flood safety and post-flood precaution awareness content
- Claims-related guidance and QR-enabled claim submission access
- Communication highlighting 24/7 customer support availability



"Insurance First" Thematic Campaign

Implemented in December 2025, the "Insurance First" thematic campaign was introduced as a targeted digital initiative aimed at promoting general insurance awareness and encouraging proactive risk management among customers.

The campaign targeted a range of customer segments, including SMEs, motor insurance customers, travel insurance customers and marine insurance customers, and focused on highlighting the importance of securing insurance coverage in advance of potential risk events.

Key Channels

- Social media platforms

Key Activities

- Thematic digital content highlighting general insurance solutions
- Product-focused awareness posts tailored to specific customer segments
- Messaging promoting proactive insurance decision-making



Industry Expertise and Knowledge Base

In a highly regulated and competitive general insurance environment, the depth of experience embedded at leadership level supports consistency in underwriting discipline, financial governance, people management and legal compliance.



People's Insurance CEO Honoured for Outstanding Leadership at CPM Management Leadership Excellence Awards 2025

PI's Chief Executive Officer - Ms. Jeevani Kariyawasm received the Gold Award in the Main Category: Insurance – Private Sector, along with Gold Awards for Industry Case Analysis and Sustainability & Circular Economy in the special category. She was further honoured as the Overall Silver Winner in the Corporate Management category, underscoring her visionary leadership in guiding the Company.

Intellectual Capital

PI's leadership team bring together extensive experience across key functional areas of the insurance value chain, including insurance operations, underwriting, claims management, finance, human resources and legal and regulatory governance. This collective expertise, built over several decades of industry involvement, supports the Company's ability to navigate market developments, regulatory requirements and evolving stakeholder expectations while maintaining continuity in strategic execution and governance standards.

Continuous learning and external engagement further strengthen institutional knowledge, with senior leaders contributing to lecture panels, industry councils and professional committees. These engagements support the sharing of best practices, alignment with regulatory developments and the continuous enhancement of technical and professional capabilities across the organisation.



PI's knowledge base is also reinforced through memberships and affiliations with key professional and industry bodies that enable the Company's leadership teams to benefit from shared insights, regulatory and market intelligence, emerging best practices, and peer learning opportunities to enable informed decision-making, strengthen governance and risk oversight and ensure that PI remains aligned with evolving industry standards and stakeholder expectations.

Memberships

GRI: 2 - 28

Memberships and Affiliations	Area of Operations Benefited
International Chamber of Commerce Sri Lanka	Provide opportunity to reach potential customers
Insurance Association of Sri Lanka	Industry Association
Insurance Regulatory Commission of Sri Lanka (IRCSL)	Insurance industry regulator
Sri Lanka Insurance Institute (SLII)	Institute established to improve the knowledge and expertise of the industry employees across the country
Institute of Chartered Accountants of Sri Lanka	Registered as a training partner
Chartered Institute of Management Accountants	Registered as a training partner

Business Conduct and Ethics

GRI: 2-16, 205-1, 205-2, 205-3

PI's reputation as a trusted insurer depends heavily on business conduct and ethics. The Company's approach to ethical conduct is guided by a formal, Board-approved Business Ethics Policy that establishes a consistent and organisation-wide framework for ethical behaviour and responsible decision-making. The Business Ethics Policy, which articulates the principles of honesty, fairness and due diligence governing interactions with customers, employees, partners, investors, directors and other stakeholders, is supported by the Disciplinary Policy, the Whistleblower Protection Policy, and the Anti Bribery and Corruption Policy that together promote accountability and provide structured mechanisms for addressing misconduct.

Ethical expectations are further reinforced through the Company's core values, which emphasise integrity and responsible conduct, a strong customer focus, a sense of urgency in actions and decision-making, and respect for diversity and the environment. These values shape workplace behaviour and inform how employees and management approach their responsibilities.

During the year, PI's conduct framework was strengthened with the introduction of additional operational guidelines to enhance control effectiveness and reinforce ethical practices across key processes. These measures were complemented by awareness sessions on the Disciplinary Code. Ethical conduct and regulatory compliance were further reinforced through management-level briefings highlighting key provisions of the Anti-Corruption Act, strengthening awareness and accountability at leadership level. 100% of the operations were assessed for risk related to operations and no incidents of corruption was reported

No incidents in relation to ethics violations were reported in the current year.

During the reporting period, no critical concerns were communicated to the Board of Directors. Accordingly, the Company confirms that there were no matters requiring escalation to the Board under this disclosure.



Board of Directors



Leadership Capability

Brand Commitments



Policy review and approval

Oversight through the Board Audit Committee



Ethics Framework

- Code of Conduct
- Anti-Bribery and Corruption Policy
- Whistleblower Protection Mechanism
- Disciplinary Policy

Reinforcement Mechanisms

- Training and awareness
- Policy reviews
- Monitoring and audits
- Disciplinary enforcement

Ethical Culture (Foundation)



- Integrity and ethical conduct
- Customer focus
- Sense of urgency
- Respect for diversity and the environment



A governance framework that promotes ethical conduct, accountability and stakeholder trust across People's Insurance PLC.



We maintain a diversified partnership portfolio across Bancassurance, leasing and broker driven channels, in order to respond evolving market dynamics.

Strategic Partnerships

Strategic partnerships contribute to People's Insurance PLC's intellectual capital by extending distribution capability, strengthening access to established partner networks and deepening institutional understanding of collaborative business and alternative distribution models to support market access and business growth objectives.

The Company maintains a diversified partnership portfolio across Bancassurance, leasing and broker-driven channels, enabling broader customer reach and flexibility in responding to evolving market dynamics. This portfolio continues to be expanded each year through new MoU's.

Engagement with strategic partners is supported through structured relationship management practices. These include regular partner interactions led by the Head of Leasing, Head of Bancassurance and Head of Broker operations, timely information sharing and prompt resolution of partner concerns.

Partner collaboration is further strengthened through the extension of selected Company digital platforms to partner networks, enabling direct policy issuance for products such as online travel, marine and fire insurance. These arrangements enhance operational efficiency and service accessibility while reinforcing partner confidence.

New Partnerships Established in 2025

Lakderana Investments Ltd
Three-wheel lease insurance partnership

Seylan Bank
Bancassurance partnership

LOLC Finance
Leasing insurance partnership

Sun Trust Insurance Brokers
Travel insurance partnership

Lily Lanka (Pvt) Ltd
Online travel insurance issuance





Research and Development (R&D)

As a general insurance service provider, PI's approach to R&D is aligned with practical business needs and regulatory requirements. R & D at PI is led by a dedicated team that focuses on reviewing product features, underwriting approaches and operational processes in response to market developments, customer feedback and regulatory guidance. Insights gathered through internal reviews, stakeholder interactions and partner engagement

are used to maintain product relevance and service consistency while managing risk effectively within a regulated operating environment.

Group Synergies

As a subsidiary of People's Leasing and Finance PLC (PLC), People's Insurance PLC benefits from group synergies that enhance operational efficiency, market reach and institutional credibility. Affiliation with PLC, a long-established licensed finance Company within the People's Group, reinforces stakeholder confidence through recognised financial strength, stability and governance discipline.



Priorities for the future

Short-Term Priorities

Emphasis will be placed on strengthening institutional knowledge across key functional areas to reinforce the consistent application of underwriting standards, claims practices and governance requirements. Priority will also be given to knowledge sharing to reinforce awareness of policies, procedures and ethical expectations to support disciplined execution across operations.

Medium-Term Priorities

Over the medium term, the Company will focus on further embedding leadership expertise and institutional knowledge to support scalability and reduce key-person dependency. Structured approaches will be strengthened to onboard and align new strategic partners to diversify risk and ensure consistency in service delivery and collaborative outcomes across partner-led channels.

Long-Term Priorities

Longer term, priorities will centre on sustaining a strong knowledge-driven culture that supports informed decision-making, sound governance and adaptability to evolving regulatory and market conditions.

Social and Relationship Capital

GRI: 203, 204, 206,308, 413, 414, 416, 417, 418



Social and Relationship Capital at PI reflects the strength of relationships with customers, suppliers, business partners including reinsurers and insurance brokers as well as the wider community.

Management Approach

PI's approach to Social and Relationship Capital is centred on building trust through consistent service delivery, responsible business practices and structured engagement with key stakeholders.

These efforts support relationship continuity, strengthen stakeholder confidence and reinforce PI's reputation in the insurance market.

Material Matters

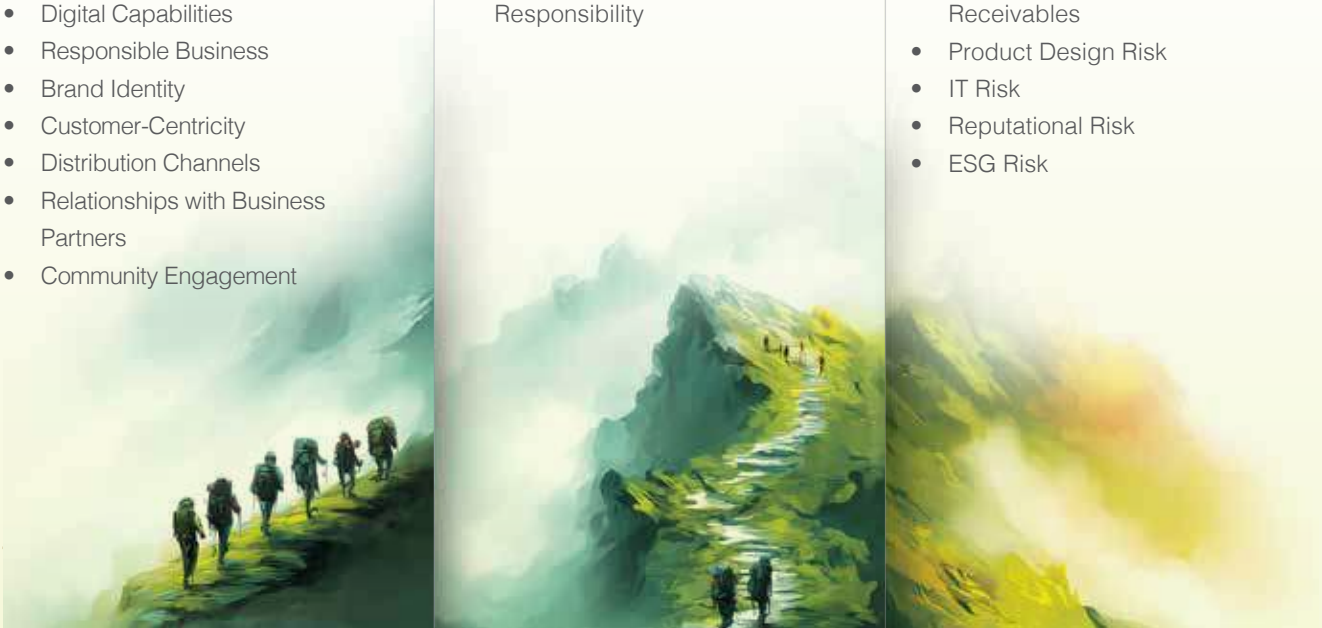
- Profitable Growth
- Product Innovation and Diversification
- Efficiency
- Digital Capabilities
- Responsible Business
- Brand Identity
- Customer-Centricity
- Distribution Channels
- Relationships with Business Partners
- Community Engagement

Relevance to strategy

- Business and Profit Growth
- Enhance Operational Efficiency and Compliance
- Social and Environmental Responsibility

Key Risks

- Underwriting Risk
- Claims Reserving Risk
- Reinsurance Risk
- Credit Risk on Insurance Receivables
- Product Design Risk
- IT Risk
- Reputational Risk
- ESG Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Rising insurance premiums driven by higher claims costs, inflationary pressures and regulatory changes	• Introduced risk-based pricing and segment-focused product enhancements to improve affordability while maintaining underwriting discipline.
Increased frequency and severity of climate-related events affecting the affordability and availability of coverage	• Strengthened reinsurance arrangements and enhanced underwriting assessments for flood-prone and high-risk areas to support risk absorption and continuity of cover.
Growing customer concerns relating to data privacy and cybersecurity	• Introduced cyber insurance solutions for corporate customers and strengthened digital governance and secure service channels.
Technology-driven changes in customer expectations and service preferences	• Expanded digital service channels, including AI-enabled customer support, to improve accessibility, responsiveness and service efficiency.
Opportunities	
Growing demand for sustainable and environmentally aligned insurance solutions	• Introduced specialised insurance solutions for electric vehicles and other sustainable initiatives aligned with evolving customer expectations.
Increased scope for personalised insurance solutions	• Strengthened advisory-based selling and customer guidance to support more tailored insurance solutions aligned with individual risk profiles.

Value Transformation

Outputs for PI

- **262,501** Active policies
- **128,894** New policies issued
- **Rs. 4,527.8 Mn** New business premium
- **Rs. 3,839.6 Mn** Renewal premium
- **72%** Customer renewal retention
- **89%** Customer satisfaction
- **43%** Level of recommendation

Stakeholder Outcomes	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
Value of claims disbursed (Rs.)	3,504 Mn	3,001 Mn	(+)
Incidents of anti-competitive or monopolistic behaviour	Zero	Zero	(=)
Incidents of customer privacy breaches	Zero	Zero	(=)
Incidents of non-compliance relating to marketing communications	Zero	Zero	(=)
Commission paid to insurance agents and brokers (Rs.)	125 Mn	76 Mn	(+)
Amount Invested in Community Projects (Rs.)	4.3 Mn	1.5 Mn	(+)

Social and Relationship Capital

Impact on other Capitals

- Growth in the customer base supports GWP growth (Financial Capital)
- Strong stakeholder relationships enhance corporate reputation and brand recall (Intellectual Capital)
- Customer feedback supports continuous improvement in physical and digital infrastructure (Manufactured Capital)
- Stakeholder engagement creates learning opportunities for employees (Human Capital)

SDGs



CUSTOMERS

GRI: 2 -6, 416 - 1, 416 -2

Market-responsive Product Portfolio

Operating in Sri Lanka's general insurance market, PI maintains a market-responsive product portfolio to ensure that its insurance solutions remain aligned with the needs of individuals and businesses.

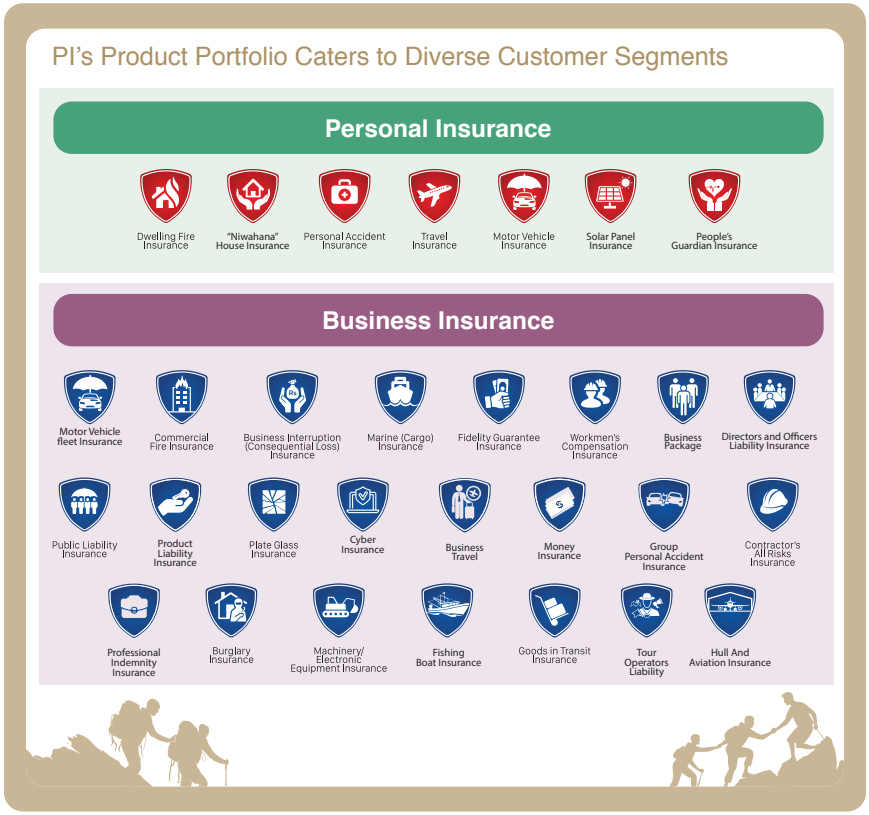
In a market characterised by historically low insurance penetration alongside increasing product saturation, PI focuses on strengthening relevance and suitability within its insurance solutions rather than expanding the number of products available in the market.

This approach supports greater clarity for customers while enabling PI to contribute to broader insurance adoption by aligning coverage with varying financial security and risk protection needs across customer segments.

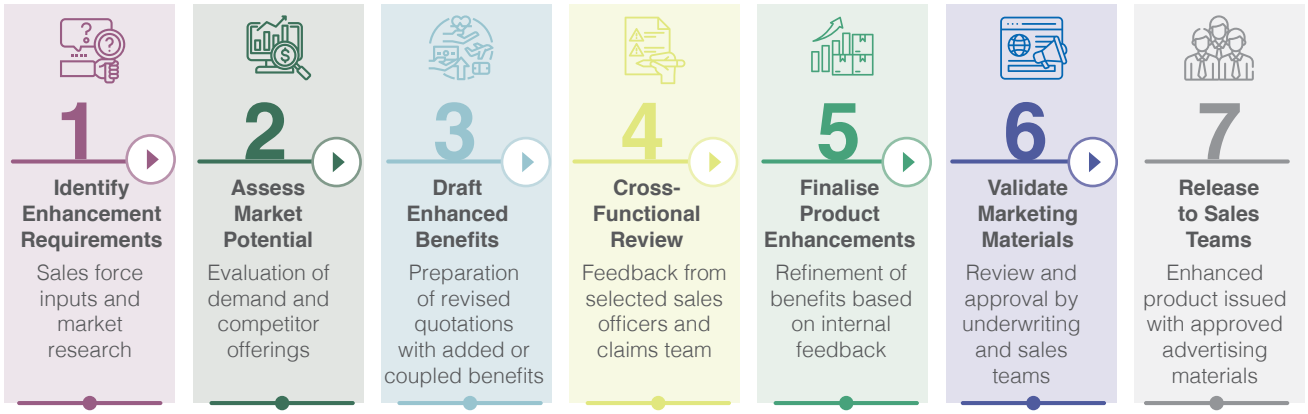
Product enhancements are governed through a structured process, involving market research, customer feedback and inputs from the sales force to guide decisions on where enhancements are required, ensuring that changes remain timely, commercially viable and aligned with customer expectations.

Review by the technical underwriting team ensures compliance with regulatory requirements and alignment with PI's commitment to customer safety and resilience, while cross-functional review involving sales, claims and marketing teams validate operational readiness prior to release.

No incidents relating to non-compliance with health and safety impacts of products and services were reported during the year under review.



Product Enhancement and Development Process



Fair pricing and Market equity

GRI: 20 6 - 1, 417 - 1, 417 - 3

Fair pricing and market equity are central to PI's commitment to building trust and maintaining transparency in its relationships with customers. PI's pricing strategies are underpinned by prudent underwriting practices and strong actuarial principles, which guide the application of risk-based pricing across its insurance portfolio to balance affordability for customers with underwriting discipline and portfolio sustainability.

Under this framework, customer premiums are determined based on comprehensive risk assessments, taking due cognisance of the coverage benefits provided. These assessments support competitive and equitable pricing structures across motor and non-motor insurance lines, including fire, engineering, miscellaneous and marine policies.

PI remains firmly committed to fair market conduct and refrains from engaging in anti-competitive, anti-trust or monopolistic behaviour. This commitment is reflected in responsible marketing practices, transparent communications and clear product disclosures, carried out in strict adherence to the guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). Policy terms, conditions, exclusions, benefits and applicable fees are communicated clearly to support informed decision-making by customers.

All advertising, promotional materials and in-person sales assistance are aligned with IRCSL's fair marketing principles, ensuring that communications are accurate, clear and free from misleading claims. During the year under review, no allegations or legal action relating to anti-competitive, anti-trust or monopolistic behaviour were reported. In addition, no incidents of non-compliance relating to product and service information, labelling or marketing communications were recorded. Additionally these advertising materials are trilingual.

Service Excellence

Service excellence remains a core element of PI's customer value proposition and a key aspect that differentiates the Company within the general insurance market. PI's approach to service excellence is anchored in consistent service delivery based on standardised operating procedures and continuous monitoring of service levels across the organisation. Managers at all levels are responsible for overseeing service standards within their respective teams to ensure that service commitments are upheld across customer touch-points.

A central element of this framework is the Insurance Policy Delivery and Acknowledgement Process, which is implemented across branch operations, the Sales Administration Department and the Underwriting Department. The process establishes clear and standardised procedures supported by defined service level parameters, promoting consistency and coordination across functions, contributing to improved turnaround times for customers.

In parallel, PI continues to rely on digital platforms to further strengthen service delivery and accessibility. Digital tools such as the Sales App, the Travel Agent Portal and the corporate website provide customers with uninterrupted access to policy information and services on 24/7 basis. These platforms support timely service delivery while enabling customers and intermediaries to engage with PI conveniently, regardless of location.

Social and Relationship Capital



Call & Go Facility – Instant Support for Motor Policyholders

The Call & Go facility enables PI's motor insurance policyholders to obtain immediate assistance following a roadside accident. Policyholders may contact the 24-hour hotline and, where the vehicle remains in a motorable condition, proceed with their journey without waiting for an assessor to arrive.

During the year, the Call & Go facility was further enhanced to provide instant support to all motor insurance policyholders, anytime and anywhere, reinforcing accessibility and responsiveness at the point of incident. The facility is available regardless of vehicle category or policy type, reducing delays and disruption for customers and supporting a more seamless post-accident experience.

Measuring Customer Satisfaction | Customer Survey 2025

Customer Satisfaction Index
89%
2024 - 85%

Net Promoter Score
43%

Customer Satisfaction - Motor
90%
2024 - 86%

Customer Satisfaction - Non-Motor
84%
2024 - 73%

Customer Satisfaction - Claim customer
89%
2024 - 81%

Customer Satisfaction - Non-Claim customer
94%
2024 - 91%

Customers Selection

Target Sample Size : **3000**

Responses : **1976**

Motor - 89%

- Claimed - 90.4%
- Non claimed 9.6 %

→ Settled - 80% | Opened - 10% | Reject - 10% | Include Ex-gratia

Non - Motor - 11%

- Claimed - 32.7%
- Non claimed 67.3%

→ Settled - 55% | Opened - 30% | Reject - 15% | Include Ex-gratia

Key Customer Tension Points

Claim related issues | Customer service concerns | Renewal and policy servicing concerns | Pricing and premium concerns

Social Media Reach



Social Media Reach

One of the Strongest Digital Media Followings in the General Insurance Industry

Content Interaction **184.6K**
294% Growth

Organic Reach
Over 15.5 Mn
2024 - 5.2 Mn

Views
Over 15.5 Mn

People Reached
Over 435.3 K
2024 - 330.9K

Organic impressions
Over 104.2 K
2024 - 48K

Organic Reached
Over 41.8 K
2024 - 19K



Website Visits
63,550
2024 - 57,726



FB Followers
80,007
2024 - 65,123



Instagram Followers
1,360
2024 - 1,035



You Tube Subscribers
316
2024 - 224



LinkedIn Connections
3,370
2024 - 2,002

Social and Relationship Capital

Managing Claims

PI's claims management framework is designed to ensure that claims are processed in a timely, fair and transparent manner. A structured claims management process governs each stage of the claims lifecycle, clearly defining roles, responsibilities and stipulated timelines to support consistency and control.

Accordingly, all motor and non-motor claims are handled centrally under a dedicated claims processing unit to ensure uniformity in decision-making and oversight across claim categories. The claims team possesses the necessary expertise, resources and delegated authority to assess, verify and approve claims in accordance with established policies and procedures.

Claim Settlement Ratio	2025	2024	2023	2022	2021
PI	69%	66%	75%	73%	58%
Industry Average	58%	57%	62%	64%	55%

Customer communication is embedded throughout the claims process. Customers are kept informed of claim progress at each stage. Where claims are partially settled or rejected, written explanations are provided to customers outlining the basis for the decision, supporting transparency and clarity for customers.

Complaint Handling

Customer support at PI plays a key role in addressing concerns arising from claim outcomes and reinforcing confidence in the claims process. Where customers require clarification on claim settlements or rejections, they are encouraged to engage directly with the claims department to understand the basis for decisions. If a customer remains dissatisfied, a formal complaint may be lodged for further review.

> All our motor and non-motor claims are handled centrally under a dedicated claims processing unit to ensure uniformity in decision-making and oversight across claim categories.

PI's Claims Management Process

1 Claim Intimation
Customers notify PI of a claim through approved channels:
- Telephone
- Email
- Website
- Branch network

2 Claim Registration
The claim is formally recorded and acknowledged by the centralised claims processing unit.

3 Assessment and Verification
Supporting documents and claim details are reviewed and verified in line with policy terms and procedures.

4 Evaluation and Decision
The claim is evaluated and a decision is made on approval, partial settlement or rejection based on delegated authority levels.

5 Communication of Outcome
Customers are informed of the outcome. Written explanations are provided where claims are partially settled or rejected.

6 Settlement and Closure
Approved claims are settled and the claim is formally closed.

All claims are centrally managed under a dedicated claims processing unit.

PI maintains a comprehensive Customer Complaints Handling Procedure to ensure complaints are managed in a fair, timely and transparent manner. Complaints may be submitted through multiple channels and are formally recorded, acknowledged and escalated in line with defined timelines. Customers are kept informed throughout the process, and where dissatisfaction persists following internal review, access to Alternative Dispute Resolution mechanisms is provided, including referral to the Insurance Ombudsman or arbitration in accordance with policy provisions. Customers are also informed of the option to contact the Insurance Regulatory Commission of Sri Lanka (IRCSL). Customers are kept informed of all such external escalation options.

Insights derived from customer complaints form an important part of improving service delivery and strengthening customer relationships. During the year, the highest number of complaints received were in relation to the rejection or deduction of motor insurance claims, which was attributed largely due to gaps in customer understanding of policy terms. To reduce the recurrence of similar concerns, a series of technical training workshops were conducted for sales officers who often serve as the first and only point of contact for customers.

Customer Engagement

Customer engagement builds on these support mechanisms and focuses on strengthening accessibility, continuity and long-term relationships. In addition to in-person engagement, the Company has in recent years prioritised digital engagement to connect with customer including through online platforms for inbound travel insurance and condominium insurance, as well as integrated premium payment facilities through People's Bank that support seamless payments for bank customers.

Digital engagement is also supported through the Company's presence on social media platforms, including Facebook, Instagram and TikTok to provide customers with product information and opportunities for interaction. Structured campaign management by the Digital Marketing Team supports consistent messaging and coordinated customer engagement across these channels.

During the year, strategic collaborations with Lakderana Investments and Union Bank expanded customer access to motor insurance and bancassurance solutions, enabling customers to engage with PI through additional, convenient channels. These partnerships complement PI's customer support framework by extending reach, improving ease of access and supporting sustained engagement across the customer lifecycle.

People's Buddy - an AI-powered customer support and engagement Tool



PI introduced an AI-powered chatbot, People's Buddy, to enhance customer accessibility and service efficiency. Launched during the Achievers Night 2025, the chat bot is available 24/7 via the corporate website, the chatbot provides real-time information on insurance products, policy details and Company services. It also functions as a customer engagement and lead-generation tool, capturing customer enquiries that are reviewed by the Contact Centre and forwarded to the National Sales Department for follow-up and conversion. The chatbot enables customers to connect with PI regardless of geographical location, reducing response times while supporting operational efficiency.

Customer Privacy and Data Security

GRI: 418 -1

Customer privacy and data security remains core components of PI's commitment to maintaining trust and safeguarding the confidentiality and integrity of customer information. The Company operates within a structured internal data protection framework designed to ensure that personal data is handled responsibly and securely across all customer touchpoints.

Building on the gap analysis conducted in the previous year to assess the effectiveness of existing data handling processes and infrastructure, PI continued to strengthen its governance framework during the current year to support compliance and address identified vulnerabilities. In this regard, special emphasis was placed on aligning with the principles set out in the Personal Data Protection Act No. 9 of 2022 with several policy-level enhancements were introduced to formalise data protection governance. A Personal Data Protection Policy was implemented, and the existing Privacy Policy was updated to align with the requirements of the Act. Consent mechanisms were strengthened through the introduction of signed declarations from employees, including consent to disclose personal data to third parties and to retain employee records in line with defined retention periods. Similar Personal Data Protection declarations were obtained from relevant third parties, including insurance brokers, agents and assessors. Personal Data Protection clauses were also incorporated into Company agreements to reinforce accountability and compliance across external engagements.

Operational controls to support the consistent application of these policies, were further also tightened. Accordingly, customer identity verification is conducted by the Contact Centre prior to the disclosure of personal information, while data subject requests, including requests to update personal information, are coordinated by the Data Protection Officer and communicated to the relevant departments. Additionally, Policyholders are provided with information relating to their data protection rights, including the information stipulated under Schedule V of the Act, through PI's Privacy Policy in both softcopy and hardcopy formats. Personal data continues to be securely archived and maintained under the custody of the IT department within a dedicated server environment with restricted access.

Awareness sessions on the Personal Data Protection Act were conducted for Heads of Departments to strengthen organisational understanding and compliance.

The Data Protection Officer submits monthly reports on privacy breaches and complaints to the Risk and Compliance function. No incidents relating to breaches of customer privacy were reported during the year under review.

During the reporting period, People's Insurance PLC did not record any substantiated complaints concerning breaches of customer privacy or losses of customer data.





BUSINESS PARTNERS

GRI: 2 -6

Payments to re-insurers
Rs. 2,875 Mn
2024 - Rs. 1,246 Mn

Commission received
Rs. 694 Mn
2024 - Rs. 115 Mn

Claim recoveries from re-insurers
Rs. 247 Mn
2024 - Rs. 264 Mn

Reinsurers

Reinsurance plays an essential role in supporting PI's financial stability by enabling the transfer of a portion of underwriting risk to external counterparties. This risk-sharing mechanism reduces exposure to large and unexpected claims and strengthens PI's ability to withstand significant loss events, thereby safeguarding policyholder interests.

Reinsurance arrangements also support underwriting capacity, portfolio stability and sustainable growth, while access to reinsurers' expertise, data and technical capabilities contributes to more informed risk assessment and pricing, while supporting consistency in underwriting outcomes and the effective management of volatility.

The establishment and management of reinsurance relationships follow a structured and disciplined process. Potential reinsurers are identified based on suitability and alignment with PI's risk management objectives, with due consideration given to financial strength and creditworthiness. Contractual terms are negotiated to ensure alignment with PI's risk appetite and capacity requirements, supported by ongoing collaboration and transparent communication.

PI is supported by a diversified panel of leading international reinsurance companies with recognised financial strength ratings. Details of the Company's reinsurers, including their country of origin, ratings and rating agencies, are presented in the table below.

No.	Reinsurer	Reinsuer's Country of Origin	Financial Strength Rating	Name of the Rating Agency
1	PT Asuransi Umum Mega	Indonesia	A+(idn)	Fitch Rating
2	Cica Re	Togo	B+(Good)	A.M. Best
3	Best Meridian Insurance Company	USA	A-(Excellent)	A.M. Best
4	PVI Insurance Corporation	Vietnam	A- (Excellent)	A.M. Best
5	AXA XL Insurance Company UK Limited	United Kingdom	A+ (Superior)	A.M. Best
6	Swiss Reinsurance Company Ltd	Switzerland	A+ (superior)	A.M. Best
7	Sirius Point International Insurance Corporation	USA	A- (Excellent)	A.M. Best
8	General Insurance Corporation of India	India	A- (Excellent)	A.M. Best
9	Sukoon Insurance PJSC - Dubai	Dubai	A (Stable)	S & P
10	AIG MEA Limited	UAE	A (Stable)	S & P
11	AIG UK Limited	United Kingdom	A (Excellent)	A.M. Best
12	HDI Global Specialty SE	Germany	A+ (Stable)	S & P
13	Aviva Insurance Limited	United Kingdom	A+ (Superior)	A.M. Best
14	Llyods of London	United Kingdom	A+ (Superior)	A.M. Best
15	National Insurance Trust Fund	Sri Lanka	-	-
16	Allied World Managing Agency Limited	United Kingdom	A+ (Stable)	A.M. Best
17	Munich Re syndicate	United Kingdom	A+ (Superior)	A.M. Best
18	Lloyds (Liberty speciality markets singapore Pte Ltd)	Singapore	A	S & P
19	Ocean International Reinsurance Company Limited	Barbados	A-(Excellent)	A.M. Best
20	Asian Reinsurance Corporation	Thailand	B++ (Good)	A.M. Best
21	The New India Assurance Company Limited	India	B++ (Good)	A.M. Best
22	MISR Insurance company	Egypt	B++ (Good)	A.M. Best
23	Arch Re Limited	Bermuda	A+ (Superior)	A.M. Best
24	Lloyds (Lancashire Syndicates)	London (United Kingdom)	A+ (Superior)	A.M. Best
25	Lloyds (Everest Syndicate)	London (United Kingdom)	A+ (Superior)	A.M. Best

Social and Relationship Capital

Insurance Agents and Brokers

PI's network of insurance agents and brokers serves as an important distribution channel in extending the Company's island-wide reach and facilitating access to insurance solutions for both individual and corporate customers. As trusted intermediaries, insurance agents and brokers play a key role in representing PI to the customer and supporting the delivery of consistent service standards across diverse market segments.



GWP from Agents and Brokers

Rs. 974.9 Mn

2024 - Rs. 599.3 Mn

The establishment and management of relationships with agents and brokers are dictated by strict selection and onboarding criteria. As a policy, PI engages only with brokers registered with the Insurance Regulatory Commission of Sri Lanka (IRCSL) with prospective partners assessed based on industry expertise, professionalism and alignment with PI's service standards to ensure consistency in customer experience and regulatory compliance.

Clear and consistent communication, together with competitive compensation and incentive structures, supports performance and long-term collaboration.

Engagement with agents and brokers is supported through structured relationship management practices. These include sponsorships for trade associations, leasing and finance companies, broker staff events and selected strategic partners, as well as region-wise broker engagement sessions and regular customer visits.

During the year, the Company evaluated the feasibility of developing a more comprehensive agency model by continuing to strengthen oversight and engagement with its existing intermediary network.

As at year end, PI's intermediary network comprised 44 insurance agents and 69 insurance brokers.

SUPPLIERS

GRI: 2 -6, 204 -1

Supply Chain Management

PI's supply chain comprises a broad base of suppliers and service providers that provide essential goods and services required to sustain operational continuity across the organisation.



was paid by the Company to suppliers

Rs. 146.6 Mn

2024 - Rs. 248.3 Mn



local suppliers based in Sri Lanka

100%

2024 - 100%

In the year under review, payments to suppliers amounted to Rs. 146.6 Mn, with approximately 100% directed to local suppliers based in Sri Lanka. No major structural changes were noted in the Company's supply chain during the period under review.

PI's procurement activities are governed by a comprehensive Procurement Policy, which provides the overarching framework for ensuring standardised procurement processes are applied consistently across the Company. The Policy emphasises segregation of duties to ensure that no single authority has complete control over procurement decisions. Large and long-term procurements are conducted through a formal tender process overseen by the Company's Decision Making Unit, with technical evaluations supported by the Technical Evaluation Committee. Smaller, one-off procurements are managed by the Administrative Unit in accordance with established procedures..

Ethical conduct and responsible procurement practices continue to underpin PI's efforts to build a reliable supplier base. In this regard, the Company's Procurement Policy and Procedure Manual outlines expectations relating to confidentiality, integrity and accountability, while the Supplier Code of Conduct emphasises transparency, the elimination of conflicts of interest and corrupt practices, compliance with applicable laws and regulations, and the promotion of value for money.

During the year, amendments were made to the Manual of Financial Authority to ensure alignment with the changing business environment

and current operational needs. In parallel, supplier-related risks were incorporated into the Company's risk assessment processes, supported by ongoing contingency planning to identify, assess and mitigate potential disruptions arising from the supply base.

Procurement Best Practices

Procurement activities are conducted exclusively through suppliers registered in the Company's approved supplier database. The database is reviewed and updated every two years, to facilitate new supplier registrations. Supplier screening covers financial stability, regulatory compliance, ethical business practices and alignment with PI's governance standards, supported by the submission of relevant documentation such as business registrations, tax compliance records and past performance references. Additional due diligence conducted during supplier onboarding considers credit history, peer references, compliance with legal and regulatory requirements, and potential risks relating to data security, reputation and operational continuity.

During the year, the Procurement Policy was updated to recognise the validity of supplier quotations for a maximum period of one year and requiring all quotations to be obtained in written or printed form.

PI's Standardised Procurement Process

1 Requirement Collection
Procurement requirements are identified and consolidated from branches and departments through designated administrative channels, based on approved operational and functional needs.

2 Budget Consolidation
Consolidated procurement requirements are reviewed and aligned with approved budgets before submission for financial review.

3 Procurement Initiation
Purchase requisitions are initiated in line with approved operational or capital expenditure requirements and submitted for internal processing.

4 Stock and Budget Checks
Availability of existing stocks and budgetary provisions are verified. Where required, coordination is carried out with the Finance function to confirm funding availability.

5 Approval
Procurement approvals are obtained based on defined authority levels and approval thresholds. Higher-value procurements are escalated in line with delegated authority requirements.

6 Vendor Selection
Vendor selection is carried out through approved procurement channels, including tender processes where applicable. The Decision Making Unit evaluates and approves vendor selection to ensure compliance with policy, value for money and governance standards.

Greater emphasis was also placed on integrating social and environmental considerations into procurement decisions. This included strengthened monitoring of ESG performance among key suppliers, enhanced focus on sourcing locally by prioritising local manufacturers and rural communities, and the consideration of suppliers' human rights practices, gender parity initiatives and environmental sustainability efforts. Green procurement practices were further reinforced through the development of a Green Procurement Checklist to guide environmentally responsible purchasing decisions. Procurement associates were also sensitised to encourage responsible practices across the supply chain, including the adoption of carbon reduction measures, complemented by sustainability orientation sessions and organisation-wide environmental awareness initiatives to promote consistent adoption across operations.

Process efficiency was further supported through the automation of the stationery management system, improving the recording, issuance and accounting of stationery stocks.

Supplier Environmental Assessment

GRI: 308-1, 308-2

Percentage of new suppliers that were screened using environmental criteria	100%
Total number of existing suppliers assessed for environmental impacts	100%
Number of suppliers identified as having significant actual and potential negative environmental impacts	Zero
Significant actual and potential negative environmental impacts identified	Not monitored
Percentage of suppliers with whom improvements were agreed upon as a result of negative environmental impacts identified	Not initiated
Percentage of suppliers with whom relationships were terminated as a result of then negative environmental assessment, and why.	No termination

Supplier Social Assessment

GRI: 414-1, 414-2

Percentage of new suppliers that were screened using social criteria	100
Total number of existing suppliers assessed for social impacts	100%
Number of suppliers identified as having significant actual and potential negative social impacts	Zero
Significant actual and potential negative social impacts identified	No significant impacts
Percentage of suppliers with whom improvements were agreed upon as a result of negative social impacts identified	Not monitored
Percentage of suppliers with whom relationships were terminated as a result of the social assessment, and why.	No terminations

COMMUNITY

GRI: 203 -1, 203 -2, 413 -1, 413 -2

Managing Impact

PI's definition of community encompasses the society within which the Company operates. In striving to maximise the positive impact on the community through its core business of insurance, PI contributes to financial security and economic stability by enabling individuals and businesses to manage risk and build resilience against accidents, natural disasters and other unforeseen events. This role supports continuity and recovery at both household and enterprise levels, reinforcing trust between the Company and the communities it serves.

The Company also recognises that its operations may give rise to pressures on the community and the environment. Occasional delays in claims processing may result in financial strain or dissatisfaction for affected customers, while operational activities contribute to resource consumption, including paper usage, e-waste and carbon emissions. Acknowledging these impacts enables PI to take responsibility for managing them in a structured and responsive manner.

Managing community impacts extends beyond mitigating operational effects and includes strengthening social resilience through targeted interventions.

Community needs are identified through multiple engagement mechanisms, including branch-level interactions with local organisations and government institutions, feedback gathered through community visits and CSR engagements, social media insights and findings from the annual materiality assessment.

Based on these insights targeted community initiatives are deployed to enhance long-term community well-being by improving access to opportunities, building capacity and supporting vulnerable groups to achieve greater economic and social resilience.

Oversight of community engagement and impact management is embedded within PI's governance framework. The ESG Committee, oversees the implementation of the Company's sustainability agenda and reports on progress to the Management Committee for Sustainability, chaired by the Chief Executive Officer. Board-level oversight of community-related activities is provided by the Board Nomination and Governance Committee. Community initiatives are financed through Company budget allocations and staff contributions, with ground-level implementation and monitoring carried out jointly at branch and Head Office levels.

During the year, concerns raised by community stakeholders related to ethical business practices and compliance, responsiveness and process simplification, environmental impact and climate-related risks, and the need for greater community support and empowerment.

During the financial year, People's Insurance PLC was not reported operations with significant actual and potential negative impacts on local communities, health and safety.



Blood Donation Campaign 2025



School Book Donation for School Children

Social and Relationship Capital

Community Projects Undertaken in 2025

Education

- Distribution of school stationery to support underprivileged school children in rural areas and improve access to education.
- School tree planting campaign conducted in Colombo, Gampaha, Badulla and Kandy to support environmental education, biodiversity and long-term carbon absorption.

Health and Well-being

- Blood donation campaign conducted in support of World Blood Donor Day to strengthen community health and well-being.
- Breast cancer awareness sessions conducted to promote early detection and proactive health management.

Employment

- Provision of internship opportunities for university students to enhance employability and professional exposure.

Disaster Relief

- Support extended to flood-affected communities through the provision of essential items to assist recovery efforts.





Priorities for the future

Short-Term Priorities

In the short term, priority will be given to strengthening customer engagement and service accessibility through targeted digital enhancements. This includes the introduction of tools to streamline claims-related interactions and improve efficiency at customer touchpoints, enabling faster response times and more effective use of Contact Centre resources. Attention will also be directed towards fortifying supplier governance practices by integrating sustainability considerations into procurement processes, with greater emphasis on ESG and carbon-related assessments. Community-focused initiatives will continue to focus on addressing community needs by improving access to education, capacity building and youth development, while encouraging increased employee participation in community engagement and environmental responsibility initiatives.

Medium-Term Priorities

Over the medium term, focus will remain on deepening structured engagement with key business partners, including insurance brokers and suppliers, to support consistent service delivery and long-term collaboration. Community engagement efforts will evolve towards a more structured and strategic approach, with the development of a formalised CSR agenda aligned with the Company's ESG priorities and stakeholder expectations.

Long-Term Priorities

In the longer term, efforts will centre on strengthening Social and Relationship Capital through more integrated, technology-enabled stakeholder engagement models. This includes the development of a comprehensive insurance agency model as a complementary revenue stream to support distribution and customer access over time. Community engagement strategies will be aligned more closely with national development priorities and evolving ESG commitments, supporting the Company's ambition to embed responsible business practices more deeply across its operations and stakeholder relationships.

Natural Capital

GRI: 306



As a service-based organisation, PI operates with limited direct reliance on natural resources and maintains a relatively low environmental footprint. Nevertheless, minimising the loss of Natural Capital forms an important part of the Company's responsibility towards future generations of Sri Lankans.

Management Approach

PI articulates its committed to achieving climate-resilient operations by ensuring environmental and climate-related considerations are integrated into annual planning and strategic decision-making, driven by governance oversight and digital enablement.

Further through process optimisation and responsible resource management, the Company seeks to minimise its environmental footprint while strengthening readiness for evolving sustainability and disclosure requirements.

Material Matters

- Operational Resource Efficiency
- Digital Capabilities
- Brand Identity
- Green Finance & Sustainable Efficiency
- Climate Action and Net-zero Transition

Relevance to strategy

- Enhance Operational Efficiency and Compliance
- Increase social and Environmental Responsibility
- Product Innovation & Market Growth
- Responsible Corporate Citizenship

Key Risks

- Human Resource Risk
- ESG Integration Risk
- Climate-related Physical and Transition Risk
- Reputational Risk



Challenges, Opportunities & Key Actions

Challenges & Opportunities for 2025	PI's Response
Challenges	
Increasingly complex regulatory and disclosure requirements related to environmental and climate-related matters	• Establishing systems and processes to align with IFRS Sustainability Disclosure Standards S1 and S2 by 2026, including the planned disclosure of key environmental factors in accordance with the SASB index applicable to the Insurance industry
Opportunities	
Demonstrating leadership in environmental responsibility and climate resilience within the insurance sector	• Strengthening awareness and education initiatives for employees, clients and partners to reduce environmental impact across PI's value chain

Value Transformation

Outputs for PI

- **20%** year on year reduction in paper waste
- **137.7 kg** paper waste reused

Stakeholder Outcomes	2025	2024	Stakeholder Value Created (+) Preserved (=) Eroded (-)
Amount of Paper Reuse	137.7 kg	1,522.8 kg	(+)
Trees Saved due to Paper Reuse	17	188	(+)
Savings of Electricity due to Paper Reuse	4,000 kWh	44,140 kWh	(+)
Savings of Oil due to Paper Reuse	270 Litres	4,193 Litres	(+)
Savings of Water due to Paper Reuse	26,000 Litres	292,428 Litres	(+)
Savings of GHG Emissions due to Paper Reuse	2,500 kg CO_2e	478.3 kg CO_2e	(+)

Impact on other Capitals

Strengthens PI's reputation as a responsible and environmentally conscious insurer (Intellectual Capital)

Enhances stakeholder trust through responsible environmental practices and transparent disclosures (Social and Relationship Capital)

SDGs





Natural Capital

Compliance and Best Practices		
Area of Focus	**Framework / Standard / Guideline**	**Purpose and Relevance**
Environmental Management	Environmental Management Policy	Provides a principles-based framework to manage operational impacts, promote responsible resource use and ensure regulatory compliance
Regulatory Alignment	CBSL Sustainable Finance Roadmap 2.0	Aligns sustainability practices with national priorities for the financial services sector
	IRCSL Guidelines on SDGs, ESG and Green Finance	Integrates ESG and green finance considerations into insurance operations
	UN Global Compact Principles	Reinforces responsible business conduct and ethical practices
Industry-specific sustainability disclosures	SASB Insurance Standard	Provides industry-specific metrics to identify, manage, and disclose financially material ESG risks and opportunities relevant to the insurance sector
Climate Reporting	SLFRS Sustainability Standards (S1 & S2)	Strengthens governance, risk management and disclosures related to sustainability and climate
Emissions Measurement	ISO 14064-1:2018	Independent verification of greenhouse gas emissions
Emissions Accounting	GHG Protocol Corporate Standard	Measurement of Scope 1, Scope 2 and selected Scope 3 emissions
Sustainability Reporting	GRI Standards	Ensures consistency, transparency and comparability of disclosures
Integrated Reporting	Integrated Reporting Framework	Demonstrates how sustainability considerations support long-term value creation
Global Commitments	UN Sustainable Development Goals	Aligns initiatives with globally recognised sustainability priorities

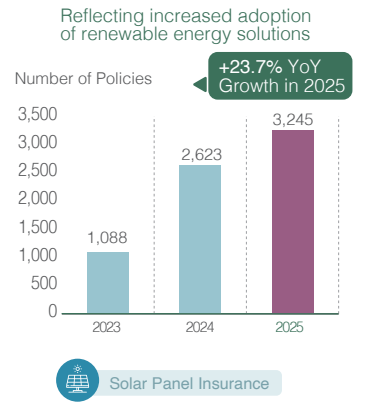
PI has a structured framework is in place to guide responsible practices, supported by established policies, recognised standards and strengthened governance arrangements. The Company's Environmental Management Policy provides the foundation for managing impacts arising from day-to-day operations by integrating sustainability considerations into internal processes and decision-making.

In parallel, PI continued to align its practices with evolving regulatory expectations. The Company is currently working towards compliance with the SLFRS Sustainability Standards S1 and S2, while aligning its approach with the Central Bank of Sri Lanka's Sustainable Finance Roadmap 2.0 and the Insurance Regulatory Commission of Sri Lanka's Guidelines on SDGs, ESG and Green Finance. These frameworks guide the strengthening of governance, risk management and disclosure practices across the organisation.

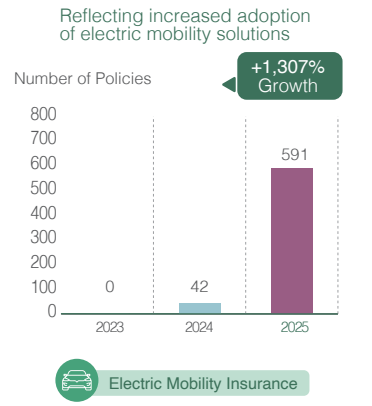
Green Finance

Green Finance is a key pillar of the national sustainability agenda articulated under the Central Bank of Sri Lanka's Sustainability Roadmap 2.0 and the Insurance Regulatory Commission of Sri Lanka's Guidelines on SDGs, ESG and Green Finance.

Growth in Solar Panel Insurance Policies (2023-2025)



Growth in Electric Mobility Insurance Policies (2023-2025)



These frameworks provide the primary regulatory direction for the insurance sector in integrating sustainability considerations into business strategy, product development and investment decision-making, while supporting the transition towards a low-carbon and climate-resilient economy.

In line with this regulatory direction, PI defines Green Finance as insurance solutions and investment activities that support the reduction of carbon emissions, building climate resilience and delivering positive environmental outcomes. The Company's approach to Green Finance is therefore aligned to both prudential expectations and national sustainability priorities, with a focus on embedding these considerations into core business activities. In 2025, PI reinforced its commitment to Green Finance through a dual approach targeted capital allocation alongside efforts to embed sustainability and climate-related risks and opportunities into underwriting practices and product development.

Taking steps to strengthening the alignment of PI's product portfolio to reflect IRCSL guidance on green insurance solutions, Solar Panel Insurance was actively promoted in 2025. The result was a high level of customer adoption as evidenced by the active policies which increased from 2,623 in 2024 to 3,245 in 2025, denoting a year-on-year growth of 23.7%.

Insurance solutions supporting electric mobility also recorded particularly strong growth during the year. Electric Motor Cycle insurance policies increased from 30 policies in 2024 to 364 policies in 2025, while Electric Car – Private insurance policies increased from 12 to 227 policies over the same period, reflecting the growing shift towards low-emission transport options in Sri Lanka.

No of Green Insurance Polices	2025	2024	2023
Solar Panel Insurance	3,245	2,623	1,088
Electric Car Private	227	12	-
Electric Motor Cycle	364	30	-

Green Finance Investment – Blue Bond Allocation (2025)

As part of its Green Finance approach, PI invested LKR 90.46 Mn in the DFCC Bank PLC Blue Bond, with a tenor of four years at an interest rate of 10.25%. The proceeds of the bond support financing activities related to the sustainable use and protection of marine and coastal ecosystems in Sri Lanka, contributing to positive environmental outcomes in line with national sustainability priorities.





Alignment with IRCSL SDGs and Green Finance Priorities



PI's Green Finance activities during 2025 supported national sustainability priorities in line with IRCSL guidance:

IRCSL-Linked SDGs	Green Finance Activity at PI (2025)
Affordable and Clean Energy	Solar Panel Insurance supporting renewable energy adoption
Sustainable Cities and Communities	Insurance cover for electric vehicles contributing to low-emission mobility
Climate Action	Growth in electric mobility insurance and renewable energy coverage
Life Below Water	Investment in DFCC Bank PLC Blue Bond supporting marine and coastal ecosystems



GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd
Ministry of Environment

Organization Level GHG statement developed by
People's Insurance PLC
No.07, Havelock Road, Colombo 05, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No	: SLCF/CFP/0494
Date of Issue	: 03.03.2026
Period of Assessment	: 01.01.2025 – 31.12.2025
Selected Boundary	: Operationally controlled business operations of People's Insurance PLC (including head office and 18 regional branches)
Direct GHG Emissions	: 20 tonnes of CO_2 equivalent
Indirect GHG Emissions	: 418 tonnes of CO_2 equivalent
Total GHG Emissions	**: 438 tonnes of CO_2 equivalent**

ISO/IEC 17029 and ISO 14066
VVB 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Validity Period of the certificate: 03.03.2026 – 31.03.2027
Exclusions: GHG emissions from purchased electricity for Jaffna, Matara & Trincomalee regional branches and municipal water for Galle, Jaffna, Kalutara, Kurunegala, Matara, Trincomalee, Vavuniya regional branches.
*Materiality threshold is below 5%

The climate fund of Sri Lanka verified the GHG quantification and underlying methodology of People's Insurance PLC. The assurance obtained from the external verification agency indicates the reliability of Company's GHG disclosures



Commitment to Climate-Resilient Operations





Water Stewardship

- Purified drinking water provided at Head Office through on-site facilities
- Employee awareness initiatives to encourage responsible water use
- Water-efficient equipment installed to reduce consumption





Energy Efficiency

- Energy-efficient infrastructure design across Head Office and branches
- Energy audits conducted to identify conservation opportunities





Digital Enablement

- Digitisation and automation to reduce manual, paper-based processes
- Digital documentation and e-receipts to support paperless operations
- Repurposing of archived documents for internal reuse





Emissions Monitoring & Management

- Measurement of greenhouse gas emissions (Scope 1, Scope 2 and selected Scope 3)
- Emissions measurement aligned with ISO 14064-1:2018 and the GHG Protocol
- Shared transport solutions promoted to reduce travel-related emissions





Waste Management

- Monitoring of paper consumption through digitisation
- Responsible disposal through authorised recycling partners



Natural Capital

This year, energy audits were conducted to analyse energy flows and identify opportunities for improved efficiency.

Energy efficiency efforts are supported through the incorporation of natural lighting, humidity and temperature considerations into infrastructure design at the Head Office and branch network. During the year, energy audits were conducted to analyse energy flows and identify opportunities for improved efficiency. In parallel, the adoption of lean management practices, digitisation and automation continued to play an important role in streamlining workflows, reducing reliance on manual and paper-based processes and optimising energy use across operations, complementing the broader transition towards resource-efficient operations.

	2025	2024	2023
Electricity Consumption / GJ	2,217	2,070	2,003
Employee Count	649	655	568
Electricity Consumption Per employee	3.4	3.2	3.5
Revenue / Rs. Mn	8,367	6,249	5,763
Electricity Consumption per 1 Mn of Revenue	0.26	0.33	0.35

Direct Consumption

Fuel Consumption (Ltr)

7,750

2024 - 7,415

Electricity Consumption

Electricity consumption (GJ)

2,217

2024 - 2,070

Electricity consumption per employee (GJ)

3.4

2024 - 3.2

Electricity consumption per Rs. 1 Mn of Revenue (GJ)

0.3

2024 - 0.4

Electricity consumption (GJ) per branch

17.5

2024 - 19.5

Managing Energy Consumption and GHG Emissions

GRI: 302 -1, 302 - 3, 302 - 4, 305 -1, 305 - 2, 305 - 3 , 305 - 4, 305 - 5

PI adopts a structured and integrated approach to managing energy consumption and emissions across its operations. With grid electricity remaining the primary source of energy, the focus continues to be on reducing overall energy demand through efficiency-driven measures across offices and branch operations, supported by disciplined monitoring and process optimisation initiatives implemented across the organisation.

Meanwhile PI's approach to managing emissions associated with its operational footprint is led by the annual GHG emission measurement report covering Scope 1, Scope 2 and selected Scope 3 categories. The calculation methodologies are aligned with ISO 14064-1:2018 with independent verification provided by the Sri Lanka Climate Fund.

During 2025, PI introduced new measures to address emissions linked to employee mobility, with a focus on reducing travel-related intensity across operations. These measures include encouraging carpooling arrangements and the expanded use of Company vans for branch visits in place of individual vehicle use by heads of departments, contributing to more efficient travel practices and supporting the reduction of travel-related emissions.

Emissions (tCO_2e)

Scope 1
19.5
2024 -18.8

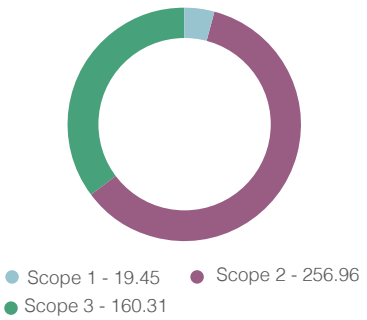
Scope 2
257.0
2024 - 245.9

Scope 3
179.7
2024 - 213.5

Total Carbon Footprint
436.7
2024 - 478.3

Emission Intensity
(Emissions per Employer)
1.0
2024 - 0.73

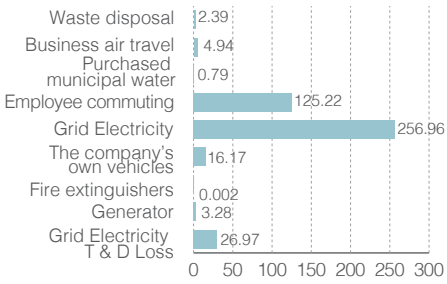
Total Emission (tCO_2e)



Energy

	2025	2024
Energy Consumption / GJ	2,488	2,287
Energy Consumption Per employee	3.83	3.49

Total Emission (tCO_2e)



Our Carbon Footprint

PI prepared its organisational Greenhouse Gas (GHG) Inventory for the period 1 January 2025 to 31 December 2025, in accordance with ISO 14064-1:2018 and the GHG Protocol Corporate Standard. The reporting boundary follows the operational control approach, covering the Head Office and 18 regional branches.

The total quantified emissions for the reporting period amounted to 436.72 tCO_2e. The inventory includes Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions).

The greenhouse gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). Emissions of perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) were excluded due to the nature of operations. All gases were converted to carbon dioxide equivalent (CO_2e) using Global Warming Potentials (GWP) from the IPCC Sixth Assessment Report (AR6).

The base year for future emissions comparison and reduction tracking is 2025.

Emission factors applied in the calculation were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the UK Department for Business, Energy & Industrial Strategy (DEFRA) conversion factors, and the Sri Lanka Energy Balance for grid electricity.

Emissions

Scope	Emission Source	Emission (tCO_2e)	Total Emission (tCO_2e)
Scope 1	Generator	3.28	19.45
	Fire extinguishers	0.002	
	The Company's own vehicles	16.17	
Scope 2	Grid Electricity	256.96	256.96
Scope 3	Employee commuting	125.22	160.31
	Purchased municipal water	0.79	
	Business air travel	4.94	
	Waste disposal	2.39	
	Grid Electricity T & D Loss	26.97	
Total			436.72

Water Conservation

GRI: 303 -1, 303 - 5

Water usage at PI remains minimal and is largely limited to utility and sanitary requirements for employees. Notwithstanding, the Company remains committed to promoting responsible consumption and reducing avoidable wastage across its operations, in line with its broader focus on resource efficiency and climate-resilient operations.

To support this commitment, a water purification facility has been established at the Head Office to provide employees with access to purified drinking water. In addition, water-efficient equipment and facilities have been installed across offices to support the efficient use of water and reduce avoidable wastage.

	2025	2024	2023
Pipe borne water / m3	5,410	4,474	4,385
Employee count	649	655	568
Water consumption per employee	8.3	6.8	7.7
Water consumption per 1 Mn of revenue	0.95	0.75	0.77

Employee awareness initiatives, including the display of water-saving tips across office premises, are used to reinforce responsible water use behaviours and encourage mindful consumption. These initiatives support the embedding of simple, behaviour-driven conservation practices into day-to-day operations, while contributing to responsible water management and operational continuity.

Water Consumption

Pipe-borne water consumption (m^3)

5,410

2024 - 7,385

Water consumption per employee (m^3)

8

Water consumption per 1 Mn of revenue

1.0

2024 - 0.7

Waste Management

GRI: 306-1, 306-2, 306-3, 306-4, 306-5

PI approach to waste management is based on minimising waste generation, promoting reuse and recycling, and ensuring appropriate segregation and disposal practices. In line with 3R principles – reduce, reuse and recycle, PI continues to prioritise the reduction of paper waste supported by clear internal practices to encourage employees to adopt workplace behaviours, including the reuse of paper and the responsible segregation and disposal of office waste. In line with these principles, archived policy documents are extracted and repurposed to create a stock of one-sided A4 sheets for internal use. Paper consumption is closely monitored as part of the Company's inventory management process. Paper waste that cannot be reused internally is disposed of through an established partnership with an authorised paper recycler, ensuring responsible handling and disposal in accordance with applicable standards and supporting circular resource use practices.

Wastage Savings from Paper Re-use

Fully Grown Trees

17

2024 - 188

Litres of Oil

1.7

2024 -1,447

kWh of Electricity

4,000

2024 - 44,140

Litres of Water

26,000

2024 - 292,428

Cubic Meter of Land fill

0.2

2024 - 1.9

	2025 in MT	Management method	Amount
Food waste	3.40	Land filling	100%
Paper waste	0.69	Reuse	20%
Polythene waste	0.35	Land filling	100%
e-waste	1.31	Recycling	100%

Waste Management

Waste Paper Re-use

0.69 MT

2024 - 1.5

E-Waste Recycled

1.31 MT

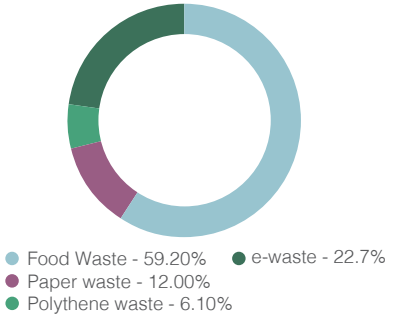
2024 - 3.8

Polythene waste

0.35 MT

2024 - 0.49

Waste Management



Meanwhile, waste segregation and responsible disposal are embedded into day-to-day operations, with mechanisms in place to track food and polythene waste, with findings from daily measurements used to raise awareness and encourage behavioural change.

Electronic waste is managed as part of the Company's broader waste management framework. The disposal of obsolete and discarded electronic equipment follows established procedures, including partnerships with CEA-authorised waste collectors to ensure the responsible collection, recycling and environmentally sound processing of e-waste through authorised channels.

Digitisation and automation initiatives continue to support waste reduction efforts across operations. Digital documentation, workflow automation and the issuance of e-receipts have helped to reduce the reliance on paper-based workflows. Employee awareness remains a key enabler of effective waste management.

Education and Awareness

Awareness and education continue to play an important role in supporting PI's efforts towards climate-resilient operations by encouraging responsible behaviours and strengthening internal capacity.



E-waste management

Company has partnered with Ceylon Waste Management In order to ensure the responsible disposal of discarded electronic devices. As a result of this initiation significant quantity of waste has been recycled.





During the year, sustainability awareness sessions were introduced as part of for all new employees as part of orientation programmes, ensuring early alignment with the Company's environmental practices and expectations.

Behaviour-change initiatives were further supported through floor-wise challenges linked to electricity consumption and food-waste minimisation, designed to foster shared responsibility and collective action while using recognition and rewards to reinforce sustainable practices and encourage long-term attitudinal change among employees, supporting the consistent application of responsible resource use practices across operations.

Natural Capital



Sustainability awareness sessions for new employees



Tree-planting program across six schools islandwide for the World Environment Day

Priorities for the future

Short-Term Priorities

In the short term, PI will focus on strengthening climate-related governance and oversight to support the effective identification, assessment and management of climate-related risks and opportunities, including reinforcing climate risk management oversight within existing enterprise-wide frameworks to ensure alignment with evolving regulatory and disclosure expectations.

The Company will also aim to make steady progress in integrating ESG considerations at the product level by embedding sustainability into underwriting practices and introducing ESG-specific insurance solutions aligned with national sustainability priorities. Efforts will also focus on expanding strategic partnerships with key stakeholders and sustainability networks to support collaboration, knowledge sharing and the development of green finance and climate-resilient insurance solutions.

Medium-Term Priorities

Over the medium term, operational priorities will centre on strengthening sustainability integration across internal processes and the value chain through the introduction of Green Procurement Standards and enhanced supplier screening processes to promote responsible sourcing and reduce indirect environmental impact.

PI will also undertake a feasibility assessment for rooftop solar installations at the Head Office to evaluate opportunities to reduce dependence on grid electricity and lower operational emissions.

Long-Term Priorities

Over the long term, PI aims to progressively reduce its operational environmental footprint through sustained improvements in energy efficiency, emissions management and responsible resource use, while expanding green insurance and sustainable investment solutions to support climate mitigation and resilience.

A key long-term ambition is to achieve net-zero status by 2035, covering the Company's investments, insurance activities and own operations. To support this ambition, PI plans to develop a comprehensive climate strategy and a regulatory-aligned transition plan by the end of 2026, which will set out the pathway, priorities and milestones required to guide implementation over the medium to long term.

Independent Assurance Report

GRI: 2-5

Shape the future with confidence

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Independent practitioner's assurance report to the Board of Directors of People's Insurance PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2025

Scope

We have been engaged by People's Insurance PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on People's Insurance PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in People's Insurance PLC's (the "Entity's") Integrated Annual Report for the year ended 31 December 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by People's Insurance PLC

In preparing the Subject Matter, People's Insurance PLC applied the following criteria ("Criteria"):

The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

People's Insurance PLC's responsibilities

People's Insurance PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the People's Insurance PLC on 6 March 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of

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 FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

Independent Assurance Report

GRI: 2-5

Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/ frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of People's Insurance PLC for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

09 March 2026
Colombo

New Disciplines, Renewed Accountability

People's Insurance's governance framework underpins trust, stability, and responsible decision-making. Through strengthened disciplines, clear oversight, and ethical leadership, we reinforce accountability across the organisation, ensuring we act in the best interests of our stakeholders, today and into the future.



GOVERNANCE FRAMEWORK

Board of Directors



From Left to Right ▶

Ms. Thushari Hewawasam
Non-Executive,
Non Independent Director

Prof. Kasun Wijetilleke
Non-Executive,
Independent Director

Mr. Chandana Guniyangoda
Chairperson, Non-Executive,
Independent Director

Mr. Johnson Fernando
Non-Executive,
Independent Director



Mr. Sanjeewa Bandaranayake
Non-Executive,
Non-Independent Director

Ms. Nayanganie Wickramasinghe
Non-Executive,
Independent Director

Mr. Dulinda Perera
Non-Executive,
Non-Independent Director

Mr. Sumudu Wickramarachchi
Acting Company Secretary /
Chief Legal Officer

Board of Directors



Mr. Chandana Guniyangoda
Chairperson, Non-Executive,
Independent Director

GRI: 2-11

Date Appointed: 10 December 2025

Strategic Overview

Mr. Chandana Guniyangoda brings over 27 years of experience in finance and banking, including 19 years in commercial banking. With deep expertise in financial governance, regulatory reporting, asset and liability management and institutional transformation, he contributes to strengthening capital stewardship, governance discipline and long-term financial resilience within a regulated financial services environment.

Professional Experience

Mr. Guniyangoda has held senior leadership positions across banking and diversified corporate sectors, serving as Board Director, Key Management Personnel, Industry Expert and ALCO Officer. He was part of a world champion team in Asset & Liability Management, demonstrating advanced capability in balance sheet optimisation and risk governance.

His previous roles include Assistant Vice President – Finance, Strategic Planning & Business Support at NDB Bank PLC and Director of Development Holdings (Pvt.) Ltd, a joint venture between NDB Bank and the Export Development Board. He also served as ALCO Officer and Senior Executive – Finance & Planning at Sampath Bank PLC and commenced his career at Aitken Spence PLC.

More recently, he provided strategic guidance as Finance & Administration Specialist under the World Bank–supported Agriculture Modernisation Project of the Ministry of Agriculture, contributing to the restructuring of institutional frameworks within the agriculture and plantation sectors.

He currently serves as Group Chief Financial Officer of MG Group of Companies, Board Member of New Vithanakande Tea Factory (Pvt.) Ltd, Non-Executive Chairperson of CCPI Management Holdings (Pvt.) Ltd, Honorary Member of the Board of Management of CA Sri Lanka SAB Campus, and Non-Executive Senior Independent Director of People's Bank.

Qualifications

- Fellow Member – Institute of Chartered Accountants of Sri Lanka (FCA)
- Fellow Member – Institute of Certified Management Accountants of Sri Lanka (FCMA)
- MBA (Banking & Finance) – Postgraduate Institute of Management, University of Sri Jayewardenepura
- MA (Financial Economics) – University of Colombo
- BSc (Business Administration – Special) – University of Sri Jayewardenepura
- Advanced Certificate in Banking & Finance (ACBF) – Institute of Bankers & IFS (London)
- Member – Institute of Professional Managers
- Member – Association of Professional Bankers of Sri Lanka



Mr. Johnson Fernando

Non-Executive,
Independent Director

Date Appointed: 08 June 2020

Strategic Overview

Mr. Johnson Fernando has extensive executive and governance experience across diversified industrial and commercial enterprises. With a strong background in strategy, trade and institutional leadership, he contributes to strengthening Board governance, succession planning and policy oversight. As Chairperson of the Board Nomination & Governance Committee, he plays a key role in reinforcing governance architecture and Board effectiveness in alignment with regulatory expectations.

Professional Experience

Mr. Fernando has held senior leadership roles within the Expo Industrial Group, a diversified conglomerate with interests in apparel, food packaging, industrial and commercial printing, logistics management, engineering and construction. His experience spans large-scale operational management, commercial strategy and multi-sector corporate oversight.

He currently serves as Executive Director of Expo Industrial Engineering (Pvt) Ltd, Expo Property Developers (Pvt) Ltd and Expo Printers (Pvt) Ltd. He also contributes to advisory and public institutions including BCI Campus, Colombo Catholic Press, Lasallian Community Education Services and the National Hospital of Sri Lanka. He serves as Chairperson of the International Chamber of Commerce Sri Lanka and President of the Sri Lanka Print Media Academy.

His previous appointments include Non-Executive Director roles at People's Leasing & Finance PLC, Lankan Alliance Finance Limited (Bangladesh), People's Merchant Finance PLC, Waters Edge Recreation Ltd and Lanka Rest House Ltd. He has also served as Executive Director of Expo Cargo Links (Pvt) Ltd, Expo Regional Holdings (Pvt) Ltd, Shore to Shore (Pvt) Ltd and Expo Trade Links (Pvt) Ltd, and as President of the Sri Lanka Association of Printers and Vice President of the Sri Lanka–China Business Co-operation Council.

Board Committee Memberships (FY 2025)

- Board Nomination & Governance Committee – Chairperson (from 01 October 2024)
- Board Audit Committee – Member
- Board HR Remuneration Nomination Committee – Member (until 30 September 2024)
- Related Party Transactions Review Committee – Chairperson (until 30 September 2024) and Member thereafter
- Board IT Committee – Chairperson (until 30 September 2024) and Member thereafter

In the absence of the Chairperson, Mr. Fernando was duly appointed as Pro Tem Chairperson to preside over the meeting held during the year, in accordance with the Company's Articles of Association.

Board of Directors



Prof. Kasun Wijetilleke
Non-Executive,
Independent Director

Date Appointed: 08 June 2020

Strategic Overview

Prof. Kasun Wijetilleke is a Consultant Psychologist and practising counsellor with multidisciplinary expertise spanning clinical psychology, psychotherapy, management strategy, finance, marketing and information technology. His combined experience in behavioural science and corporate strategy supports effective governance, human capital oversight and organisational transformation within a regulated insurance environment.

Professional Experience

Prof. Wijetilleke serves as Managing Director of Pubudu House of Education, providing strategic and operational leadership in education and professional development.
His corporate experience includes Director – Client Leadership at Mindshare World/Unilever (Sri Lanka); Chief Strategy Officer at MAS Holdings – MAS Active Trading (Pvt) Ltd; Head of Cost Reduction at Star Garments Group; and service within the IT Department of Ceylon Tobacco Company/British American Tobacco.

He is also a Consultant Psychologist and currently serves as Visiting consultant to the Engineering, Technology Faculties... etc of the University of Sri Jayewardenepura and has contributed to national institutions as Resource Counsellor to the Sri Lanka Navy and as a Consultant to the Sri Lanka Police Academy. Moreover, he is a Visiting Lecturer in Management and Psychology.

Prof. Wijetilleke has held extensive leadership roles within professional and civic organisations. Within the Lions and LEO movement, District and Zone Chairperson, District and Regional Coordinator – Lions International 306A1, and LEO Multiple District Director 306 (Sri Lanka). He was appointed the first Sri Lankan LEO Representative to chair the First International LEO Conference at the First LEO Convention in the USA (2007) and became the first Sri Lankan LEO appointed as Sergeant-at-Arms at the 90th International Lions Convention in the USA (2007).

He has also served as President and Vice President of Association of Accounting Technicians (AAT) Toastmasters – Sri Lanka; held multiple leadership roles within Toastmasters International District 82 such as District Logistics Manager, Division Director, Area Director and D. TLI Chair are few to name. & served as Committee Member of the Organisation of Professional Associations (OPA); Executive Council Member of IMSL; Mentor for CIM (UK); and Trustee and Internal Auditor of the Dharma Vijaya Foundation (incorporated under a special Parliamentary Act).

He has been recognised among The Ten Outstanding Young Persons of Sri Lanka (TOYP) to represent Sri Lanka internationally and has received national honours including Deshamannya, Lanka Janaranjana, Lanka Puthra and Vishva Abimani (2012). He was also awarded the International Icon Excellence Award – "The Most Promising & High Benchmark Role in Management & Psychology of the Year 2026".

Board Committee Memberships (FY 2025)

- Board Audit Committee – Member
- Related Party Transactions Review Committee – Member (until 30 September 2024) and Chairperson thereafter
- Board HR Remuneration Nomination Committee – Member (until 30 September 2024)
- Board HR Remuneration Committee – Member (from 01 October 2024)
- Board IT Committee – Member

Qualifications

- Professor in Management and Psycology
- Doctor of Philosophy (Clinical Psychology)
- Honorary Doctor of Medicine (Clinical Psychology)
- Reading for PhD in Economics – University of Colombo
- Master of Business Administration (MBA) – Cardiff Metropolitan University (UK)
- Master of Business Administration (MBA) – University of Wales (UK)
- Master of Commerce (M.Com)
- Master of Science (M.Sc.)
- Bachelor of Computer Application (BCA)
- Advanced Diploma in Train the Trainer – City & Guilds (UK)
- Certified Innovation Manager (CIM)



Ms. Nayanganie Wickramasingha

Non-Executive,
Independent Director

Professional Memberships

- Fellow – Institute of Chartered Professional Managers (FCPM)
- Fellow – Chartered Institute of Marketing (FCIM), UK
- Graduate Member – Sri Lanka Institute of Directors (GSLID)
- Life Member – Organisation of Professional Associations (OPA)
- Member – Institute of Certified Management Accountants (CMA)
- Member – Certified Global Business Analysis (CGBA), Australia
- Member – Sri Lanka National Institute of Professional Counsellors (MIPC)
- Member – Institute of Management (MIM), Sri Lanka
- Member – Young Members Forum – Ceylon Chamber of Commerce (CCC)
- International Member – Australian Counselling Association
- Professional Member – Canadian Counselling and Psychotherapy Association
- Member – American Psychological Association
- Council Member – St. John Ambulance Association & Brigade, Sri Lanka
- Executive Council Member – Professional Counsellors and Psychotherapists of Sri Lanka
- Life Member & Council Member of the International organisation of Professionals

Date Appointed: 29 August 2023

Strategic Overview

Ms. Nayanganie Wickramasingha brings over 28 years of experience across insurance, financial services and diversified corporate sectors. With a strong background in finance, audit and strategic management, she contributes deep financial insight to the Board. Through her leadership of the Board Audit Committee and the Board HR Remuneration Committee, she strengthens oversight of financial integrity, internal controls and performance-linked remuneration structures.

Professional Experience

Ms. Wickramasingha commenced her career as a Trainee Accountant at Coopers and Lybrand, where she developed core expertise in auditing and financial reporting. She subsequently built extensive experience across the insurance and financing sectors, holding senior leadership roles in finance within established institutions.

Her previous appointments include senior positions at National Insurance Corporation, HNB Assurance and LOLC. She has also served as Group Financial Controller of Greenlanka Group, the local agent for Evergreen Line, and as Head of Finance at MMBL Money Transfer (Pvt) Ltd, a joint venture between Aitken Spence PLC and Mercantile Merchant Bank Ltd. These roles provided broad exposure to financial control, regulatory compliance and operational oversight within complex corporate structures.

Board Committee Memberships (FY 2025)

- Board Audit Committee – Chairperson
- Board HR Remuneration & Nomination Committee – Member (until 30 September 2024)
- Board HR Remuneration Committee – Chairperson (from 01 October 2024)
- Related Party Transactions Review Committee – Member (until 30 September 2024)
- Board Nomination & Governance Committee – Member (from 01 October 2024)
- Board Strategic Planning Review Committee – Member (from 23 June 2025)

Qualifications

- Master of Business Administration (MBA) – University of Colombo
- BSc (Second Class Upper) – University of Colombo
- Fellow – Chartered Institute of Management Accountants (FCMA – CIMA, UK)
- Chartered Global Management Accountant (CGMA)

Board of Directors



Mr. Sanjeewa Bandaranayake

Non-Executive,
Non-Independent Director

Date Appointed: 03 September 2024

Strategic Overview

Mr. Sanjeewa Bandaranayake brings over 37 years of experience in financial services, including 32 years within the Non-Banking Financial Institution sector. His leadership across finance, credit, treasury and institutional strategy enhances the Board's oversight in capital stewardship, risk governance and sustainable growth within a competitive and regulated financial environment.

Professional Experience

Mr. Bandaranayake currently serves as Chief Executive Officer/General Manager of People's Leasing & Finance PLC. Since joining the organisation in 2007 as Deputy General Manager – Finance & Administration, he has overseen key functional areas including Finance, Treasury, Administration, Human Resources, Information Technology, Credit and Marketing. His stewardship has contributed to sustaining the organisation's market leadership in the NBFI sector for 15 consecutive years.

He also serves as a Non-Executive Director of People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Leasing Havelock Properties Ltd, People's Micro-Commerce Ltd and Alliance Finance PLC (Bangladesh), all subsidiaries of People's Leasing & Finance PLC. In addition, he is a Council Member of the Sri Lanka Institute of Credit Management (SLICM).

Earlier in his career, he served as Director of the Credit Information Bureau (CRIB) for over a decade, Chairperson of the Leasing Association (on two occasions) for over 10 years and a Board Member of the Finance House Association. He was appointed by the Central Bank of Sri Lanka as Acting CEO to revive three troubled finance companies in 2009, 2013 and 2015.

Board Committee Memberships (FY 2025)

- Board Strategic Plan Review Committee – Chairperson
- Board Investment Committee – Member
- Board Nomination & Governance Committee – Member
- Related Party Transactions Review Committee – Member
- Board HR Remuneration Committee – Member (from 18 November 2024)

Qualifications

- Fellow Member – Institute of Chartered Accountants of Sri Lanka
- Fellow Member – Institute of Certified Management Accountants of Australia
- Fellow Member – Society of Certified Management Accountants of Sri Lanka
- Finalist – Chartered Institute of Management Accountants (UK)



Mr. Dulinda Perera

Non-Executive,
Non-Independent Director

Date Appointed: 04 March 2025

Strategic Overview

Mr. Dulinda Perera brings entrepreneurial leadership and technology-driven transformation expertise to the Board. With deep experience in branding, digital strategy and financial management, he strengthens oversight of digital governance, platform integration and customer-centric innovation. As Chairperson of the Board IT and Marketing Committee, he contributes to aligning investments in technology, data utilisation and brand strategy towards enhancing the Company's long-term growth and competitive positioning.

Professional Experience

Mr. Perera is the Founder and Chief Executive Officer of the IKON Group of Companies, where he has led the development and scaling of ventures through digital enablement, brand architecture and data-driven growth strategies. Over the past decade, he has advised local and international organisations on business transformation, new media integration and strategic expansion.

He currently serves as Chairperson and Non-Executive Non-Independent Director of People's Micro Commerce Limited; Non-Executive Non-Independent Director of People's Leasing & Finance PLC; Non-Executive Director of Hotel Developers Lanka Ltd (owning Company of Hilton Colombo); and is a Member of the Board of Management of the Gambling Regulatory Authority under the Ministry of Finance. He is also a lecturer in Accounting,



Ms. Thushari Hewawasam

Non-Executive,
Non-Independent Director

Finance and Risk Management across recognised academic and professional programmes.

Board Committee Memberships (FY 2025)

- Chairperson – Board IT and Marketing Committee

Qualifications

- Master of Business Administration (MBA) – University of the West of Scotland
- BSc (Hons) in Engineering (Chemical and Process Engineering) – University of Moratuwa
- Chartered Global Management Accountant (CGMA)
- Associate Member – Chartered Institute of Management Accountants ACMA (CIMA-UK)
- Member – Chartered Institute of Marketing (MCIM), (CIM-UK)
- Member – Chartered Institute of Professional Managers MCPM (CPM-SL)
- Certified in Risk and Information Systems Control- CRISC- ISACA (USA)

Date Appointed: 08 October 2025

Strategic Overview

Ms. Thushari Hewawasam is a senior banking executive with over 23 years of experience at People's Bank, currently serving as Deputy General Manager – Commercial Credit. Her deep expertise in corporate and commercial lending, credit governance and regulatory compliance strengthens the Board's oversight of portfolio quality, risk discipline and capital stewardship. Her experience in institutional leadership across credit and international banking provides valuable perspective in navigating complex financial and regulatory environments.

Professional Experience

Ms. Hewawasam commenced her career at People's Bank in 2002 as a Management Trainee and has since held senior roles across Credit, Branch Banking, Corporate Banking and International Banking. Prior to her current appointment, she served as Deputy General Manager – International Banking, overseeing trade finance, cross-border transactions and correspondent banking operations.

Her professional expertise spans credit appraisal, risk assessment, loan structuring, portfolio management and recovery strategies, with more than two decades of hands-on experience in corporate and business lending. She is well versed in enterprise risk management frameworks, internal controls, AML/CFT standards and regulatory compliance. Since 2015, she has also served as an internal resource person for Credit and Trade Finance training, contributing to staff development and institutional capacity building.

In addition to her executive responsibilities, she serves as a Director of People's Insurance PLC, People's Leasing Fleet Management Ltd and Lanka Financial Services Bureau Ltd. She is a Council Member of the Association of Professional Bankers and a Committee Member of the International Chamber of Commerce Sri Lanka.

Board Committee Memberships (FY 2025)

- Board Strategic Plan Review Committee - Member

Qualifications

- Doctor of Business Administration (DBA) – Reading
- Master of Business Administration (MBA) – Open University of Sri Lanka
- Bachelor of Science (Agriculture) – University of Peradeniya (Second Class Upper Division Honours)
- Fellow – Chartered Institute of Management Accountants (FCMA), UK
- Chartered Global Management Accountant (CGMA), UK
- Associate Member – Institute of Bankers of Sri Lanka (IBSL)

Board of Directors

Mr. Pradeep Amirthanayagam

Non-Executive,
Non-Independent Director

Date Appointed: 20 October 2023
Date Resigned: 04 March 2025

Strategic Overview

Mr. Pradeep Amirthanayagam brought over 36 years of experience in advertising, media and brand strategy to the Board. His expertise in marketing leadership, strategic communications and public engagement contributed to strengthening oversight of brand positioning, stakeholder communication and strategic growth initiatives during his tenure.

Professional Experience

Mr. Amirthanayagam serves as Executive Chairperson and Managing Director of Holmes Pollard & Stott (Pvt) Ltd, one of Sri Lanka's leading advertising agencies. Over the course of his career, he has played a prominent role in shaping marketing strategy, brand development and media communications across multiple sectors.

He currently serves as Vice President of the Society for the Upliftment and Rehabilitation of Leprosy Affected Persons (SUROL) and as a Non-Executive Director of the Anura Bandaranaike Foundation.

His previous leadership roles include Non-Executive Chairperson of People's Leasing & Finance PLC and People's Micro Commerce Limited, and Non-Executive Director of Lankan Alliance Finance PLC, Bangladesh. He has also served as a news anchor with Rupavahini, ITN and SLBC, and as an interviewer and cricket commentator. He received professional training at Bush House, the headquarters of the BBC in London. He served as the 50th President of the Rotary Club of Colombo West and was awarded Rotarian of the Year in 2012.

Board Committee Memberships (FY 2025)

- Board Strategic Plan Review Committee – Member (from 19 January 2024)
- Board Investment Committee – Member (from 01 October 2024)
- Board IT Committee – Member (from 01 October 2024)

Qualifications

- Fellow Member – Chartered Institute of Marketing (UK)
- Associate Member – Trinity College of Music, UK (ATCL – Speech and Drama)

Mr. Azzam Ahamat

Non-Executive,
Non-Independent Director

Date Appointed: 23 February 2023
Date Resigned: 10 June 2025

Strategic Overview

Mr. Azzam Ahamat brings over 23 years of experience in financial services across domestic and international markets. His expertise in capital management, credit risk, investment strategy and financial governance contributed to disciplined oversight of investment, audit and strategic planning during his tenure on the Board.

Professional Experience

Mr. Ahamat serves as Head of Finance of People's Bank, a role he has held since 3 January 2017, with responsibility for financial reporting, regulatory compliance and strategic financial stewardship. He also serves as a Non-Executive Director of People's Travels (Pvt) Ltd and as a Member of the Financial Reporting Standards Implementation and Interpretation Committee of CA Sri Lanka.

Throughout his career, he has worked with leading multinational professional service firms and Tier I service providers across diverse sectors. He has also served as a Non-Executive Director of People's Leasing & Finance PLC and Lankan Alliance Finance Limited, Bangladesh, gaining further exposure to financial services regulation and cross-border governance.



Mr. Sumudu Wickramarachchi

Acting Board Secretary / Chief Legal Officer

Date Appointed: 16 November 2025

Board Committee Memberships (FY 2025)

- Board Audit Committee – Member
- Board Strategic Plan Review Committee – Member
- Board Investment Committee – Member

Qualifications

- Fellow Member – Chartered Institute of Management Accountants (CIMA), UK
- Fellow Member – Association of Chartered Certified Accountants (ACCA), UK
- Fellow Member – Institute of Certified Management Accountants (CMA), Sri Lanka
- Associate Member – Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Certified Practising Accountant (CPA), Australia
- Technical Specialist – Institute of Risk Management (IRM), London
- Certified Member – Chartered Institute of Credit Management (CICM), London

Strategic Overview

Mr. Sumudu Wickramarachchi brings 26 years of experience in civil law, public sector legal service and private practice. His expertise in legal advisory and regulatory interpretation supports the Board in maintaining strong compliance standards, sound governance practices and adherence to statutory and regulatory obligations within the insurance sector.

Professional Experience

Mr. Wickramarachchi joined People's Insurance PLC in 2023 and currently serves as Acting Board Secretary and Chief Legal Officer. In this role, he provides legal counsel to the Board and Management, facilitates compliance with applicable laws and regulatory requirements, and supports the effective functioning of the Board in line with corporate governance frameworks.

Prior to joining the Company, he served as State Counsel at the Attorney General's Department, where he handled civil and public law matters and provided advisory support on legal and regulatory issues. He also served as Managing Partner of Chamber 218, a private law firm, advising clients on civil and commercial legal matters.

Qualifications

- Attorney-at-Law – Supreme Court of Sri Lanka
- Civil Law Training – International Development Law Organisation (IDLO), Rome, Italy

Corporate Management



Standing Left to Right

Mr. Sisira Dissanayake - Head of Internal Audit I **Mr. Mahen de Silva** - Chief Human Resource Officer
Ms. Jeevani Kariyawasam - Chief Executive Officer I **Mr. Jayan Subudda** - Head of Reinsurance
Ms. Sumudu Bandara - Head of Non Motor Claims

Seated Left to Right

Mr. Channa Abeywickrema - Head of Operations
Mr. Sashika Jayathilaka - Head of Motor Underwriting & Captive Business Development



Standing Left to Right ▶

Mr. Hareendra Dissanayaka - Head of Motor Claims I **Ms. Asanga Opatha -** Head of Administration
Mr. Sampath Digamadulla - Head of Contact Centre & Customer Relationship
Ms. Nahaziya Irshad - Head of Marketing & Research
Mr. Anuranga Wijepala - Head of Risk & Compliance

Seated Left to Right ▶

Mr. Amila Rajapaksha - Chief Financial Officer I **Mr. Uvindu Pathirana -** Head of Non-Motor Underwriting

Corporate Management

Ms. Jeevani Kariyawasam

Chief Executive Officer /
Principal Officer

Area of Expertise: Executive Leadership I Insurance Operations I Underwriting & Claims I Industry Engagement

Ms. Jeevani Kariyawasam assumed duties as Chief Executive Officer and Principal Officer in February 2022, following her tenure as Chief Operating Officer from April 2021 to January 2022.

A founding member of the Company, she has been associated with People's Insurance since its inception in October 2009. During her tenure as Head of Operations, she was involved in establishing and strengthening the Company's operational frameworks.

With over 25 years of experience in the Sri Lankan insurance industry, she has experience across underwriting, claims management, operations and strategic leadership. Prior to joining the Company, she held managerial positions in underwriting and claims at HNB Assurance and the National Insurance Corporation.

She also serves as a Director of People's Leasing Fleet Management Limited, a subsidiary of People's Leasing & Finance PLC.

Professional Memberships and Governance Engagement

- Member – Insurance Committee, International Chamber of Commerce Sri Lanka (ICCSL)
- Member – UNICEF Business Council
- Membership Secretary – Association of Chartered Insurance Professionals (Sri Lanka) (2016–2019)
- Council Member – Sri Lanka Insurance Institute (2011–2014)

Qualifications

- Bachelor of Science (Honours) in Bio Science – University of Colombo
- Associate Member – Chartered Insurance Institute (ACII), United Kingdom
- Senior Associate CIP Member – Australia and New Zealand Institute of Insurance and Finance (ANZIIF)

Mr. Channa Abeywickrema

Head of Operations

Area of Expertise: Insurance Operations I Fire & Miscellaneous Experience I Industry Engagement

Mr. Channa Abeywickrema joined People's Insurance in September 2017 as Head of the Fire & Miscellaneous Department and was appointed Head of Operations in July 2022. He also holds the position of Specified Officer of the Company.

A Chartered Insurer with over 19 years of experience in the insurance industry, he previously held managerial positions at Allianz Insurance Lanka Ltd. and Amana Takaful PLC.

Professional Memberships and Governance Engagement

- Membership Secretary – Association of Chartered Insurance Professionals (Sri Lanka) (2019–2021)
- Member – Lecture Panel, Sri Lanka Insurance Institute (since 2019)

Qualifications

- Chartered Insurer
- Associate Member – Chartered Insurance Institute (ACII), United Kingdom
- Bachelor of Science in Physical Science – University of Peradeniya

Mr. Amila Rajapaksha
Chief Financial Officer

Area of Expertise: Financial Management I Taxation I Industry Engagement

Mr. Amila Rajapaksha first joined People's Insurance at its inception in 2009 and served for three years before resigning in 2012. He rejoined the Company in May 2023 as Chief Financial Officer, heading the Finance Department.

During the interim period, he served in a senior managerial capacity at Sri Lanka Insurance Corporation Ltd and Orient Insurance Ltd. Earlier in his career, he worked at Eagle Insurance Ltd (now known as AIA Insurance Lanka Ltd), where he held several finance-related roles. In total, he has over 20 years of experience in finance within the Sri Lankan insurance sector, covering both General Insurance and Life Insurance businesses.

Professional Memberships and Governance Engagement
- Chairperson – Tax Subcommittee, Finance Technical Subcommittee (FTSC), Insurance Association of Sri Lanka (IASL)

Qualifications
- Fellow Member – Institute of Chartered Accountants of Sri Lanka
- Member – Chartered Management Accountants of Sri Lanka (ACMA)
- MBA in Business Administration – Cardiff Metropolitan University
- Chartered Tax Advisor (CTA)
- BSc in Finance (Special) – University of Sri Jayewardenepura

Mr. Mahen De Silva
Chief Human Resources Officer

Area of Expertise: Human Capital Management I Talent Development I HR Excellence

Mr. Mahen De Silva assumed duties as Chief Human Resources Officer in 2023. He has over 30 years of combined professional experience across Sales and Marketing, Customer Care and Service Delivery, Administration and Facilities Management, and the Management and Development of Human Capital. His career spans both local and overseas blue-chip companies.

In 2010, he received the 'Achievers and Leaders Award' for Excellence in Talent Management at the first Sri Lanka, India, South Africa and Singapore (SIAS) Partnership Summit. In 2024, he was awarded the HR Leadership Award at the World HRD Congress held in Mumbai, India.

He is a former lecturer at the Association of Business Executives (ABE/UK), the Junior Command and Staff College of the Sri Lanka Air Force Academy in China Bay, and the Sri Lankan body of the London Chamber of Commerce and Industry International (LCCI). He is also an SHL certified Assessor.

Qualifications
- MBA in Human Resources – Postgraduate Institute of Management

Mr. Sashika Jayathilaka
Head of Motor Underwriting and Captive Channels

Area of Expertise: Motor Underwriting I Captive Channels I Industry Engagement

Mr. Sashika Jayathilaka joined People's Insurance in 2011. He has over 16 years of experience in the insurance industry. Prior to joining the Company, he served as Assistant Manager at the National Insurance Trust Fund (NITF) and held a managerial position at Ceylinco Takaful Ltd.

Qualifications
- Bachelor of Science in Physical Science – University of Colombo, Faculty of Science
- Associate – Chartered Insurance Institute (ACII), United Kingdom
- Associate – Insurance Institute of India (AIII)

Corporate Management

Mr. Uvindu Pathirana
Head of Non-Motor Underwriting

Area of Expertise: Non-Motor Underwriting I Technical Insurance Expertise I Industry Engagement

Mr. Uvindu Pathirana commenced his insurance career with People's Insurance in 2011 and has progressed within the organisation to lead the non-motor underwriting function.

A Chartered Insurer with over 14 years of experience in the insurance industry, he has developed his professional career within the Company.

Professional Memberships and Governance Engagement
- Active Member – Association of Chartered Insurance Professionals Sri Lanka

Qualifications
- Master of Business Administration in Human Resources – Cardiff Metropolitan University
- Associate – Chartered Insurance Institute (ACII), United Kingdom
- Senior Associate – Australia and New Zealand Institute of Insurance and Finance
- Associate – Insurance Institute of India

Mr. Hareendra Dissanayaka
Head of Motor Claims

Area of Expertise: Motor Claims I Industry Engagement

Mr. Hareendra Dissanayaka joined People's Insurance in 2009. He has over 20 years of experience in the insurance industry and commenced his career at HNB Assurance PLC.

Qualifications
- Associate Member Insurance Institute of India.
- Diploma in Insurance, Chartered Insurance Institute, United Kingdom

Ms. Sumudu Bandara
Head of Non-Motor Claims

Area of Expertise: Non- Motor Claims I Underwriting

Ms. Sumudu Bandara joined People's Insurance in 2009. She has over 28 years of experience in the insurance industry and she has commenced her career at National Insurance Corporation.

Qualifications
- Associate Member Insurance Institute of India.
- Diploma in Insurance, Chartered Insurance Institute, United Kingdom

Mr. Sisira Dissanayake
Head of Internal Audit

Area of Expertise: Internal Audit I Finance & Reporting I Risk & Compliance I Strategic Planning

Mr. Sisira Dissanayake joined People's Insurance in April 2025. He brings over 14 years of experience gained at AIA Insurance Lanka Ltd., where he held responsibilities across Finance, Strategic Planning & Group Reporting, Risk & Compliance and Internal Audit. Prior to his tenure at AIA Insurance Lanka Ltd., he gained experience at People's Bank and Central Finance Company PLC, broadening his exposure to financial services and assurance.

Professional Memberships and Governance Engagement
- Executive Committee Member and Assistant Treasurer – Postgraduate Institute of Management Alumni (PIMA)
- Member – Institute of Internal Auditors (IIA), Sri Lanka Chapter

Qualifications
- BSc in Business Administration (Special) – University of Sri Jayewardenepura
- MBA – Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura
- Certified Business Accountant – Institute of Chartered Accountants of Sri Lanka
- Advanced Diploma in Management Accounting (CIMA Adv Dip MA) – CIMA UK

Ms. Nahaziya Irshad
Head of Marketing and Research

Area of Expertise: Strategic Marketing I Brand Management I Customer Engagement

Ms. Nahaziya Irshad joined People's Insurance in January 2025. She brings over 13 years of experience working with Australian, global and Sri Lankan brands, with a focus on strategic marketing and brand management. Prior to joining the Company, she held managerial roles across the hospitality, logistics, e-commerce, real estate and apparel sectors, leading marketing, customer engagement and growth initiatives across diverse markets.

Before relocating to Sri Lanka in 2021, she was based in Australia, specialising in logistics and air freight operations, where she gained exposure to B2C marketing, service branding and customer-centric solutions within competitive environments.

Qualifications
- Bachelor of Business (Marketing) – Charles Sturt University, Australia
- Completed one year of LLB studies

Mr. Sampath Digamadulla
Head of Contact Centre & Customer Relationship

Area of Expertise: Customer Relationship Management I Industry Engagement

Mr. Sampath Digamadulla joined People's Insurance in 2009. He has over 19 years of experience in the insurance industry, with expertise in customer relationship management. Prior to joining the Company, he served at Sri Lanka Insurance Corporation and Bell Vantage (Pvt) Ltd.

In 2025, he served as a resource person for National Competency Standards (NCS) validation at the National Apprentice and Industrial Training Authority (NAITA), contributing to the development and validation of national workforce standards.

Professional Memberships and Governance Engagement
- Member – Chartered Institute of Professional Managers (CPM)

Qualifications
- MBA in Business Administration – University of West London, United Kingdom
- Diploma in Diplomacy & World Affairs – Bandaranaike International Diplomatic Training Institute (BIDITI)
- Diploma in International Relations – Bandaranaike Centre for International Studies (BCIS)

Corporate Management

Mr. Jayan Subuddha
Head of Reinsurance

Area of Expertise: Reinsurance I Insurance Engagement

Mr. Jayan Subuddha joined People's Insurance in 2023. He has over 14 years of experience in the insurance industry. Prior to joining the Company, he served in managerial positions at Continental Insurance Lanka Limited and Ceylinco General Insurance Limited.

Qualifications

- Bachelor of Science in Insurance – Wayamba University
- Associate Member– Insurance Institute of India (AIII)
- Certificate in Accounting and Business – II
- Diploma in Insurance – Chartered Insurance Institute, United Kingdom

Mr. Anuranga Wijepala
Head of Risk and Compliance

Area of Expertise: Corporate Law I Regulatory Compliance I Risk Management I Legal Governance

Mr. Anuranga Wijepala has over seven years of experience in the corporate sector, including a tenure with PricewaterhouseCoopers (PwC) and roles within the venture capital industry. His professional background encompasses corporate law, regulatory compliance and risk management.

Qualifications

- Master of Laws (Commercial Law) – University of Colombo
- Attorney-at-Law, Supreme Court of Sri Lanka
- Registered Company Secretary, Notary Public & Commissioner for Oaths
- Post Attorney Diploma in Company Law – Institute of Advanced Legal Studies
- Diploma in Management Accounting – CIMA

Ms. Asanga Opatha
Head of Administration

Area of Expertise: Branch Operations I Corporate Client Management I Client Relationship Management

Ms. Asanga Opatha joined People's Insurance in 2021. She has over 20 years of experience in the field of administration. Prior to joining the Company, she worked as Assistant General Manageress at Ceylon Waste Management (Pvt) Ltd, where she handled Electronic Waste Management for three years. She also served at Seylan Bank PLC for 15 years.

Qualifications

- Master's Degree in Management (Specialising in Human Resource Management) – Sikkim Manipal University, India (2011)
- Certified Management Accountant (CMA), Australia (2021)

Sales Management



Mr. Manjula Kumara
Regional Manager - City



Mr. Suranga Gunathilake
Regional Manager - Anuradhapura



Mr. Roshan Thilakarathna
Regional Manager - Nugegoda



Mr. Krishan De Silva
Regional Manager - Matara



Mr. Pradeep Dissanayake
Regional Manager - Gampaha/ Negombo/Kegalle



Mr. Nakulaswarasarma Sathees
Regional Manager Baticaloa/ Jaffna



Mr. Nayana Perera
Zonal Manager - Rathnapura



Mr. Daham Karunaratne
Regional Manager - Kandy / Nuwara-Eliya



Mr. Ravindra Kumaar
Regional Manager - Badulla



Mr. Ajith Hapuarachchi
Zonal Manager - Kurunegala / Chilaw



Mr. Ajith Kumar
Head of Bancassurance & Distribution



Mr. Roshan De Silva
Head of Leasing

Corporate Governance Report



Chairperson's Introduction to Corporate Governance

At People's Insurance PLC's (PI), we are deeply committed to upholding the highest standards of corporate governance as the basis of embedding transparency, accountability, and ethical conduct across all levels of the organisation. The Board, supported by its Board Committees provides oversight and guidance and regularly monitors all aspects of the Company's operations to ensure alignment with regulatory requirements, stakeholder expectations, and the Company's long-term objectives.

Key Governance Highlights for 2025

In the year under review, the work of the Board and its Committees focused on assessing the effectiveness of PI's the internal control and risk management framework against the backdrop of rapidly evolving regulatory expectations. As always, we continued to prioritise full compliance with all amendments to the Insurance Regulatory Commission of Sri Lanka (IRCSL) Act, IRCSL guidelines and circulars in line with the mandated timelines.

At the same time, building on the preliminary work undertaken in the previous year to comply with the Personal Data Protection Act, a Personal Data Protection Policy was rolled out to formally institutionalise the guidelines to enable PI to comply with the provisions of the Act.

We also began working to improve our readiness to comply with the SLFRS S1 and S2 requirements, and set out to establish a comprehensive ESG Governance structure as well as to define risk management activities, that together will create the foundation for embedding environmental and social considerations into our core business operations.

Board Declaration

As Chairperson of the People's Insurance PLC Board, I confirm that all Directors individually and the Board collectively have performed their duties effectively underscored by the principles of fairness, accountability, integrity, and transparency. Further I wish to declare that the Board of Directors, Corporate Management and employees of the Company have complied in full with the principles of good governance as set out by the regulatory frameworks applicable, including the Listing Rules of the Colombo Stock Exchange, the mandatory requirements issued by the Insurance Regulatory Commission of Sri Lanka, the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), as well as the Company's own internal constitutional mandates.



Chandana Guniyangoda
Chairperson

09 March 2026
Colombo

Creating and preserving value through Corporate Governance

At People's Insurance PLC (PI), sound corporate governance underpins the Company's approach to sustainable value creation. Anchored on applicable regulatory requirements and recognised governance practices PI's governance framework enables the Board and Management to make informed decision-making in order to ensure actions support the Company's strategic objectives and also reflect stakeholder expectations.

The key objectives of PI's governance framework are to:

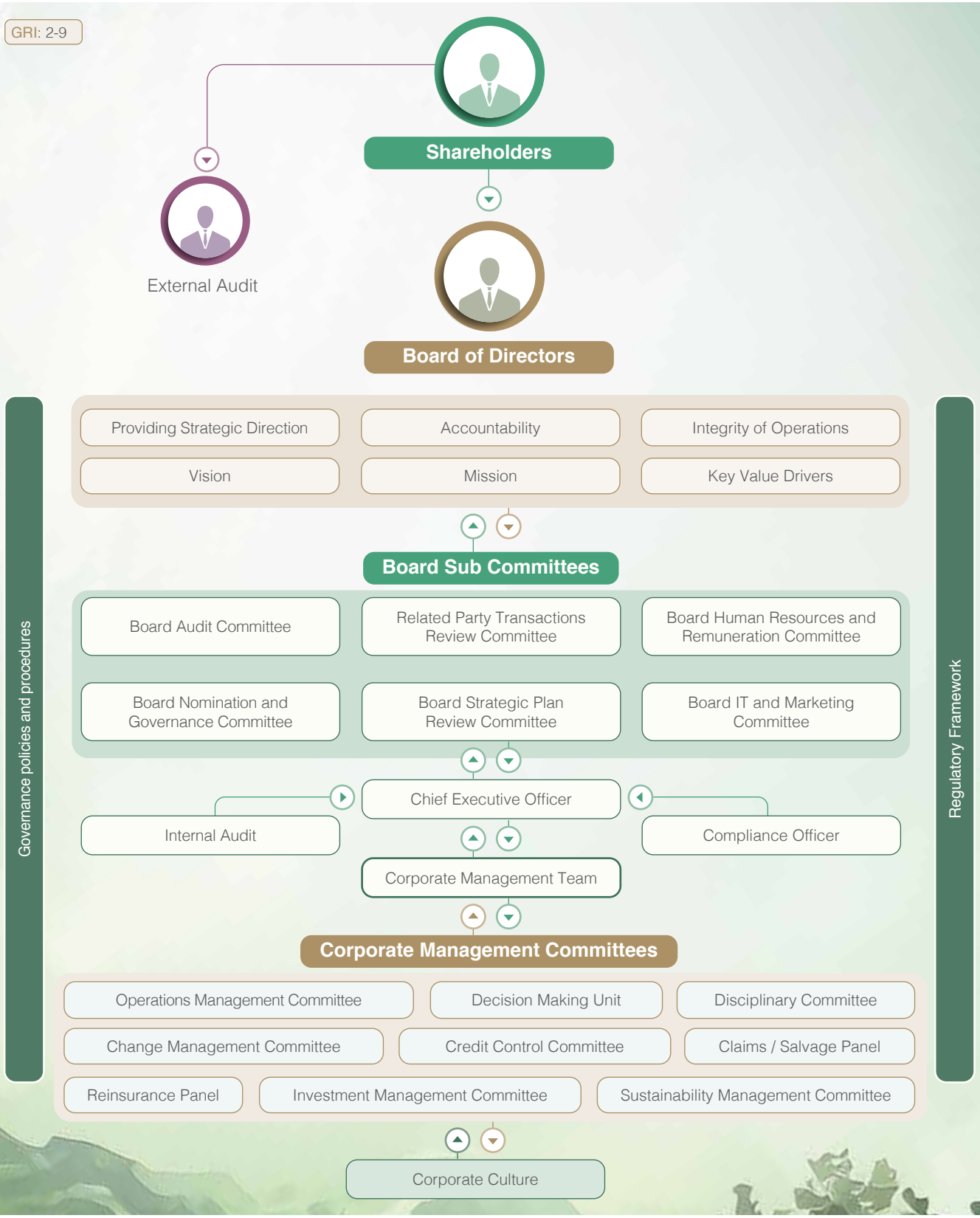
- Ensure accountability at all levels of the organisation, with clearly defined roles, responsibilities, and reporting lines that support effective oversight.
- Promote transparency through timely, accurate, and balanced disclosures to stakeholders, thereby fostering trust and confidence.
- Embed ethical conduct and integrity into decision-making processes, supported by approved policies and governance controls.
- Safeguard financial stability and operational resilience through robust risk management and internal control systems.
- Integrate sustainability considerations into strategic planning to support long-term value creation and responsible corporate citizenship.
- Monitoring regulatory compliance and proactive stakeholder engagement.
- Leveraging the ESG footprint to support the purpose-led initiatives

Company has aligned with globally accepted governance frameworks which have been comprehensively detailed in the page 167 of the governance commentary. Adhering to these globally recognised standards reinforces responsible business practices, strengthens our commitments, and enhances the trust and confidence of our stakeholders.

Corporate Governance Report

Company has complied with all relevant regulatory requirements. Key applicable regulations have been identified and summarised as indicated in the below figure. Company has also adhered to the voluntary standards as outlined in the diagram;

GRI: 2-9



Compliance Requirements

Regulatory Requirements

- Companies Act No. 7 of 2007
- Listing Rules of Colombo Stock Exchange (CSE), including new regulations on corporate governance
- SEC Rules
- Shop and Office Employees Act No. 19 of 1954
- EPF Act
- ETF Act
- Gratuity Act
- Regulation of Insurance Industry (RII) Act No. 43 of 2000
- Direction 17 - on Corporate Governance Framework for Insurance Companies by IRCSL
- Financial Transaction Reporting Act No. 06 of 2006 and Circular No. 03/13 issued by FIU of Central Bank of Sri Lanka

Internal Frameworks

- Articles of Association
- Policy on Matters Relating to the Board and Policy on Corporate Governance Nominations and Re-elections
- TOR of Board Committees
- Board-approved policy frameworks for governance, risk and operational areas
- Board approved conduct policies, including the Code of Conduct, Business Conduct Policy, Whistleblowing Policy

Voluntary Codes and Best Practices

- Code of Best Practice on Corporate Governance
- GRI Standards issued by the Global Reporting Initiative

The Board

GRI: 2 - 12, 2 -23, 2 - 24

PI's Board of Directors serves as the highest governing body of the Company and is responsible for providing strategic direction and oversight while safeguarding the interests of the Company and its stakeholders. The Board exercises its responsibilities in accordance with the Company's Articles of Association and in compliance with applicable laws, regulations, and governance best practices.

The Board, as the highest governing body, periodically reviews the governance structure to ensure continued alignment with regulatory requirements, industry best practices, and the Company's strategic objectives.

Policy development is another key component of the Board's oversight responsibilities. In this regard, the Board undertakes to review and update the Company's policy framework to reflect evolving regulatory requirements, industry developments, and operational changes.

During the year under review, the following policies and operational manuals were reviewed and updated to strengthen governance controls, enhance accountability, and improve process efficiency across relevant business functions:

Policy Reviewed	Business Operations Impacted
Updated guidelines regarding salvage collection for agent repair vehicles and handling of VAT invoices	Claims Department
Updated Delegation of Financial Authority Manual (MOFA)	Finance and Operational Decision-Making
Updated Procurement Policy and Procedure Manual	Procurement Unit
Updated Payment Procedure Manual	Finance Department
Updated Cashiering Process Manual	Finance Department

Duties and Responsibilities of the Board

The Policy on Matters Relating to the Board of Directors provides the framework governing the affairs of the PI Board and serves as a foundational document outlining the roles, responsibilities, and procedures applicable to the Board.

As the apex governing body of the Company, the Board retains responsibility for matters of strategic importance and oversight. Accordingly, certain key matters are reserved expressly for Board consideration.

Matters reserved expressly for the Board



The following matters are reserved exclusively for the consideration and approval of the Board of Directors of People's Insurance PLC (PI):

- Setting the Company's vision, mission, and values.
- Overseeing the development of the Company's strategy in alignment with the approved vision and reviewing and approving strategic plans.
- Approving major capital investments and expansion initiatives.
- Approving the appointment and removal of Board Sub-Committee members, Key Management Personnel (KMP), and the Company Secretary.
- Reviewing and approving the remuneration of Non-Executive Directors and Key Management Personnel.
- Approving principal regulatory filings to ensure timely submission in accordance with applicable requirements.
- Evaluating the performance of the Chief Executive Officer and Key Management Personnel against the achievement of strategic objectives.
- Approving succession plans for Key Management Personnel.
- Reviewing and updating, where necessary the Board Charter, Board Sub-Committee Terms of Reference, governance structures, policies, and procedures

Key Focus Areas of Board of Directors

Focus Area	Affected Stakeholders	Capitals Impacted	Strategic Pillars	Material Matters
Monitoring the continued strategic development required to deliver the System of Advantage The Board monitored the delivery of key strategic activities to ensure that PI remains fully committed to leverages the benefits of capital investments. This included exploring ways to optimise the assets and create value through sharing, and improve cost efficiencies to cement our leadership in all forms.	Shareholders, Regulators, Employees, Business Partners / Suppliers, Regulators, Community		S1 S2	MM1 MM3 MM4 MM6 MM7 MM8 MM10
Regulatory compliance and proactive stakeholder engagement The Board and management continued to work with regulatory bodies across its operating footprint to support policy development and proactively find solutions to common challenges. The Board also ensured that it remained well informed about rapid developments in macro environment variables.	Customers, Communities, Employees, Regulators		S1 S2 S3 S4	MM2 MM5 MM6 MM7 MM11 MM14
Embedding ESG into business practices The Board remains committed to the imperatives of ESG as the core to the System of Advantage and to develop products offering aligned with purpose. The Board continued to embed actions to mitigate ESG risks, adhere to the increasing ESG-related disclosure requirements and the systematic programmes, including diversity, equity and inclusion.	Shareholders, Regulators, Employees, Business Partners / Suppliers, Regulators, Community		S4	MM9 MM10 MM14 MM15
Performance Monitoring and Financial Reporting Assessment of the financial performance across the channels and ensure transformation of key business processes to drive efficiency.	Shareholders, Regulators, Employees, Business Partners / Suppliers, Regulators, Community		S1 S2	MM1 MM3 MM4

Corporate Governance Report

GRI: 2-9, 405-1

Board Composition

The composition of the Board is dictated by the Policy on Matters Relating to the Board of Directors. The current PI Board is constituted entirely of Non-Executive Directors, comprising Independent and Non-Independent Directors. The Board also maintains a healthy level of diversity, including broad age representation and female participation, which contributes to balanced deliberations and objective decision-making.

The composition of the Board is reviewed periodically and may change as a result of new appointments, retirements, resignations, or re-election of Directors.

Gender

Male 71%

Female 29%

Composition

7 Members

4 Independent

3 Non-Independent

Nationality

7 Local

Foreign Zero

Board Meeting Attendance

100%

Age

20-29	30-49	50-59	60-69
14%	14%	57%	14%

Tenure

0-1 years	2-5 years	More than 5 years
3	2	2

Key Criteria for the Determination of Director's Independence

The independence of Directors is determined in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange and the Corporate Governance Principles issued by CA Sri Lanka. The Board evaluates each Independent Director against the following criteria to ensure objective judgement, freedom from conflicts of interest, and the ability to act in the best interests of the Company.

No Recent Employment
Has not been employed by the Company during the three years immediately preceding appointment.

No Close Family Ties
Does not have close family members who are Directors, the Chief Executive Officer, or Key Management Personnel.

Age Limit
Is not over seventy (70) years of age.

No Overlapping Directorships
Is not a Director of another Company where a majority of Directors overlap with those of the Company

No Significant Shareholding
Does not hold ten per cent (10%) or more of the Company's voting rights.

Board Tenure Limit
Has not served on the Board for more than nine years from the date of first appointment.

No Conflicting Directorships
Does not hold employment or directorships in entities with material business relationships or significant shareholding in the Company

No Business Conflicts
Does not have material business interests in companies whose core business conflicts with that of the Company.

The table reflects the status of Directors as at 31 December 2025, except in the case of Directors who resigned during the year, where the assessment relates to the period during which they served as Directors. Based on these assessments, the Board remains satisfied that each Director designated as Independent during the year under review has met the applicable independence requirements

Director	Employment in the Company	Material Business Relationship	Close Family Member is a KMP	Significant Shareholding	Consecutive service of nine or more years	Employment in another business that has a business connection or significant shareholding	Director of another Company	Material Business Relationship or a significant shareholding in another Company or Business	70 years of Age
	(I)	(ii)	(iii)	(iv)	(v)	(vi)	(Vii)	(Viii)	(ix)
Non Independent Non Executive Directors									
Mr. Azzam Ahamat	no	no	no	no	no	yes	yes	no	no
Mr. Pradeep Amirthanayagam	no	no	no	no	no	no	yes	no	no
Mr Sanjeewa Bandaranayake	no	no	no	no	no	yes	yes	no	no
Mr Dulinda Perera	no	no	no	no	no	no	yes	no	no
Ms Thushari Hewawasam	no	no	no	no	no	yes	yes	no	no
Independent Non-Executive Directors									
Mr. Johnson Anthony Fernando	no	no	no	no	no	no	no	no	no
Prof. Kasun Indunil Wijetilleke	no	no	no	no	no	no	no	no	no
Ms. Nayanganie Wickramasingha	no	no	no	no	no	no	no	no	no
Mr. Chandana Guniyangoda	no	no	no	no	no	no	no	no	no

Note: *Mr. Pradeep Amirthanayagam ceased to be a member with his resignation as a Director with effect from 04 March 2025.*
Mr. Azzam Ahamat ceased to be a member with his resignation as a Director with effect from 10 June 2025.

Board Skills

The effectiveness of the Board is determined by the collective skills, experience, and professional expertise of its members.

The PI Board comprises Directors with diverse expertise, collectively supporting informed decision-making and enhances the Board's ability to respond to evolving industry and regulatory developments.

To ensure continued effectiveness, the Board Nomination and Governance Committee periodically reviews the Board skill composition to assess its alignment with PI's strategic priorities and emerging governance expectations.

Board Skill Matrix

Finance and Accounting
89%
2024 - 89%

Strategic Management
100%
2024 - 100%

Risk Management
97%
2024 - 97%

Information Technology
80%
2024 - 80%

Marketing
80%
2024 - 80%

Human Resource Management
100%
2024 - 86%

Corporate Governance Report

GRI: 2-10

Appointments, Re-election and Resignation of Directors

The appointment, re-election, and resignation of Directors are carried out in accordance with the provisions of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, applicable regulatory requirements, and the Company's Articles of Association.

Appointments to the Board are made through a structured and transparent process, taking into consideration the skills, experience, independence, and integrity required to support the effective functioning of the Board. In terms of the Articles of Association, one-third of the Directors retire by rotation at each Annual General Meeting and, being eligible, may offer themselves for re-election. During the year under review, changes to the composition of the Board arose from appointments, resignations, and re-elections, as summarised below.

Board Changes for FY 2025

New Appointments

Mr. Dulinda Perera
Non-Executive, Non-Independent Director – appointed on 04 March 2025

Ms. Thushari Hewawasam
Non-Executive, Non-Independent Director – appointed on 08 October 2025

Mr. Chandana Guniyangoda
Non- Executive Independent Chairperson – appointed on 10 December 2025

Resignations

Mr. Pradeep Amirthanayagam
Non-Executive, Non-Independent Director – resigned on 04 March 2025

Mr. Azzam Ahamat
Non-Executive, Non-Independent Director – resigned on 10 June 2025

Re-elections at the AGM held on 30th April 2025

Mr. Azzam Ahamat
Ms. Nayanganie Wickramasinghe
Mr. Sanjeewa Bandaranayake
Mr. Dulinda Perera

New Director appointments during the year were mainly the ex-officio members of People Leasing & Finance PLC and People's Bank. However, following facts are being considered when selecting members to the Board;

- Skills, expertise and experience required to provide strategic oversight to the business and industry requirements, including the ability to instruct and challenge management constructively and strong communication and teamwork in the board discussions
- Requirements under the applicable laws, rules and regulations.
- Ability to provide ongoing guidance to the Company
- Ability to contribute to policy direction, oversight, and accountability

A statement of compliance - " Fitness and propriety"

The Board of Directors of People's Insurance PLC (PI) confirms that all Directors appointed and serving on the PI Board during the year under review, satisfy the fit and proper criteria prescribed by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and other applicable regulatory requirements. The Board is satisfied that Directors possess the integrity, competence, experience, and financial soundness required to discharge their responsibilities effectively and in the best interests of the Company.

The fitness and propriety of Directors are assessed at the time of appointment and on an ongoing basis, with declarations obtained and reviewed in accordance with regulatory requirements.



Responsibilities of Individual Directors

Each Director is required to act in the best interests of the Company and to discharge their duties in accordance with the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and other applicable regulatory and governance requirements. Directors are expected to exercise independent judgement, maintain the confidentiality of information obtained in the course of their duties, and avoid situations that may give rise to conflicts of interest.

Directors are expected to dedicate sufficient time and attention to their roles, participating effectively in Board and Committee meetings, and contributing to informed decision-making through preparation, active engagement, and constructive challenge. All Board members are also required to participate in the annual Board evaluation process.

Conflict of Interest

GRI: 2 - 15

Directors are required to disclose any actual or potential conflicts of interest at the time of appointment and thereafter on an annual basis. In addition, Directors are obligated to make prompt disclosures should any conflict arise during the course of their tenure.

All declarations are required to be made in writing to the Related Party Transaction Review Committee (RPTRC), at the time of appointment and annually thereafter. The RPTRC is responsible for reviewing such disclosures and maintaining a formal Register of Directors' Interests in Contracts in accordance with applicable statutory and regulatory requirements.

Where relevant, updates to the Register and any material disclosures are tabled before the Board for information and appropriate action. Directors who have declared an interest in any matter before the Board abstain from participating in discussions and decision-making on such matters, in line with applicable governance requirements.

Directors Interest In Contracts

Name of Director	Directorships - Other Companies	Listed		Unlisted		Names of Companies
		Executive	Non Executive	Executive	Non Executive	
Non-Executive Non Independent Directors						
Mr. Sanjeewa Bandaranayake	5		1		4	Companies within People's Group, Alliance Finance PLC
Mr. Dulinda Perera	3		1		2	People's Leasing & Finance PLC,People's Micro Commerce Limited, Hotel Developers Lanka Ltd(Owning Company of Hilton Colombo)
Ms. Thushari Hewawasam	2				2	People's Leasing Fleet Management Ltd, Lanka Financial Services Bureau
Mr. Azzam Ahamat*	3		1		2	Companies within People's Group
Mr. Pradeep Amirthanayagam*	4		1	1	2	Executive Managing Directors Holmes Pollard & Scott (Pvt) Ltd and other companies within the Group
Independent Non-Executive Directors						
Mr. Johnson Anthony Fernando	3			3		Expo Industrial Engineering (Pvt) Ltd, Expo Property Developers and Expo Printers (Pvt) Ltd
Prof. Kasun Indunil Wijetilleke	1			1		Pubudu House of Education (Pvt) Ltd
Ms. Nayanganie Wickramasingha	-		-	-		-
Mr. Chandana Guniyangoda	3				3	People's Bank, New Vithanakande Tea Factory, CCPI Management Holdings (Pvt) Ltd

Note: **Mr. Pradeep Amirthanayagam ceased to be a member with his resignation as a Director with effect from 04 March 2025.*
**Mr. Azzam Ahamat ceased to be a member with his resignation as a Director with effect from 10 June 2025.*

Corporate Governance Report

GRI: 2-17, 2-19, 2-20

Directors Remuneration

All Non-Executive Directors are paid a standard fee for their time and commitment, covering participation in Board matters and membership of Board Sub-Committees. Fees are reviewed periodically and updated as necessary to align with industry benchmarks and prevailing governance practices.

The Board has approved a Policy on Remuneration sets out the principles and framework for determining the remuneration of Executive Directors and Key Management Personnel (KMP). Remuneration for Executive Directors and KMP consists of both fixed and variable components. The fixed component is designed to be market competitive and reflective of the scope and responsibilities of the role, while the variable component is performance-driven and linked to the achievement of predefined objectives and key performance indicators.

PI currently does not have any Executive Directors. The highest paid executive of the Company is the Chief Executive Officer, Ms. Jeevani Kariyawasam. In line with confidentiality considerations and applicable disclosure practices, individual remuneration details are not disclosed.

Training and Induction of Directors

The Company recognises the importance of continuous professional development in strengthening Board effectiveness and ensuring informed decision-making. Directors are encouraged to participate in relevant training programmes, seminars, and workshops conducted by industry bodies, regulatory authorities, and professional institutions in order to remain abreast of developments in the insurance industry, regulatory landscape, governance practices, and emerging risks.

The Company Secretary, in consultation with the Chairperson, facilitates appropriate training opportunities for Directors. The cost of such training and professional development activities is borne by the Company.

During the year under review, Directors were kept informed of regulatory developments, including updates relating to the Listing Rules of the Colombo Stock Exchange and applicable directives issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), to ensure continued compliance and governance readiness. Additionally, Board of Directors were given a training on SLRRS S1 & S2 implementation by the ESG department.

A structured induction programme is in place for newly appointed Directors. This includes detailed briefings on the Company's business model, financial performance, regulatory environment, risk management framework, governance policies, and strategic priorities. New Directors are also provided with opportunities to engage with members of Senior Management to gain a comprehensive understanding of the Company's operations. All new Directors appointed in FY participated in this induction programme.

Board Succession Planning

Board succession planning is a key element of sound corporate governance and aims to ensure continuity of leadership at the highest level of the Company. During the year under review, the PI Board took initial steps towards formalising a structured approach to Board succession planning. The Board Nomination and Governance Committee (BNGC) was tasked with focusing on the development of a procedure to consider and recommend appropriate arrangements for retiring Directors and Key Management Personnel.

This process is intended to support the identification of competency gaps, and facilitate recommendations that align with regulatory requirements and the Company's evolving governance needs, in order to facilitate the orderly transition of Board members.

Board Meetings

GRI: 2-9, 2-12, 2-13

Board Meetings are held in accordance with a predetermined annual work plan and meeting calendar. The meeting calendar, scheduling all Board meetings for the ensuing year, is prepared well in advance and circulated to all Board members. In addition to scheduled Board meetings, special Board meetings are convened as and when the need arises.

Board Meetings

Before the Meeting

The Company Secretary in consultation with the Chairperson and the CEO, sets the agenda to ensure sufficient time is allocated at each meeting to address all pertinent matters including strategy, performance, industry developments, risk and compliance matters etc.

A Board approved procedure allows any Director to make a written request to the Chairperson, to include additional matters and proposals to the Agenda.

Once the agenda has been finalised, all Directors are provided with detailed information on all items on the agenda.

To give Directors sufficient time to prepare, the information pack containing relevant Board Papers are circulated at least seven (07) working days prior to the meeting date.

In preparation for the Board meeting, all Directors are allowed to reach out to members of the Corporate Management to obtain necessary information or clarifications.

At the Meeting

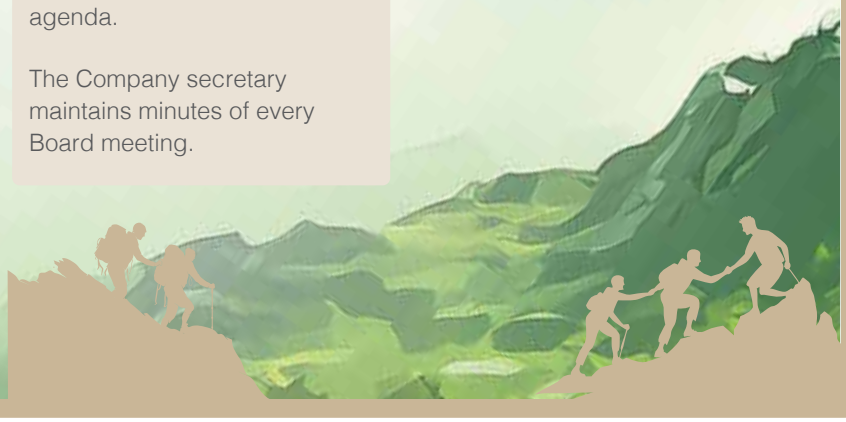
All Board members are expected to come well prepared and actively participate in all matters outlined under the agenda. The Chairperson / Chairperson of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting.

The CEO, COO and CFO will be invited to provide a comprehensive update on the Company's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda.

The Company secretary maintains minutes of every Board meeting.

After the Meeting

The Company Secretary is required to submit the minutes of the meeting to the Chairperson for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the particular meeting. Diary items of the meeting are also shared with the CEO and the relevant persons responsible, within 3 days. Minutes are confirmed at the next meeting after being circulated to the Board 7 days prior.



Meeting Attendance

	Board Meeting	BAC	RPTRC	BHRRC	BNGC	BSPRC	BITMC
Non-Executive Non Independent Directors							
Mr. Azzam Ahamat*	4/4	3/3	-	-	-	-	-
Mr. Pradeep Amirthanayagam*	2/2	-	-	-	-	-	-
Mr. Sanjeewa Bandaranayake	10/10	-	4/4	2/2	2/2	1/1	-
Mr. Dulinda Perera	8/8	-	-	-	-	-	3/3
Ms. Thushari Hewawasam	2/2	-	-	-	-	1/1	-
Independent Non-Executive Directors							
Mr. Johnson Anthony Fernando	10/10	8/8	4/4	-	2/2	-	2/3
Prof. Kasun Indunil Wijetilleke	10/10	8/8	4/4	2/2	-	-	3/3
Ms. Nayanganie Wickramasingha	10/10	8/8	-	2/2	2/2	1/1	
Mr. Chandana Guniyangoda	1/1	-	-	-	-	-	-

Note: **Mr. Pradeep Amirthanayagam ceased to be a member with his resignation as a Director with effect from 04 March 2025.*
**Mr. Azzam Ahamat ceased to be a member with his resignation as a Director with effect from 10 June 2025.*

Segregation of Duties

Division of Responsibilities between the Chairperson and CEO

A clear division of responsibilities between the Chairperson of the Board and the Chief Executive Officer (CEO) is maintained to ensure an appropriate balance of authority and responsibility, and to prevent the concentration of decision-making power in any one individual.

The Chairperson leads the Board and is responsible for ensuring its effective functioning, while the CEO is accountable to the Board for the day-to-day management of the Company and for implementing the strategic objectives approved by the Board.

Segregation of Duties

Chairperson — Leads the Board — Manages the Company — **CEO**

Role of the Chairperson

Providing leadership to the Board to ensure its proper and effective functioning.

Presiding over Board meetings and ensuring that material matters are tabled and that sufficient time is allocated for deliberation.

Monitoring Board dynamics and ensuring that the roles and responsibilities of the Board, its committees, and individual Directors are clearly defined and effectively discharged, with all members acting with integrity.

Formulating, in consultation with the Company Secretary, the annual work plan for the Board and setting the agenda for Board meetings.

Initiating the performance evaluation of the Board, Board Committees, and individual Directors.

Promoting open and effective communication between Directors, the Chief Executive Officer, and Senior Management.

Role of the Chief Executive Officer

Holding overall responsibility for the day-to-day management of the Company in accordance with the Board-approved strategy, risk appetite, and policy framework.

Ensuring that effective management teams and organisational structures are in place across the Company.

Developing and recommending to the Board operational and capital budgets, as well as annual business plans, that support the Company's long-term strategy.

Monitoring performance against approved targets and reporting progress and outcomes to the Board on a regular basis.

Ensuring adherence to applicable industry best practices and standards in the conduct of the Company's operations.

Board Sub Committees

GRI: 2 -13

The Board has established several Board Sub-Committees to support effective oversight and decision-making in key areas of governance. Sub-Committees operate under delegated authority from the Board and assist in discharging the Board's responsibilities in accordance with applicable regulatory and governance requirements.

The Board-approved Policy on Board Committees, sets out the Terms of Reference of the four mandatory Board Committees, namely the Board Audit Committee, the Related Party Transactions Review Committee, the Board HR Remuneration Committee, and the Board Nomination and Governance Committee.

During the year, the Board continued to review and update the Terms of Reference of the Board Sub-Committees, where necessary, to ensure alignment with evolving regulatory requirements and governance best practices. The Board remains satisfied that the committee structure and delegated authorities support effective oversight and accountability.

Mandatory Committees			
Board Audit Committee (BAC)		Board Related Party Transaction Review Committee (RPTRC)	
The BAC assists the Board of Directors in its general oversight responsibilities in relation to financial reporting, internal control, risk management, compliance, internal audit and external audit.	3 Independent Directors	The RPTRC ensures the fairness, transparency, and alignment of transactions between the Company and its related parties. It evaluates transaction terms, pricing, and conditions for regulatory compliance, identifies conflicts of interest, and assesses the impact on the Company's financial position. The RPTRC plays a vital role in safeguarding the Company's integrity and financial health, maintaining its reputation and credibility	2 Independent Directors 1 Non-Independent Director
	Meetings: 8		Meetings: 4
Board Nomination and Governance Committee (BNGC)		Board HR Remuneration Committee	
BNGC shall ensure that the Board and executive management have an adequate mix of skills, experience, and attributes necessary to support Company's achievement of goals and objectives.	2 Independent Directors 1 Non-Independent Director	BHRRC makes recommendation to the Board on the Company's framework of remunerating the Chief Executive Officer, executive and non-executive directors and guidelines for fair and transparent procedures for remunerating senior management, including post-employment benefits as well as terminal benefits	2 Independent Directors 1 Non-Independent Director
	Meetings: 2		Meetings: 2

Voluntary Committees

In addition to the mandatory Board Sub-Committees established in accordance with regulatory requirements, the Board has constituted certain voluntary Committees to enhance oversight in key strategic and operational areas.

These Committees are established at the discretion of the Board to strengthen governance, provide focused attention to specialised matters, and ensure structured engagement at Board level on areas critical to the Company's long-term performance.

Voluntary Committees enable more detailed review and discussion of specific matters before recommendations are escalated to the full Board. This framework supports improved decision-making, stronger accountability, and closer monitoring of strategic priorities.

Voluntary Committees			
Board IT and Marketing Committee		Board Strategic Plan Review Committee (SPRC)	
The Committee shall oversee the Company's information technology strategy, governance and protection of IT assets, including policies and programmes relating to information security, cyber security, data protection and technology risk management. Committee shall also monitor digital and marketing integrations to support secure omni-channel engagement aligned with the Company's strategic objectives, and provide appropriate advice and recommendations to the Board to facilitate informed decision-making.	2 Independent Directors 1 Non-Independent Director	The SPRC supports the Board by overseeing the performance of each function and ensuring the achievement of strategic initiatives aligned with the effective implementation of objectives outlined in the strategic plan.	Nominee Director of the parent Company, a nominee director of the ultimate parent Company and 1 Independent Director
	Meetings: 3		Meetings: 1

Management Committees

Management-level Committees support the Board Committees by providing detailed analysis, operational insights, and recommendations on matters relating to the Company's day-to-day operations and strategic execution.

These committees oversee the implementation of Board-approved policies, monitor compliance, and assess operational risks, enabling the timely flow of accurate information to the Board for informed decision-making.

Management Committees operate under the authority of the Chief Executive Officer, in line with the approved organisational structure and delegated authority framework.

Management Committees	
Operations Management Committee (OMC)	**Decision Making Unit (DMU)**
The Operations Management Committee serves as a central platform for discussing and making collective decisions on the Company's day-to-day operations and ensuring alignment with its overall objectives. The committee is responsible for overseeing operational matters within management's authority, making recommendations to the Board when necessary, advising on issues beyond the scope of the Manual of Delegation of Authority, and making decisions on non-investment matters.	The DMU is responsible for approving the procurement of goods and services for PI, ensuring that purchasing decisions align with the organisation's best interests. Its objectives include maximising economy, efficiency, and effectiveness, adhering to prescribed standards and statutory requirements, promoting fair and equal opportunities for all interested parties, and ensuring the timely execution of projects and delivery of goods and services.
Credit Control Committee	**Disciplinary Committee (DC)**
The Credit Control Committee is responsible for effectively managing the Company's debtors by identifying, assessing, and mitigating impairment risks to ensure financial stability and compliance. It formulates and implements policies to address debtor impairment, monitors debt recovery efforts, proposes strategies to reduce impairment losses and improve collection procedures, and reports debtor status to senior management or the Board for informed decision-making.	The disciplinary committee ensures equitable enforcement of Company policies, fostering accountability and professionalism. It addresses misconduct transparently, upholding organisational, standards and fostering a culture of responsibility.
Claims / Salvage Panel	**Change Management Committee**
The purpose of the Claims/Salvage Panel is to outline the responsibilities, authority, and procedures governing the operations of the panel. It serves as a guide for the efficient and effective handling of claims and salvage matters within the Company, ensuring compliance with relevant policies, regulations and best practices.	The purpose of the Change Management Committee is to provide a framework for managing changes within IT systems and business processes. It outlines the committee's role in identifying gaps, ensuring change management processes, proposing solutions, prioritising strategies, reviewing changes, considering new products or services, and providing progress reports to senior management. These terms ensure alignment with organisational goals and objectives.
Reinsurance Panel	**Sustainability Management Committee**
The purpose of the Reinsurance Panel is to oversee the reinsurance strategy and operations, ensuring optimal risk management and financial stability. It assesses and selects reinsurance partners, negotiates reinsurance contracts, and monitors reinsurance arrangements to mitigate risks effectively. Additionally, the panel evaluates reinsurance claims, resolves disputes, and analyses reinsurance performance to optimise outcomes for the Company. By strategically managing reinsurance activities, the panel aims to enhance the Company's capacity, resilience, and profitability in the face of potential losses and catastrophic events.	The Sustainability Management Committee is established to oversee and promote sustainable business practices aligned with environmental, social and governance (ESG) principles. The Committee is responsible for integrating sustainability considerations into the Company's strategy, risk management framework and operational decision-making processes, with the objective of creating long-term stakeholder value while minimising adverse environmental and social impacts.
Investment Management Committee	
The purpose of the Investment Management Committee is to optimise investment decision in relation to the management of investment portfolio in reviewing investment policies, strategies and performance of the investment portfolios, including the development of overall and portfolio specific investment guidelines.	

Evaluating Board and Board Sub Committee Effectiveness

GRI: 2 - 18

The Board of Directors evaluates its performance annually through a structured self-assessment process. The evaluation is designed to assess the effectiveness of the Board in fulfilling its governance responsibilities, supporting informed decision-making, and providing strategic oversight.

As part of this process, Directors individually complete a confidential self-assessment questionnaire covering key areas including Board composition, leadership, risk management, compliance, and the overall contribution of the Board to the Company's objectives. The responses are collated and analysed to identify strengths, areas for improvement, and opportunities to enhance governance practices.

The performance of Sub Committees is also evaluated in the same manner.

The consolidated findings are presented to the Board for discussion, following which action plans are developed, where appropriate, to address identified gaps.

Evaluating the Performance of the CEO

The Board Human Resources and Remuneration Committee (BHRRC) conducts an annual evaluation of the performance of the Chief Executive Officer (CEO) against predefined goals and objectives established at the commencement of each financial year. The evaluation considers the CEO's contribution to the achievement of strategic objectives, operational performance, leadership effectiveness, and adherence to the Company's governance and risk management frameworks.

The Chairperson of the BHRRC presents the evaluation findings, together with key observations, to the Board for review. Based on this evaluation, the Board provides recommendations to the BHRRC in relation to relevant adjustments to the CEO's remuneration.

Company Secretary

The Company Secretary is responsible to the Board, inter alia, for acting as a central source of information and advice to the Board on its duties and responsibilities, adherence to sound corporate governance principles, and compliance with applicable laws, regulations, and procedures. All Directors have unrestricted access to the professional services and advice of the Company Secretary in relation to the Board's mandate and the governance of the Company.

In line with good corporate governance practices, the appointment and removal of the Company Secretary is a matter reserved for the Board.

The performance of the Company Secretary is assessed annually as part of the Board evaluation process and is also reviewed by the Board HR Remuneration Committee, in accordance with the approved governance framework.

Mr. Sumudu Wickramarachchi, was appointed as Acting Company Secretary with effect from 17 November 2025, and continued to serve in this capacity as at 31 December 2025. The Board remains satisfied that the Company Secretary possesses the requisite qualifications, skills, knowledge, and experience to effectively discharge his responsibilities and to advise the Board on matters relating to corporate governance, while maintaining an arm's length relationship with the Board and its members.

Board Accountability

GRI: 2-27

Compliance

The Board of Directors of People's Insurance PLC is accountable to stakeholders for ensuring that the Company complies with all applicable laws, rules, codes, and standards. In discharging this responsibility, the Board monitors regulatory developments on an ongoing basis to facilitate timely compliance with applicable requirements and places emphasis on the early adoption of new regulatory obligations, where appropriate. Where possible and practical, the Board also promotes the voluntary adoption of recognised best practices to further strengthen the Company's governance framework.

The Board declares that the Company has complied with all relevant statutory and regulatory requirements applicable during the year under review. The Board is satisfied that all reasonable steps have been taken to ensure adherence to the requirements of voluntary codes adopted by the Company.

Compliance with IRCSL Directions and Circulars – 2025

Regulatory Reference	Key Requirement	Compliance Deadline	Action Taken	Target Completion / Status
IRCSL Direction No. 02 of 2025	Adhering to AML/CFT Non-Compliance Procedures.	25.04.2025	Developed a Policyholders' Charter comprising minimum service standards for key service touchpoints and complied with information disclosure requirements	Complied
IRCSL Circular 1 of 2025	Optional Compensation Scheme for third party victims of motor vehicle accidents (death/permanent disability)	01.09.2025	Implemented requirements of the scheme	Complied
Guidelines on Market Conduct of Insurers	Strengthening market conduct standards	01.10.2026	Initiated review of marketing materials to align with "No Misleading Information" standards	Ongoing
IRCSL Direction No. 04 of 2025	Issuance of Insurance Product Information Documents (IPID)	31.12.2025	Developed standardised IPID templates	In Progress
IRCSL Circular No. 02 of 2025	IRCSL Circular No. 02 of 2025	-	Reviewed internal AML/CFT procedures to ensure alignment	Ongoing
IRCSL Circular No. 03 of 2025	Requirements on premium payments for General Insurance policies (Amendment to Circular 01 of 2023)	-	Credit Control Procedure effective 01 April 2025 revised in line with Circular 03 of 2025	Implemented
IRCSL Circular No. 04 of 2025	Extension of time periods specified in Circular 03 of 2025	-	Communicated revised deadlines to sales force and intermediary network	Implemented
IRCSL Direction No. 06 of 2025	Immediate measures relating to catastrophic events (Floods and Cyclone Ditwah)	-	Submitted required exposure reports to IRCSL	Complied
Guidelines on Incorporating a Framework to Implement SDGs, ESG Principles and Sustainable Finance	ESG governance and sustainability framework	01.07.2025	Assigned ESG oversight responsibilities to the Board Risk Committee	Implemented

Other regulatory changes and compliance measures

Regulatory Reference	Key Requirement	Compliance Deadline	Action Taken	Target Completion / Status
Inland Revenue (Amendment) Act, No. 02 of 2025	Increase of WHT on savings interest from 5% to 10%	01.04.2025	Reviewed tax implications and aligned internal tax processes accordingly	Complied
Repeal of SVAT Scheme	Discontinuation of SVAT mechanism	01.10.2025	Cleared outstanding SVAT credit vouchers and conducted necessary system adjustments	Implemented
National Minimum Wage of Workers (Amendment) Act – April 2025	Increase in minimum monthly wage to Rs. 27,000 (April 2025) and Rs. 30,000 (January 2026)	April 2025	Reviewed salary scales of lowest-grade employees and outsourced support staff to ensure compliance	Implemented

Risk Management and Internal Controls

The Board is responsible for ensuring the adequacy and effectiveness of the Company's risk management and internal control systems. In this regard, the Board sets the overall risk appetite and oversees the implementation of an enterprise-wide risk management framework comprising policies, procedures, and control mechanisms designed to identify, assess, manage, and monitor risks across the Company's risk universe.

To support effective oversight of risk-related matters, the Board has delegated responsibility to the Board Audit Committee (BAC), which operates under the authority of the Board. The BAC reviews the Company's risk exposures, internal controls, and compliance processes, and provides oversight of the Internal Audit function. The Internal Audit division conducts periodic reviews to assess the effectiveness of the risk management and internal control framework, with audit findings and management responses presented to the BAC on a quarterly basis and, thereafter, reported to the Board.

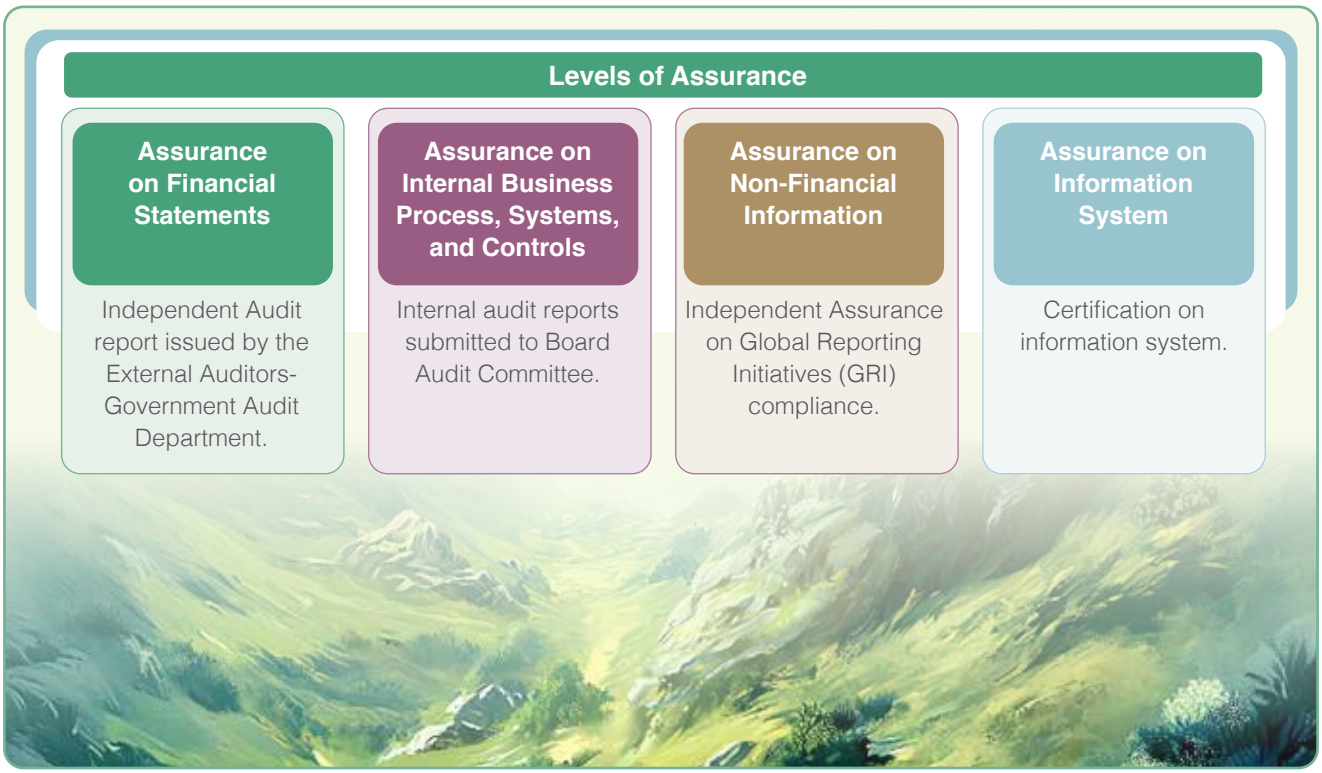
The Board remains satisfied that appropriate policies and procedures are in place to support effective risk management and internal control, and that these frameworks are reviewed and updated as required to remain aligned with regulatory requirements and the Company's operating environment.

Further details on the Company's risk management framework and key risk exposures are set out in the Risk Management Report on pages 248 to 266 of this Annual Report.

Financial Reporting and Assurance

The Board is accountable for sound financial governance and maintaining effective oversight over key financial matters to support financial discipline, stability, and accountability across the organisation.

The Board takes ultimate responsibility for ensuring the integrity, accuracy, and transparency of the Company's financial reporting. In collaboration with the Board Audit Committee, the Board reviews financial performance on a regular basis and oversees the preparation and presentation of the financial statements in compliance with applicable accounting standards, regulatory requirements, and recognised best practices in financial disclosure.



The Board reviews and approves the Company's annual financial statements, interim financial reports, and other mandatory financial disclosures, prior to publication.

Independent assurance forms an integral component of the financial reporting process. The Auditor General's Department conducts the annual audit and provides independent assurance on whether the Annual Report and Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards and applicable statutory requirements.

The Board confirms that the Annual Report for the year ended 31 December 2025 contains the statutory disclosures required, including:

- The Directors' Report (pages 269 to 278);
- The Statement of Directors' Responsibility (pages 279 to 280); and
- The Report of the Auditors (pages 284 to 286).

Conduct and Ethics

GRI: 2-16

The Board leads by example in upholding high standards of conduct and ethical behaviour, and for ensuring that the Company operates with integrity, transparency, and accountability. In this regard, the Board sets the tone at the top and establishes the ethical framework within which the Company conducts its business.

The Board has approved policies and procedures designed to promote ethical conduct and to ensure that the Company's values and principles of conduct are effectively communicated and applied across the organisation. These policies provide guidance to employees and other stakeholders on expected standards of behaviour and decision-making.

Critical Concerns have been communicated to directors on an ongoing basis.

PI's Conduct and Ethics Framework	
Code of Conduct	Sets clear expectations concerning the culture, values and behaviours required by employees. In line with Section 9 of the Listing Rules (CSE) Corporate Governance Rules, the Code of Conduct was reviewed and updated by the Board, formalising its contents and enforcing its applicability to all staff and Directors of PI, without exception.
Anti-Bribery and Corruption Policy	Replacing the Business Ethics Policy, the new Anti-Bribery and Corruption Policy was approved by the Board in 2024 in line with Section 9 of the Listing Rules (CSE) Corporate Governance Rules. The new policy with its significantly expanded scope details prohibitions against bribery, kickbacks, gifts and facilitation payments during the course of business and highlights the specific compliance requirements relating to these prohibitions. The new Anti-Bribery and Corruption Policy was also made applicable to all Directors and employees and extended to business partners and third parties who act on behalf of the Company.
Whistleblower Protection Policy	Serves as a channel for stakeholders to anonymously report possible financial irregularities, inappropriate financial reporting, internal controls or other issues that may require internal investigation. External stakeholders can access the whistleblowing mechanism through the corporate website, while employees can do so via the intranet. Whistleblowers are encouraged to report via the Company Intranet or through mailing a letter to the Chairperson/ Secretary to the Audit Committee/Head of Internal Audit. In line with Section 9 of the Listing Rules (CSE) Corporate Governance Rules, the Whistleblower Protection Policy was revised and updated by the Board to include a structured mechanism for the investigation of whistleblower complaints. Accordingly, all whistleblower complaints would be reviewed by the Board Audit Committee. Throughout the investigation process, all reasonable steps are taken to ensure the whistleblower is kept apprised of the progress of the investigation.
Anti-Money Laundering Policy	A new policy approved by the Board in 2024, setting out clear guidelines that mandate all employees to actively participate in efforts to safeguard PI against money laundering and terrorist financing.

IT Governance

The Board plays a central role in IT governance, ensuring that technology initiatives are aligned with the Company's overall strategic objectives while supporting business growth, operational efficiency, and effective risk management. The Board provides oversight of the IT strategy, while ensuring that IT operations are conducted in compliance with applicable legal, regulatory, and governance requirements, thereby maintaining transparency and accountability.

The Board ensures that adequate resources, including financial investment, skilled personnel, and appropriate technological infrastructure, are made available to support IT initiatives. Resilience and information security remain key priorities, with the Board overseeing arrangements relating to cybersecurity, data protection, and business continuity planning to safeguard the Company against evolving technology-related risks.

Responsibility for oversight of day-to-day IT operations, system integration, and technology-driven enhancements has been delegated by the Board to the Board IT Committee, which operates under delegated authority and reports to the Board on matters within its remit.

During 2025, the scope of the Board IT Committee was expanded to include oversight of the Company's marketing function. The relevant Terms of Reference were updated accordingly to reflect the revised mandate. This change was undertaken to streamline the Company's positioning as a digitally-enabled insurer within the general insurance sector, ensuring closer alignment between digital platforms, customer engagement strategies, and brand positioning.

In addition, during the year under review, the Company initiated the implementation of a Personal Data Protection Management Programme, including the development and rollout of a Personal Data Protection Policy. This initiative strengthens the Company's data governance framework and supports compliance with emerging data protection requirements, while enhancing customer trust and information security safeguards.

HR Governance

The Board holds overall responsibility for human resources governance and for ensuring that the Company's human capital strategy is aligned with its business objectives and long-term sustainability. In this regard, the Board provides oversight to ensure that appropriately skilled and experienced personnel are appointed to executive roles to support the effective management of the Company's day-to-day operations.

The Board works in collaboration with the relevant Board Sub-Committees to establish and oversee human resource policies and frameworks that promote a fair, inclusive, and performance-oriented work environment. This oversight includes reviewing and approving key HR policies, monitoring workforce planning and succession arrangements, overseeing performance management and remuneration structures, and ensuring that employee-related risks are appropriately identified and managed. This also ensures compliance with applicable labour laws, corporate governance guidelines, and recognised industry best practices.

Responsibility for the implementation of HR policies and the execution of human capital development initiatives rests with the Head of Human Resources, who is required to operate within the Board-approved governance framework and mandates.

Sustainability Governance and Reporting

GRI: 2 - 14, 2- 17

The PI Board provides oversight to ensure that environmental, social, and governance (ESG) considerations are integrated into the Company's overall governance framework and long-term value creation objectives. The Board retains responsibility for setting the tone and direction for sustainability, reviewing progress, and providing guidance on priorities in line with regulatory expectations and stakeholder considerations.

To support effective oversight, the Board has established a comprehensive sustainability governance structure including clearly defined roles and responsibilities. As per the structure, the responsibility for driving the ESG agenda and overseeing the implementation of ESG policies has been delegated to the ESG Committee. The ESG Committee, headed by the CEO, is accountable for coordinating sustainability initiatives across the organisation and monitoring progress against agreed priorities. The ESG Committee reports to the Board on sustainability-related matters, ensuring appropriate escalation and oversight.

Implementation of ESG strategies and initiatives is delegated to the Corporate Management Team. The team is responsible for embedding sustainability considerations into business operations and monitoring progress and performance.



Department-level have ESG Coordinators have also been appointed to support execution, and coordination within their respective functional areas.

The Board continues to oversee efforts to strengthen sustainability governance and reporting practices, including initiatives undertaken to enhance the adoption of SLFRS S1 and S2 sustainability disclosure standards.

Board of directors have given overview on the application SLFRS S1 & S2 by the sustainability management committee.

Stakeholder Engagement

The Board recognises its responsibility to engage with the Company's key stakeholders on a regular basis in order to obtain insights, views, and feedback relevant to the Company's strategic direction and long-term sustainability.

The Board-approved Stakeholder Engagement Framework provides the structure to support systematic, effective, and timely engagement with the Company's stakeholders and ensures that stakeholder considerations are appropriately taken into account in Board deliberations and decision-making.

Further details are set out in the Stakeholder Engagement section on pages 34 to 41 of this Annual Report.

Shareholder Relations and Communication

The Board recognises the rights of shareholders to receive timely, accurate, and relevant information relating to the Company's operations, performance, and strategic direction. The Policy on Relations with Shareholders and Investors, continues to guide the Board's approach to shareholder communication, ensuring timely disclosure of information to shareholders through established communication channels, including the publication of quarterly financial results, the Annual Report, and other mandatory disclosures, in accordance with the requirements of the Colombo Stock Exchange (CSE).

The policy also sets out a structured process for ensuring that Directors are made aware of significant issues and concerns raised by shareholders. In this regard, the Company Secretary is responsible for communicating such matters to the Directors. Issues and concerns raised by shareholders are communicated to the Chairperson or the Chairperson of the Board Audit Committee and are tabled at the Board meeting held during the month in which the matter is raised. Where an issue or concern is considered urgent, the matter is addressed at a Board meeting convened specifically for that purpose.

The Board also ensures that price-sensitive information is disclosed to the market in a transparent and responsible manner, in line with the corporate disclosure requirements set out in the Listing Rules, thereby supporting market integrity and informed decision-making.

Information disclosed to shareholders and the investing public is made available through the Company's corporate website (www.peoplesinsurance.lk).

The Annual General Meeting

The Annual General Meeting (AGM) serves as an important platform for engagement with shareholders and facilitates direct communication between the Board of Directors and Company shareholders. Following the conclusion of each financial year, the Board determines the date of the AGM in accordance with applicable statutory and regulatory requirements.

In line with the Listing Rules of the Colombo Stock Exchange, the notice of the AGM, together with the Annual Report, financial statements, and details of resolutions to be tabled at the meeting, are circulated to shareholders at least fifteen (15) working days prior to the date of the AGM. The notice also sets out the applicable voting procedures, enabling shareholders to adequately review the information provided and participate effectively in the proceedings.

The next Annual General Meeting of People's Insurance PLC is scheduled to be held on 30 March 2026, and will provide shareholders with the opportunity to engage with the Board, seek clarifications, and discuss the Company's performance, strategic direction, and future outlook.

STATEMENT OF COMPLIANCE

GRI: 2-27

Compulsory Governance Codes and Voluntary Governance Codes

The Company is compliant with all relevant statutory and regulatory requirements. PI has respective checks and controls in place to ensure it complies with all laws, rules and regulations that govern the Company. During the year there have not been any non-compliances reported

Compliance statements are signed off on a monthly basis for ensuring compliance with regulatory requirements and internal policies. Changes to regulations are updated in the checklists on a regular basis, with relevant evidence of compliance.

Requirement	Compliance
As required by the IRCSL, the Company submits Compliance Certificates (A) and (B) to IRCSL on a quarterly basis signed off by the Chief Executive Officer (in her capacity as the Company's Principal Officer (PO) and the CFO on behalf of the Board of Directors of the Company.	Compliance Certificate A - Certifies that the Company has; • Complied with all provisions in the Regulation of Insurance Industry (RII) Act No. 43 of 2000, rules, regulations, determinations, directions issued by IRCSL; Complied with all orders made by the Ministry of Finance and Planning under the RII Act No. 43 of 2000, • Complied with terms and conditions pertaining to re-insurance placements issued by IRCSL in terms of section 31(1) of the RII Act No. 43 of 2000 • Complied with conditions pertaining to co-insurance issued by IRCSL and complied with all applicable circulars issued by IRCSL Compliance Certificate B - Certifies that the Company has; • Complied with all applicable provisions in the Financial Transactions Reporting Act No. 6 of 2006 • Complied with rules on Know Your Customer (KYC) and Customer Due Diligence (CDD) for the Insurance Industry issued by the Financial Intelligence Unit established under the Financial Transactions Reporting Act No. 6 of 2006 • Complied with guidelines on Anti Money Laundering Programme for Insurers issued by IRCSL.
Compliance with Regulations governing Investments	The General insurance fund is adequately backed by 'approved investments' as per Section 25 (1) of the RII Act and subsequent determinations
Ability to Meet Policyholder Obligations	An Insurance Company's ability to meet its obligations to policyholders is measured by the Capital Adequacy Ratio (CAR). CAR reflects UA's Total Available Capital (TAC) as against Risk Capital required at a particular date. The CAR as of 31 December 2025 is 246% and the minimum regulatory requirement is 120%.
Actuarial Valuation of Insurance Liabilities	General Insurance liabilities have been valued by an independent External Actuary in accordance with the RII Act. Refer Actuarial Report on page 283.
Re-Insurance Arrangements	The IRCSL has stipulated that Insurance Companies must enter into re-insurance arrangements with companies which at a minimum having a rating of BBB. As per details on page 344 all of our re-insurance arrangements are with companies that have been assigned a healthy credit rating by international rating agencies
Capital Structure	As of 31 December 2025, the Company's stated capital of Rs. 1,435 Mn exceeds the minimum share capital requirement set by the IRCSL for a Non-Life Insurance Company of Rs. 500 Mn.
Listing Rules-Section 9- Corporate Governance	The status of compliance has been disclosed from pages 212 to 221 of the compliance summary.

COMPLIANCE SUMMARY

Corporate governance framework for insurers issued by Insurance Regulatory Commission of Sri Lanka (IRCSL) under Section 96 (A) of the Regulation of Insurance Industry Act No. 43 of 2000

Principle No	Corporate Governance Principle	Reference	Compliance
A	Recommended to adhere to the Code of Best Practice on Corporate Governance, 2017 (the Code), issued by the Institute of Chartered Accountants of Sri Lanka. Company is in compliant with the 2023 governance code to the extent of business necessity.	222	Complied
B.1	The Board must comprise a minimum of two Directors who are citizens of Sri Lanka and also residents of Sri Lanka.	192	Complied
B.2	The total period of service of a Director other than an Executive Director, shall not exceed nine years (except major Shareholder Director and Technical Director), and such period in office shall be inclusive of the total period of service served by such Director.	192	Complied
B.3.(i)	The age of a person who serves as Director shall not exceed 75 years	192	Complied
B.3.(ii)	Notwithstanding above, a person who serves as a director and is over 75 years or above as at 01 July 2019, such director may continue to serve as a director only until 30 June 2022, and shall be deemed to have vacated office on 30 June 2022.	N/A	-
B.4	The Board must adhere to Section 9 of the Listing Rules of the Colombo Stock Exchange (or any amendments made thereto), pertaining to Corporate Governance.	212	Complied
B.5	A person shall be disqualified to be a Director of an Insurer if such person is a Director of more than 20 companies inclusive of subsidiaries or associate companies of the insurer. Of such 20 companies, not more than 10 companies shall be those classified as Specified Business Entities in terms of the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.	195	Complied
B.6	Insurers are required to demonstrate compliance with the IRCSL Direction No. 17 on Corporate Governance Framework for insurers by way of disclosure in their Annual Reports, including the disclosure requirements stated in 7.10 of the Listing Rules of the CSE. Company is in compliant with the revised listing rules of CSE	189	Complied
B.7	The Insurer shall rectify its non-compliance in respect of items B1 to 6 above within three months from the date of non-compliance and inform IRCSL immediately after 3 months.	N/A	-
B 8. a)	The Insurer should provide a certification from the Company Secretary to the IRCSL, that continuation of the relevant Director/s beyond the age of 70 years, has been duly approved by passing a resolution at a General Meeting in terms of Section 211 of the Companies Act No. 7 of 2007.	N/A	No Directors above 70
B 8. b)	The Insurer shall also provide a written confirmation from the Secretary to the IRCSL, that the continuation of a Director, beyond the age of 70 years, is not prohibited by the Articles of Association.	N/A	No Directors above 70

Statement of compliance under Section 7.6 of the listing rules of the Colombo Stock Exchange (CSE) on Annual Report disclosures

Rule No	Requirement	Reference	Compliance
7.6.(i)	Names of persons who during the financial year were Directors of the entity	170	Complied
7.6.(ii)	Principle activities of the entity and its subsidiaries during the year and any changes therein	10	Complied
7.6.(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	97	Complied
7.6(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	97	Complied
	The public holding percentage in respect of non-voting Shares (where applicable)	N/A	-
	b) The public holding percentage in respect of Foreign Currency denominated Shares	N/A	-
7.6(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the entity at the beginning and end of each financial year	96-97	Complied
7.6(vi)	Information pertaining to material foreseeable risk factors of the Company	251-266	Complied
7.6(vii)	Details of material issues pertaining to employees and industrial relations of the entity	122-123	Complied
7.6(viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	N/A	-
7.6(ix)	Number of shares representing the entity's stated capital	329	Complied
7.6(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings in the given categories	95	Complied
7.6(xi)	List of ratios and market price information	93-94	Complied
7.6(xii)	Significant changes in the Company's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value as at end of the year	N/A	-
7.6(xiii)	Detail of fund raised either through a public issue, Rights Issue, and private placement during the year	N/A	-
7.6(xiv)	Employee Share Option Schemes and employee Share Purchase Scheme	N/A	-
7.6(xv)	Disclosures pertaining to Corporate Governance practices in terms of rules 9 of the Listing Rule	212-221	Complied
7.6(xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per audited Financial Statements, whichever is lower. There were no material transactions during the year with related parties	N/A	-
7.6 (xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities. Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE	157	Complied

Statement of Compliance - Section 9 - The Listing Rules of the Colombo Stock Exchange on Corporate Governance

Rule No	Requirement	Reference	Compliance
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
9.1.3	The Company has complied with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules. This detailed statement along with the statement indicating the Company's compliance with the specific disclosure requirements from page 212 to 221 covers this requirement		Complied
9.2	Policies		
9.2.1	Company has implemented the below mentioned policies and disclosed its existence and details of implementation on the Company website • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations and Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Companies listed securities • Policy on Risk management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Control and Management of Company Assets and Shareholder Investments • Policy on Corporate Disclosures • Policy on Whistle blowing • Policy on Anti-Bribery and Corruption		Complied
9.2.2	The Company has fully complied with the Internal Code of Business Conduct and ethics.	205	Complied
9.2.3	The existence of the policies has been disclosed in the Company website and the changes done have been disclosed in the corporate governance commentary.	190	Complied
9.2.4	Company has a process in place to make available policies referred in Section 9.2.1 above, to shareholders upon a written request being made for any such Policy		Complied

Rule No	Requirement	Reference	Compliance
9.3	Board Committees		
9.3.1	The Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (To perform Audit and Risk Functions) (d) Related Party Transactions Review Committee. The Board has established six committees including four mandatory committees.	230-247 236-238 230-233 234-235 234-235	Complied
9.3.2	The Company shall comply with the composition, responsibilities and disclosures required in respect of the aforementioned Board Committees as set out in these Rules. The respective disclosures have been included in the Corporate Governance commentary and the committee reports	230-247	Complied
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board Sub Committees referred to in Rule 9.3.1 above	230-242	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	The Company Secretary maintains records of all shareholder resolutions and requisite information and is able to provide extracts of such resolutions to the SEC and CSE if required.	202	Complied
9.4.2 (a)	Company has established a policy on effective communication and relations with shareholders and investors and disclosed the existence of the same in the Annual Report and the Company's website.	207	Complied
9.4.2 (b)	Details of the contact person is provided in the "Corporate Information" section. Additionally, shareholders are encouraged to provide their feedback to the Chairperson and/or the Company Secretary. Company website also included contact details of the Company Secretary and a dedicated e-mail for investors.	207	Complied
9.4.2 (c)	The Company Secretary keeps the Board informed of major issues and concerns raised by the shareholders to ensure that they are addressed in an appropriate manner. Shareholder correspondences on major issues are handled by the Chairperson with the concurrence of the Board/the CEO as appropriate	202	Complied
9.4.2 (d)	Shareholder meetings conducted virtually/in hybrid mode to comply with the Guidelines issued by CSE. Refer Notice of Meeting for details of 17th AGM.	308	Complied
9.5	Policy on Board related matters		
9.5.1	Company has established and maintain a Board approved policy on matters relating to the Board of Directors which includes the contents specified under Section 9.5.1 of the Listing Rules		Complied

Rule No	Requirement	Reference	Compliance
9.5.2	Policy on matters relating to the Board of Directors. Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-complied reasons for the same with proposed remedial action. Company has a Board approved Policy on the matters relating to the Board of Director		Complied
9.6	Chairperson and CEO		
9.6.1 – 9.6.4	The Chairperson of the Company is a Non-executive director and the positions of the Chairperson and CEO is held by two distinct individuals. The requirement for a SID therefore does not exist.	298	Complied
9.7	Fitness of Directors and CEOs		
9.7.1	The Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, the Bank shall utilise the 'Fit and Proper Assessment Criteria' set out in Section 9.7.3 .	239-242	Complied
9.7.2	Nomination and Governance Committee ensures that directors are fit and proper in terms of the rule before the nominations are places before the shareholders' meeting or appointments are made.	241	Complied
9.7.3	A director or the CEO of the Company shall not be considered " fit and proper" if the person does not possess the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" in Section 9.7.3 (a), (b) and (c) respectively	241	Complied
9.7.4	The company secretary shall obtain declarations from the Directors on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the section 9.7.3 The said annual declarations are submitted to the Nominations and Governance Committee to assess and ensure that the Directors are fit and proper persons to hold office as specified in the criteria given.	241	Complied
9.7.5	A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange has been disclosed in the corporate governance commentary of the Annual Report.	241	Complied
9.8	Board Composition		
9.8.1	The Board of the Company consist of 7 (seven) Directors during the year 2025 and was in compliance with the thresholds detailed in these Rules. Profile of the Board of Members are given on pages 170 to 177.	170-177	Complied

Rule No	Requirement	Reference	Compliance
9.8.2	Minimum Number of Independent Directors (a) The Board of Directors of the Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. The Board has four (4) independent directors, which is well above the above requirement. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the change. There was no change to this ratio during the year	192	Complied
9.8.3	A Director shall not be considered independent if he/she does not fulfil the criteria defining under Section 9.8.3 of the Listing Rules. All the independent directors of the Company fulfil the criteria defining independence under Section 9.8.3 of the Listing Rules.	192	Complied
9.8.5	Process for determining the "Independence" of the directors;	192	Complied
	Each Director to submit a signed and dated declaration annually of his or her independence or non-independence	192	Complied
	The Company Secretary obtains declaration from directors annually on independence. This will be evaluated against the criteria for independence. (b) Names of Directors determined to be 'independent' declared on the corporate governance commentary of the annual report. (c) Immediate market announcement to be made if the Board determines that the independence of an Independent Director has been impaired.	192	Complied
9.9	Alternate Directors		
	There is a no requirement of the Company to appoint alternate directors.		Complied
9.10	Disclosures relating to Directors		
9.10.1	The maximum number of Directorships is in line with the policy on matters relating to the Board of Directors as per Rule No 9.5.1.		Complied
9.10.2	The Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the brief resume of such Director, his/her capacity of directorship; and, Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee.		Complied

Rule No	Requirement	Reference	Compliance
9.10.3	The Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Section 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.		Complied
9.10.4	All relevant information required under the Rule 9.10.4 has been disclosed in the corporate governance commentary. Profile of the Board Members are given on pages 170 to 177. Composition of the Board and attendance has been disclosed on page 192.	192	Complied
9.11	Nominations and Governance Committee		
9.11.1 – 9.11.3	Company established a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rule. The Committee follows a formal procedure for appointing new Directors and re-electing existing Directors to the Board. The committee operates under set of written terms of reference which clearly explains the scope, authority, duties and matters pertaining to the quorum of meetings.	239-242	Complied
9.11.4	Composition of the Committee The Nominations and Governance Committee comprises Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director. An Independent Director serves as the Chairperson.	239	Complied
9.11.5	Functions of the Committee The Committee accomplishes its duties by evaluating and recommending Director appointments, establishing selection criteria, reviewing the Board's structure, and updating governance policies in accordance with the requirements of Section 9.11.5, thereby ensuring compliance with regulatory requirements.	239-241	Complied

Rule No	Requirement	Reference	Compliance
9.11.6	Disclosures in Annual Report Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) The names of the Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and Managing Director (CEO) performance evaluations; i) Independent Directors' major entity issues awareness; j) New Directors' induction on governance; k) Annual update on governance for existing Directors; l) Directors' independence confirmation; m) Statement on compliance with corporate governance rules, if non-compliant reasons and remedial actions	170-208	Complied
9.12	Remuneration Committee		
9.12.2, 9.12.5	Company shall have a remuneration Committee which maintains a formal and transparent procedure for determining remuneration of the individual directors. The committee operates under written terms of reference which clearly indicates the duties and responsibilities. Refer to the Board HR Remuneration Committee report for the respective details.	136-138	Complied
9.12.3	The remuneration committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.		Complied
9.12.4	Remuneration for Non-Executive Directors is based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.		Complied
9.12.6	Composition of the Committee: The Company operates with a separate Human Resource and Remuneration Committee. The Remuneration Committee comprises Two [2] Independent Non-Executive Directors and one [1] Non-Executive – Non-Independent Director. The Chairperson is not the Chairperson of the Board and is independent.	236	Complied

Rule No	Requirement	Reference	Compliance
9.12.7	Functions of the Committee The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations	236-237	Complied
9.12.8	Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.	237-238	Complied
	a) Chairperson and members of the Remuneration Committee and their Directorships.	237-238	Complied
	b) Statement on remuneration policy.	237-238	Complied
	c) Aggregate remuneration of Executive and Non-Executive Directors.	357	Complied
9.13	Audit Committee		
9.13.1	The Company has established an Audit Committee to oversee Risk Management and Internal Controls. Both risk function and audit functions performed by the committee as set out in Rule 9.13 of these Rule.	230-233	Complied
9.13.2	The Audit Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties	230-231	Complied
9.13.3	Composition of the Committee The Audit Committee comprises of Three [3] Independent Non-Executive Directors. During the year the Committee met 8 times. An Independent Director serves as the Chairperson. The Chairperson is a member of a recognised professional accounting body	230	Complied
9.13.4	Functions of the Committee The committee oversees the entity's compliance with financial regulations, reviewing financial statements and accounting policies, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, and promptly reporting breaches to the Board and relevant authorities	231	Complied

Rule No	Requirement	Reference	Compliance
9.13.5	Annual Report Disclosures a) Chairperson and Audit Committee members' details, b) Risk management status for the Company. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) A statement confirming that written assurance was obtained from the external auditors approved by SEC. Confirming that they are and have been independent throughout the conduct of the audit engagement. i) Auditor independence determination and engagement details.	230-233	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	Company has established a Related Party Transaction review committee which confirms to the requirements set out in the Rule 9.14. Committee operates in accordance with the set of established terms of reference. TOR of the Company covers all the requirement under the Rule.	234-235	Complied
9.14.2	Composition The Related Party Transactions Review Committee comprises of Two (2) Independent Non- Executive Directors and One (1) Non-Independent Non-Executive Director. During the year the Committee met 4 times. An Independent Director serves as the Chairperson.	234	
9.14.3	Functions The Company has established related party transaction review committee to review related party transaction with the aim of safeguarding the interest of the shareholders as specified in the section 9.14.3 of the listing rule. Refer the Related Party Transaction Review Committee Report.	234-235	Complied

Rule No	Requirement	Reference	Compliance
9.14.4	General Requirements Company has conducted 4 Related Party Transaction Review Committee Meetings during the year and the minutes of all meetings are properly documented and communicated to the Board of Directors. Members of the RPTRC to ensure they have or have access to adequate knowledge expertise and advice. When necessary, Related Party Transactions were submitted to the Board. Directors with material business interest did not vote on or participate in any discussions during deliberations on the interested matters in 2025. Refer the Related Party Transaction Review Committee Report.		Complied
9.14.5	Subject to the exemptions given in terms of rule 9.14.10, RPTRC shall review in advance all proposed related party transactions falling within the scope of its Terms of Reference. In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) such proposed material changes shall also be reviewed by the RPTRC prior to the completion of the transaction. The Committee has been provided with the respective facts and circumstances of any proposed related party transactions by the senior management. No Director has participated in any discussion of proposed related party transaction where he or she a related party and may establish guidelines for ongoing deals, conducting annual reviews.	235	Complied
9.14.6	There were no such transactions carried out during the year which require shareholder approval.		Complied
9.14.7	The were no such transactions carried out during the year which require immediate Market Announcement to the Exchange.		Complied
	Disclosures in the Annual Report		
9.14.8 (1)	There were no non-recurrent transactions exceeds 10% of the equity or 5% of the total assets of the entity.		Complied
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/income Refer Note 46 to the Financial Statements	356-357	Complied
9.14.8 (3)	The Annual Report shall contain a report by the Related Party Transactions Review Committee Refer the Report of the RPTRC	234-235	Complied

Rule No	Requirement	Reference	Compliance
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect. Refer the Annual Report of the Board of Directors on the affairs of the Company.	275	Complied
9.14.9	Except for transactions set out in Section 9.14.10, Company shall not acquire a substantial asset from or disposes of a substantial asset to any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution. During the year, there were no acquisition/disposal of substantial assets from/to Related Parties.		Complied
9.16	Additional Disclosures		
	The board of Directors have declared all material interests in contracts in the entity and refrained from voting when they were materially interested Refer annual report of the Board of Directors	272-273	Complied
	(ii) The Board of Directors have conducted a review of the internal controls and have obtained reasonable assurance of the effectiveness and declarations have been made if they are unable to perform as explained. Refer Annual report of the Board of Directors.	270-272	Complied
	(iii) The Board made arrangement to make themselves aware of applicable laws, rules and regulations and any changes. Refer Annual report of Board of Directors.	276	Complied
	(iv) The board disclosed any material non-compliances and fines which are material imposed by government or regulatory authority. Refer Annual Report of Board of Directors	277	Complied

Content of the Annual Report as per Section 168 of the Companies Act No. 7 of 2007

Rule No	Requirement	Reference	Compliance
168 (1) (a)	The nature of the business together with any change thereof	269	Complied
168 (1) (b)	Signed Financial Statements of the Company	289	Complied
168 (1) (c)	Auditors' Report on Financial Statements	284-286	Complied
168 (1) (d)	Accounting policies and any changes therein	393-300	Complied
168 (1) (e)	Particulars of the entries made in the Interests Register	272	Complied
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	273	Complied
168 (1) (g)	Corporate donations made by the Company	274	Complied
168 (1) (h)	Information on Directorate of the Company at the end of the accounting period	289	Complied
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	272	Complied
168 (1) (j)	Auditors' relationship or any interest with the Company	271	Complied
168 (1) (k)	Acknowledgment of the contents of this Report and signatures on behalf of the Board	278	Complied

Code of Best Practice on Corporate Governance 2023 Issued by CA Sri Lanka

Principle	Requirement	Reference	Compliance
A. DIRECTORS			
A.1	The Board The Board of PI comprised 7 eminent professionals from multiple fields and three out of them are independent. They provide proper direction, leadership and control to the Company.	192	Complied
A.1.1	Regular meetings The Board meets on monthly basis and each board committee also has an own schedule of meetings as set out in the respective committee report.	198	Complied
A.1.2	Role and responsibilities of the Board The roles and responsibilities of the Board set out in the Board Charter and summarised in the corporate governance commentary.	190	Complied
A.1.3	Act in accordance with laws of the country. The board has approved procedure in place to ensure compliance with relevant laws. A director can require Company to Obtain independent professional advice, when required at Company's expense.	202	Complied
A.1.4	Access to advice and services of Company Secretary All the directors have access to advice and service of Company Secretary. The appointment removal of the Company Secretary is a matter of Board with the recommendation of the BNGC. Company has obtained appropriate insurance cover for Board and key management personnel as recommended.	202	Complied
A.1.5	Independent judgement The Board comprises of senior Professionals who are experts in the respective field and use their independent judgement in discharging their duties in respect of matters including strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	193	Complied
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company Board meetings and Board Committee meetings have been scheduled well in advance and relevant papers are uploaded to the BoardPac one week before the meeting through digital means to ensure that directors have sufficient time to review the same and request for additional clarifications if required. Also, additional papers are submitted only in exceptional circumstances. Members of the Corporate Management Team make presentations to the Board on the Financials, Sales Management, operational changes, compliance and other developments on regular basis.	197	Complied
A.1.7	One-third of the Directors can call for a resolution if required.		Complied
A.1.8	Board induction and training Newly appointed directors are provided with a comprehensive induction program for while the Board regularly reviews the requirement for continuous development and knowledge-enhancement for existing Directors.	196	Complied

Principle	Requirement	Reference	Compliance
A.2	Division of responsibilities between Chairperson and CEO The positions of the Chairperson and the CEO have been separated in line with the best practice to maintain the balance of power. The Chairperson was a Non-Executive Director and CEO is a senior key management personnel. Their roles and responsibilities are clearly defined.	198	Complied
A.3	Chairperson's role in preserving good Corporate Governance Chairperson provides leadership to the Board in preserving good governance. He preserves order and facilitate effective discharge of the Board functions. The agenda for board meetings is developed in consultation with the CEO, directors and the Company secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance.	198	Complied
A.4	Availability of financial acumen The Chairperson of BAC is a Fellow member of Chartered Institute of Management Accountants of the UK and ensures the sufficiency of the financial acumen on the Board matters of finance. Additionally, other directors also are technically qualified with vast experience on matters related to Finance.	173	Complied
A.5	Board balance The Chairperson is a Non-Executive Director. The Board consisted of Seven (7) Non-Executive Directors (NED). Three (4) of them are independent. The independent declaration was submitted by each Director about their independence, based on certain criteria as set out in this code and the CSE Listing Rules 9.8.5. There is no alternate directors appointed to represent the directors of the Board.	192	Complied
A.6	Supply of timely information The Management provides appropriate and timely information to the Directors not less than seven [7] days prior to the meetings. Meeting Minutes also circulated before the meeting date. Management also make presentation to the Board and Committees as a regular agenda item. Additionally, directors have access to members of the Corporate Management Team to seek clarifications on the matters presented to the Board.	197	Complied
A.7	Appointments to the Board Appointments to the Board are done in accordance with the Articles of Association of the Company and the details are included in the corporate governance commentary. Refer Nominations and Governance Committee Report.	194	Complied
A.8	Re-election The re-election of Directors is governed by the Articles of Association and is performed at the AGM. The details are included in the corporate governance commentary.	194	Complied

Principle	Requirement	Reference	Compliance
A.9	Appraisal of Board performance The Board and committees have established a formal and rigorous process to conduct their performance evaluation annually to review the participation, contribution and engagement of each Director in discharging their duties and responsibilities satisfactorily. Collective outcomes were submitted to the Nominations and Governance Committee to make further improvements in Board effectiveness.	202	Complied
A.10	Disclosure of information in respect of Directors Profiles including qualifications, expertise, and appointments. Material business interests of Directors. Whether Executive, Non-Executive and/or Independent Director. Total number of Board seats held by each Director in other companies. Number/percentage of Board meetings of the Company attended during the year. Members of Committees and attendance at Board meetings and committee meetings.	170-177	Complied
A.11	Appraisal of the Chief Executive Officer (CEO) The performance of the CEO is evaluated annually based on the agreed objectives set. Refer Board Nomination and Governance Committee Report.	202	Complied
B. DIRECTOR REMUNERATION			
B.1	Remuneration procedure Refer the section “Remuneration package of Director” on BHRRC Report	236-238	Complied
B.2	The level and make up of remuneration Company make sure that the level and make of remuneration of both executive and non-executive directors are sufficient to attract and retain directors needed to run the Company successfully. Refer the Human Resource and Remuneration Committee report.	236-238	Complied
B.3	Disclosure of remuneration	273	Complied
	Statement of remuneration Policy	237	Complied
	Remuneration of the Board	357	Complied
	Report of the BHRRC	236-238	Complied
	Remuneration of the Key Management Personal	357	Complied

Principle	Requirement	Reference	Compliance
C. RELATIONS WITH SHAREHOLDERS			
C.1	Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings AGM provides a forum for all the shareholders to participate in the decision making matters related to the interest of the shareholder. This usually involves proposal to adopt the Annual Report and Accounts, election and re-election of Directors and other matters requiring special resolution as defined in the Article of Association. Notice of meeting is circulated with the Annual report at least fifteen working days ahead. The Company ensures that all valid proxy appointments received are properly recorded and counted.	290-392	Complied
C.2	Communication with Shareholders The Company has implemented multiple channels of communication with its shareholders. Important announcements are published through multiple channels to disseminate accurate information in a timely manner. Company has established a “policy on relations with shareholders and investors” where the communication with shareholders have been documented. This policy is accessible to shareholders upon a written request. The contact person for the shareholder communication is Company Secretary.	36	Complied
C.3	Major and material transactions There were no material and major transactions in accordance with the Section 185 of the Company’s Act No. 07 of 2007 and transactions to disclose in accordance with articles of Association of the Company		Complied
D. ACCOUNTABILITY AND AUDIT			
D1	Financial and Business Reporting (The Annual Report) The Board has taken every effort to ensure the presentation of balanced and understandable assessment of the Company’s financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects. All statutory requirements have been complied with in the Annual Report and the Company’s governance practices have been appropriately disclosed. The following disclosures as required by the code is include in the Annual Report; Management Discussion and Analysis Annual Report of the Board of Directors. Statement of Directors’ Responsibility. Directors’ Statement on Internal Controls. CEO and Chief Financial Officer’s Responsibility Statement Independent Auditor’s Report Related Party Transactions disclosed on note 46 of the financial statement on page 355 and process described in the BRPTRC report on page 234.	58-154 72-166 269-278 279-280 228-229 281-292 284-286	Complied

Principle	Requirement	Reference	Compliance
D2	Risk Management and Internal Control The Board is responsible for having a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. The process identified by the Company is disclosed in the Enterprise risk management section of the report. Also, the scope of the audit committee has been widened to include risk management duties. Refer Audit Committee Report for further reference	204	Complied
D3	Audit Committee The Audit Committee consists of 3 [Three] Independent Non-Executive Directors. A summary of responsibilities and activities are given in the BAC report.	230	Complied
D.4	Risk Committee The Board's oversight on risk management including identifying and assessing risks and managing exposures is given on pages 255 to 266 of the report.	230	Governed through Board Audit committee
D.5	Related Party Transaction Review Committee The RPTR committee consists of 2 [Two] Independent Non-Executive Directors and 1 [one] Non-independent Non-Executive Director. Company has a board approved related party transaction policy to address the requirements of the section.	234	Complied
D.6	Code of Business Conduct and Ethics Company has an internally developed Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities. The code of conduct is in line with the requirements of the schedule N of the code.	269	Complied
D.7	Corporate Governance Disclosure The Corporate Governance commentary from pages 186 - 227 is in line with the disclosure requirements of the Code.	209-227	Complied
E	INSTITUTIONAL INVESTORS		
E.1	Shareholder Voting The Company makes every effort to maintain a regular and structured dialogue with institutional investors in order to improve their understanding of Company's operations.	36	Complied
E.2	Evaluation of Governance Disclosure Institutional investors are kept apprised of the Company's governance practices through the Annual Report and new initiatives are highlighted at regular meetings to ensure that due weightage is given to good Corporate Governance	186-247	Complied
F.1	Investing/Divesting decisions Individual investors who directly invest on the shares of the Company are encouraged to obtain independent professional advice when investing on the shares of the Company	36	Complied

Principle	Requirement	Reference	Compliance
F.2	Shareholder voting Individual investors also are encouraged to get adequate analysis or seek advice on investing/divesting decisions. Also, they are summoned to exercise their voting rights at the AGM.	36	Complied
G INTERNET OF THINGS AND CYBER SECURITY			
	The board has emphasised the importance of having the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business. Refer the BITMC Committee report.	277	Complied
H SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
	The board regularly evaluate the strengths and weaknesses created by the ESG factors and opportunities in the Company's business model, operations, short- and medium-term planning and in its long-term strategy to ensure that the Company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.	206-207	Complied
I SPECIAL CONSIDERATIONS FOR LISTED ENTITIES			
I.1	Company has implemented the below mentioned policies and disclosed its existence and details of implementation on the Company website • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations and Re-election • Policy on Remuneration • Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Bank's listed securities • Policy on Risk management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Control and Management of Company Assets and Shareholder Investments • Policy on Corporate Disclosures • Policy on Whistle blowing • Policy on Anti-Bribery and Corruption	212	Complied
I.2	Policy on matters relating to the board of directors Company has established and maintain a policy on matters related to Board of Directors. Company has complied with the requirement of the policy and any non-compliance has not been reported	190	Complied

Directors' Statement on Internal Control Over Financial Reporting

The following statement is presented by the Board of Directors to be in line with Section 9.16 (ii) – Corporate governance requirements of Listing rules issued by Colombo stock exchange section D1.5 of the Code of Best Practices on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka.

Responsibility

The Board of Directors (Board) is responsible for the adequacy and effectiveness of the Internal Control system and sound risk management practices within the Company in order to safeguard the shareholder's investment and the Company's assets. Internal controls over financial reporting are primarily designed to identify and highlight any deviations in the control environment including information systems, operational processes, control activities and monitoring. However, due to the inherent nature of the internal control mechanism, systems of internal control are intended to manage, rather than to eliminate the risk of failure to achieve business objectives. In view of this, the system of internal controls can only provide reasonable, but not absolute assurance against material misstatements of financial information or losses and frauds.

The Board has established an on-going process to ensure the significant risks faced by the Company are identified, evaluated and managed within an acceptable risk profile and this process includes enhancing the system of internal control as and when there are changes to the business environment or regulatory guidelines. The process is in place and reviewed by the Board through the Board Audit Committee, assisted by the Internal Auditors. With the view of improving the Internal Control Environment, the Board has reviewed the internal control deficiencies identified and relevant recommendations reported by the Board Audit Committee and other subcommittees and directed the management to take appropriate actions to strengthen the control activity. The Management assists the Board in the implementation of the policies and procedures on risk and control by identifying and assessing the risks faced in the design, operation and monitoring of deviations to mitigate and control these risks.

System of Internal Control

The board has implemented the following in order to obtain reasonable assurance that the proper system of internal controls are in place:

- Several Board Sub-committees are established by the Board including those mandatory as required in line with the revised listing rules of CSE Sri Lanka, to assist the Board in ensuring the effectiveness of the Company's operations and that those are in accordance with the corporate objectives, strategies, annual budgets and business direction.
- Policies are developed covering most of the functional areas of the Company and these are approved by the Board or Board approved sub-committees. Such policies are reviewed for capturing emerging risks, aligning with latest regulatory requirements and industry best practices and approved periodically. During the year Board reviewed all key functions and initiatives were taken to strengthen the corporate governance and information security policy framework of the Company in addition to the technical and operational areas. Consequently Company implemented a range of corporate governance and risk management policies, aligning with the requirements stipulated under Sec 9.2 of the listing rules issued by CSE Sri Lanka.
- The internal audit department reviews for compliance with policies and procedures and the effectiveness of the internal control systems on an on-going basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance. Audits are carried out on significant processes in accordance with the audit plan which is developed on risk based approach and approved by the Board Audit Committee. Findings of the internal audits are submitted to the Board Audit Committee for review at periodic meetings.
- The Board Audit Committee of the Company reviews the outcome of the audits carried out on internal control systems, by internal auditors, external auditors and regulatory authorities, and evaluates the adequacy and effectiveness of the risk management processes and the internal control systems as well as follow-up on remedial measures adopted on reported key audit findings.
- The Audit Committee also reviews the internal audit function with particular emphasis on the scope and quality and risk management framework of the Company. Key Risk Indicators have been identified for all major operations of the Company and a summary of the Key Risk Indicators are

included in the Risk Dashboard and presented to the Audit Committee and the Board on quarterly basis. The proceedings of the Audit Committee are tabled at the Board Meetings of the Company. Further, details of the activities carried out by the Board Audit Committee are presented in the Board Audit Committee Report on pages 230 to 233.

- In assessing the internal control system, the Company continued to review and update procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Company. The internal audit department continues to verify the suitability of design and effectiveness of these procedures and controls on an on-going basis.
- A compliance checklist covering all applicable laws and regulations is signed-off by relevant heads of department, based on which the Risk and Compliance officer presents the Compliance Statement at monthly Board meetings.

Confirmation Statement

The Board having implemented the internal control processes as mentioned above, confirms that the financial reporting system of People's Insurance PLC has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes has been done in accordance with the applicable Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by The Institute of Chartered Accountants of Sri Lanka, Companies Act, No. 07 of 2007, regulatory requirements of the Insurance Regulatory Commission of Sri Lanka and the Colombo Stock Exchange.

By order of the Board



Nayanganie Wickramasingha
Chairperson - Board Audit Committee

09 March 2026
Colombo

Board Audit Committee Report

GRI: 2-23, 2-24



Nayanganie Wickramasingha
Chairperson - Board Audit Committee

The Board Audit Committee appointed by the Board comprises of following non-executive directors, majority of whom are independent.

Composition and Committee

The BAC comprised of the following Non-Executive Directors whose brief profiles are given on pages 168 to 177 of the Annual Report. The composition of the BAC meets the requirements under the Listing Rules of CSE where majority of whom is independent.

Members	Directorship Status	Membership Status	Date of appointment as BAC Member	Tenure as a Member	Attendance
Ms. Nayanganie Wickramasingha	Non-Executive Independent Director	Chairperson	29 August 2023	2 year & 04 Months	8/8
Prof. Kasun Wijetilleke	Non-Executive Independent Director	Member	23 February 2023	2 year & 10 Months	8/8
Mr. Johnson Anthony Fernando	Non-Executive Independent Director	Member	30 March 2022	3 years & 09 Months	8/8
Mr. Azzam A. Ahamat	Non-Executive Non-Independent Director	Member	23 February 2023	2 year & 03 Months	3/3

Note

Mr. Azzam Ahamat ceased to be a member with his resignation as a Director with effect from 10 June 2025.

Permanent Invitees

The CEO and CFO are the regular attendees for the meetings. The other members of the executive management committee attend based on the requirement.

Secretary to the Committee

The Head of Internal Audit functions as the Secretary to the Audit Committee and directly reports to the Board Audit Committee

Charter of the Committee

The terms of reference of the Board Audit Committee are clearly defined in the Charter. The Charter of the Board Audit Committee approved by the Board is revisited and revised annually with the concurrence of the Board of Directors to ensure that the new developments relating to the functions of the Committee are addressed and updated. The Audit committee charter was revised aligning with the newly introduced listing rules of CSE on Corporate governance, which became effective in phases since 01 October 2023. The updated charter was approved by the board in January 2025.

The Committee is accountable to the Board and reports on its activities regularly to the Board of Directors. The Committee has unrestricted access to information, cooperation from Management and discretion to invite any Director or Executive Officer to attend its meetings. The functions of the Committee are geared to assist the Board of Directors in its general oversight responsibilities in relation to financial

reporting, internal controls, risk management, compliance, internal and external audit. The Composition, roles and functions of the Committee are in accordance with the Listing Rules on Corporate Governance of the Colombo Stock Exchange and the Code of Best practices on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

Authority

The Committee has the explicit authority to investigate in to any matter, full access to information and to obtain external professional advice at the Company's expense and discretion to invite management and directors to attend its meetings.

The Objective and Role

- The Committee assesses, ensures and is empowered by the Board in terms of the following:
- Reviewing of the financial information of the Company to ensure the Integrity of the Financial Reporting and compliance with reporting requirements stipulated under the Sri Lanka Accounting Standards, Companies act and other related regulations.
- Review the adequacy and effectiveness of the Company's Internal Controls, Risk Management systems and Governance Processes and assess the controls in place to prevent the leakage of material information to unauthorised persons.
- Review and evaluate Company's risk management framework including the Risk policies adopted and direct on prompt corrective actions to mitigate the effects of specific risks in the case such risks are at a point beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements.
- Ensure that the Company adopts and guided with corporate governance requirements, promote ethical practices and establish confidential reporting procedures for whistleblowing for the best interest of all stakeholders.
- Company's ability to continue as going concern in the foreseeable future.
- Monitoring Independence and Performance of the External Auditor and Review non-audit services provided by the external auditor. Follow-up with the management on external audit findings and ensure that proper remedial actions taken as recommended.
- Review the internal audit and investigation reports and ensure the independence of the Internal Audit functions and that it is performed with impartiality, proficiency and due professional care.
- Review the status of compliance with legal and regulatory requirements including performance of the Risk and Compliance function.

Meetings

The proceedings of the Committee meetings are conducted in accordance with the terms of the Board Audit Committee. The Chief Executive Officer, Chief Finance Officer, Head of Operations and Risk and Compliance Officer are regular attendees to the meetings by invitation. The External Auditors including representatives of Auditor General attend meetings, on invitation to brief the Committee on external audit related and other specific matters. During the year 2025, the Committee held eight (08) meetings. Attendance of the members at meetings is set out in the table on page 230 of the Annual Report.

Activities In 2025
Financial Reporting System

In order for the Board to assure the integrity of the Financial Statements of the Company in the lines of significant financial reporting, disclosures, and judgments contained therein, the committee assisted the Board in its oversight responsibility. The assurance is assumed through an independent review of risks, controls and governance processes as well as the Committee has received assurance from the CEO and CFO of the Company that financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances. The Committee quarterly reviews the financial statements and annual financial statements are reviewed in consultation with the external and internal auditors prior to making recommendation to the Board for approval.

Further special emphasis was given on following aspect when reviewing the financial statements;

- Adequacy and effectiveness of the internal control system including information system controls and financial reporting process in place to provide reasonable assurance on accuracy and reliability of information reported.
- Consistency of the adopted accounting policies and practices and underlying assumptions for estimates and judgments
- Compliance with Sri Lanka Accounting standards (SLFRS/ LKAS) as well as new accounting standards came into effect during the year.
- Significant accounting decisions, disclosure of complex or unusual transactions and reporting issues together with management actions taken to resolve them.

- Tax advisory reviews, assessments and compliance to other regulatory requirements

Internal Control Library

The Company has introduced an internal control library under the guidance of the Audit Committee. This document consolidates internal controls across the entire organisation into a single, process-wise document and reflects the internal controls currently in practice along with their effectiveness. Any ineffective controls are also clearly identified within the control library. In addition, the document specifies the control owner and control performer for each internal control, thereby clearly defining assigned responsibilities. This library helps the Internal Audit Department verify relevant internal controls during process wise internal audit engagements.

Preparedness for implementing SLFRS17: Insurance contracts

SLFRS17: Insurance contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standards. It aims to standardise insurance accounting globally to improve comparability, increase transparency, and provide information to meaningfully understand Insurer's financial position, performance and risk exposure, effective from 01 January 2026.

The Committee continuously reviewed the progress of the SLFRS 17 implementation process and guided management on project planning and prerequisites, the implementation strategy, and recommended the selection of service providers for Board approval. The SLFRS 17 implementation has progressed through system selection, technical analysis and development, and system implementation, all of which have been completed.

Compliance with reporting requirements

The Committee reviews with management the significant accounting and reporting issues and developments in Accounting Standards and timely adoption of applicable changes. The committee continuously monitors the compliance with relevant accounting standards and keeps the Board abreast at regular intervals.

Oversight on Regulatory Compliance

Audit Committee scrutinises whether the conduct of the business is in compliance with applicable laws and regulations and policies of the Company by reviewing the compliance statements prepared by the management. The Risk and Compliance officer under the guidance of the committee, obtains statements of compliance from the heads of operating units in order to prepare the monthly compliance statements and consolidated updates are submitted to the Board as well as to the Group. The Internal Audit Department of the Company is mandated to conduct independent reviews on regulatory compliance requirements as necessary. Further committee reviewed the progress of the management actions on recommendations from the Group compliance and governance reviews conducted by the parent.

Committee reviewed the progress of implementing the revised listing rules on Corporate governance issued by CSE which came in to effect in October 2023 and offered further guidance and recommendations to the strengthen the adherence with the same.

Identification of Risk and Control

Measures with the motive of maintaining an effective internal control environment, the Committee Seeks required assurance from the Risk and Compliance Officer and other related business units on remedial actions taken in respect of the key risks identified within the business. During the year, the requirements of the comprehensive risk management policy were monitored. The Risk and Compliance Officer obtained department wise risk updates to update the risk register and identified the top ten risks of the Company. Further a risk grading matrix is adopted for assessing and measuring the risks identified and a quarterly Risk Dashboard is submitted for deliberations of the committee by the Risk and Compliance Officer. Company also adopts a risk based audit approach and review the effectiveness of the Internal Control Procedures that are in place to identify, manage and mitigate all significant risks and monitored by the Committee on a quarterly basis.

Internal Audit

The Committee monitors the effectiveness of internal audit function by reviewing the adequacy of the audit coverage, functions and resources of the internal audit department and ensures that the department has necessary authority to carry out its audits. It also ensures the independence of the Audit Function by appraising the activities it audited and that those were performed with impartiality, proficiency and due professional care.

The Committee approves the audit plan and methodology formulated by the Internal Audit Department and reviews its progress of implementation regularly. Performance of the Internal Audit Department is quarterly appraised by the Committee against the Audit Plan and set key performance indicators. During the year special emphasis was given to enhance the scope of internal audit work in the areas of governance, emerging

risks & controls, and information systems security. Committee reviewed several information security policies for implementation and reviewed application system with the assistance of external consultants and presentations were made by the respective audit firm in this regard.

Internal audit department carried out on-site and off-site reviews on all key processes and regional branches in line with the approved audit plan. Further the introduction of Information system audits and branch spot inspections strengthened the internal control review program thereby assurance objectives of the function.

Significant findings of Internal Audits and other Assignments with recommendations to the management are considered and appropriate acclamations have been issued by the Committee. Further the progress of follow-up actions on internal and external audit recommendations are monitored on a regular basis.

External Audit

Further under the terms stipulated in the National Audit act the Auditor General is empowered to perform audits and/or appoint an auditor and perform statutory audits of the Company.

Audited financial statements, results of the external audit, letter of representation issued to the external auditors and recommendations contained in the Management Letter and management response thereto are reviewed by the Committee, while ensuring that appropriate follow-up actions were taken. The Audit Committee also holds independent meetings with the external auditors without the executive management to understand any gaps and dissent experienced by the auditors during the course of the audits. Thereby an assurance was given to the committee that the management has provided unrestricted access and all records as necessary for coverage of the scope without limitations as well as explanation where needed. The committee met with the external auditor twice during the financial year in discussing the audit plan, scope and methodology as well as the audit results and key audit matters subsequently.

The Committee also reviews the other services provided by the outsourced External Auditors to ensure that their independence as Auditors has not been compromised and provision of such services are in line with the Non Audit services policy of the Company.

Further confirmation has been obtained in writing on the independency of the external auditors as the companies Act No. 07 of 2007 and amended CSE listing rules.

Appointment of External Auditors

Auditor General is the External Auditor of the Company and he has authorised Ernst & Young to carry out the Audit of the Company for the year ended 31 December 2025 as per provisions in National audit act.

Provision of Non audit services

Audit Committee reviewed the Non audit services policy for the Company and monitored the implementation of guidelines for engagement of external auditor to provide non-audit services as per requirements stipulated in companies act No. 07 of 2007 and the continuing listing requirements issued by Colombo Stock exchange.

During the year Committee assessed all non-audit services provided by the external auditor to ensure that provision of such services does not impair the auditor's independency and the objectivity.

Ethics and Good Governance

The Committee constantly emphasises on upholding ethical values of the staff members. In this regard the Whistleblowers protection policy was strengthened and followed with educating and encouraging all employees to resort to whistle-blowing if they suspect any wrong doings or improprieties. Highest standard of Good Governance and adherence to the Company's Code of Ethics were ensured.

Whistle Blowing and Fraud

The Company's whistle blower protection policy intends serving a wide-spread informal channel for the corporate fraud risk management. It encourages employees and others who have serious concerns about any aspect of the Company's work such as any improper or illegal activity or unethical practices in the Company or receives credible information of the same, to come forward and voice those concerns. Concerns raised are investigated by independent parties and overseen by the Audit Committee. The identity of the person raising the concern is kept confidential, as even anonymous complaints are looked at. The committee recommended the revised policy for approval of the Board and ensures that process is available for fair and independent investigations as necessary.

Evaluation of the committee

An independent evaluation of the effectiveness of the Committee was carried out by the Board during the year. Considering the overall conduct of the Committee and its contribution to the overall performance of the Company, the Committee has been rated as effective.



Nayanganie Wickramasingha
Chairperson - Board Audit Committee

09 March 2026
Colombo

Related Party Transaction Review Committee Report



Prof. Kasun Wijetilleke
Chairperson - Board Related Party Transactions Review Committee

Related Party Transactions Review Committee (RPTRC) was established by the Board in compliance with the Code of Best Practices on the Related Party Transactions (Code) issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE). RPTRC is a formally constituted sub-committee of the Board of Directors and it reports regularly to the Board.

Composition and Committee

The RPTRC comprised of the following Non-Executive Directors whose brief profiles are given on pages 168 to 177 of this Annual Report. The composition of the RPTRC meets the requirements under the Listing Rules of CSE where majority of the directors are required to be independent and the Chairperson who is an Independent Director who is not the Chair, Board of Directors.

Members	Directorship Status	Membership Status	Date of appointment as RPTRC Member	Tenure as a Member	Attendance
Prof. Kasun Wijetilleke	Non-Executive Independent Director	Chairperson	30 March 2022	3 years & 9 months	4/4
Mr. Johnson Anthony Fernando	Non-Executive Independent Director	Member	17 April 2020	5 years & 8 months	4/4
Mr. Sanjeewa Bandaranayake	Non-Executive Non-Independent Director	Member	01 October 2024	1 year 3 months	4/4

Permanent Invitees

The CEO, CFO, HOO and Head of Compliance are the regular attendees for the meetings. The other members of the executive management committee attend based on the requirement.

Secretary to the Committee

The Secretary of the Board of the Company shall serve as the Secretary of the Committee.

Charter of the Committee

The Related Party Transaction Review Committee was established on 20 October 2015 with the voluntary adoption of the Code of Best Practice on Related Party Transactions issued by CSE Circular No. 03/2014 and its TOR is hereby amended in line with the revised Corporate Governance requirements set out in Section 9 of the CSE Listing Rules, in relation to governing Related Party Transactions.

Functions of the Committee

The primary function of the Committee is to review all proposed related party transactions, other than those transactions explicitly exempted under Rule 9.5 of the Code, prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

Methodology Adopted by the Committee

The methodology adopted by the RPTRC is set out in the Terms of Reference of the Committee approved by the Board of Directors and are in compliance with the requirements under the Listing Rules. As such, the mandate of the Committee consists of inter alia the following:

- Adopt policies and procedures to review related party transactions of the Company.
- Review in advance all proposed related party transactions of the Company except those explicitly exempted in the Code. Any material changes to previously reviewed Related Party Transactions should also be reviewed by the Committee before completion.
- Determine whether such related party transactions require the approval of the Board and if necessary forward the same for their approval. In such instances Board approval must be obtained prior to entering into the transaction.
- If related party transactions are recurrent, the Committee shall establish guidelines for senior management to follow in its ongoing dealings with the relevant related party. Thereafter, the Committee on an annual basis shall review and assess ongoing relationships with the related party to see that they are in compliance with the Committee's guidelines and that the related party transactions remain appropriate.
- Ensure that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.
- If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. When applying the Rule, the Committee should prioritise the economic substance of transactions over their legal form and technicality.
- Ensure that immediate market disclosures and disclosures in the Annual Report as required by the Listing Rules are made in a timely and detailed manner.

Committee Meetings

The Committee held four (4) meetings during the year under review. The quorum for a meeting of the Committee shall be two members who are Independent Non-Executive Directors. The proceedings of the Committee meetings have been regularly reported to the Board of Directors.

Activities in 2025

- Committee reviewed the transactions with related parties and ensured that same is carried out on an arm's length basis. This included in depth considerations to ensure that the transactions with related parties were approved, same did not take place on more favourable terms.
- The annual review of the RPT policy was carried out for 2025, and same has been submitted for the Board approval
- There were no non-recurrent or recurrent RPT that exceeded the respective thresholds stated in the Listing Rules of the CSE.
- Committee approved a proposal to quote for government tenders and issue insurance policies to government entities, ensuring terms would not be more favourable to the related parties (government entities) than those generally offered to other customers.

Declaration

Related party transactions that took place during the year in terms of the Sri Lanka Accounting Standards are disclosed in the Financial Statements and have been approved by the Board of Directors and has thus complied with the rules pertaining to Related Party Transactions as set out in Section 9 of the listing rule of the CSE. It may also be noted that there were no related party transactions that occurred during the financial year under review which required approval of the shareholders of the Company as determined in Rule 9.14.6 of the Listing Rules. Please refer the Annual Report of the Board of Directors on the Affairs of the Company, pages 269 to 278 for the declaration made by the Board of Directors, confirming that no related party transaction falling within the ambit of the Listing Rules which required an immediate market disclosure was entered into by the Company during year ended 31 December 2025.



Prof. Kasun Wijetilleke

Chairperson - Board Related Party Transaction Review Committee

09 March 2026
Colombo

Board Human Resources Remuneration Committee Report GRI: 2-19,2-20



Nayanganie Wickramasinghe
Chairperson - Board Human Resources Remuneration Committee

The primary purpose of the Committee is to assist the Board in establishing and overseeing the human resource management of the Company.

Composition and Committee

The Board Human Resources Remuneration Committee (BHRRC) comprised of the following Non-Executive Directors whose brief profiles are given on pages 168 to 177 of this Annual Report. The committee comprise of three (03) Directors of the Company, out of which two (02) Directors are Independent Directors. Chairperson of the committee is an independent director.

Members	Directorship Status	Membership Status	Date of appointment as BHRRC Member	Tenure as a Member	Attendance
Ms. Nayanganie Wickramasinghe	Non-Executive Independent Director	Chairperson	01 October 2024	1 year & 3 months	2/2
Prof. Kasun Wijetilleke	Non-Executive Independent Director	Member	01 October 2024	1 year & 3 months	2/2
Mr. Sanjeewa Bandaranayake	Non-Executive Non-Independent Director	Member	18 November 2024	1 year & 2 Months	2/2

Permanent Invitees

The Chief Executive Officer is required to be present at each meeting, whilst the Chief Human Resource Officer (CHRO)/ Head of Human Resources will be present by invitation.

Secretary to the Committee

The Secretary of the Board of the Company shall serve as the Secretary of the Committee.

Charter of the Committee

The Board Human Resource and Remuneration Committee is established by the Board of Directors in accordance with section 9.12 of the Listing Rules of the Colombo Stock Exchange (CSE). The primary purpose of the Committee is to assist the Board in establishing and overseeing the human resource management of the Company.

Functions of the Committee

- The Committee shall recommend the remuneration payable to the Executive Directors, CEO and Senior Management of the Company, to the Board, which will make the Final determination upon consideration of such recommendations.
- The Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration

levels applicable to Executive Directors, CEO and the Senior Management

Methodology Adopted by the Committee

- The methodology adopted by the BHRRC is set out in the Terms of Reference of the Committee approved by the Board of Directors and are in compliance with the requirements under the Code.
- The Committee shall have authority and responsibility delegated by the Board to carry out functions and obligations as may be stipulated by law, the Board and internal regulations approved by the Board.
- The Committee shall at all times:
  - Ensure management of conflict of interest in relation to all appointments and recruitments.
  - Make recommendations in relation to conflicts of interest to the Related Party Transaction Review Committee / Audit and Risk Committee where it deems appropriate on any area within its remit where action is needed.

Committee Meetings

- The Committee shall meet as often as it deems necessary but in any case, at least twice a year, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairperson.
- Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.
- The Quorum of the Committee shall be at least two Independent Directors

Activities in 2025

- The Committee reviewed the Incentive Scheme, noting its purpose to discourage non-profitable business segments, and recommended its implementation with effect from 01 March 2025.
- The Committee approved the bonus payments to be made in December and April.
- The committee Approved the proposal to increase the vehicle loan limit of RMS and ZMS.
- The committee approved the recruitment of certain key management personnel for the crucial functions of the Company.
- Approved the annual increments to the staff based on the performance for 2025.
- Committee evaluated the succession planning for critical functions in the organisation.
- The committee recommend to align the bonus payment of Sales personal in line with channel's profitability.

Remuneration Policy

The remuneration committee determines the Company's policy on executive directors' and key management personnel's remuneration.

The objectives of the policy are:

- To reward executive directors and key management personnel in a manner that ensures that they are properly incentivised and motivated to perform in the best interests of the Company over the long term; and
- To provide the level of remuneration required to attract and retain executive directors and key management personnel of an appropriate calibre.

Salaries and other benefits are reviewed annually. The remuneration committee takes into account the performance of the individual, comparisons with peer companies, institutional guidelines and reports from specialist consultants. The skills, experience of the individual and his/her level of responsibility are also taken into account. Consistent with this policy, the benefit packages awarded to executive directors are intended to be competitive and comprise a mix of performance-related and non-performance-related remuneration, designed to motivate them, but not to detract from the goals of corporate governance. Company's policy on basic salaries, perquisites ,benefits and performance bonus are determined through the Perk Policy and Bonus which is approved by both Board of Directors and BHRRC.

Remuneration package of Directors

All the non-executive directors receive a fee for serving in the Board and Board sub committees based on their participation in the committees. They do not receive any performance related incentive payments. Non-executive directors are not entitled for retirement benefits or other long term benefits and Company does not have any share based payment schemes for directors. Total fees paid to all Directors including the Chairperson are disclosed in Note 46.7 on page 357 in this report.

Board Human Resources Remuneration Committee Report GRI: 2-19,2-20

Remuneration package of Key Management Personnel

Remuneration package of the key management personals consist of a fixed component, variable component and other benefits. Fixed components included basic salary and fixed allowances offered in accordance with the scope and the complexity of the role. These benefits are reviewed annually with the annual performance appraisal process and increments are offered based on the results of the appraisal process.

Variable component mainly includes a portion of annual performance bonus paid. This is mainly paid based on the individual employee performance as well as overall Company performance.

Other benefits include vehicle loans, staff loans, reimbursement of exam fees, housing loan reimbursements and other insurance benefits. There are no post-employment benefits other than gratuity paid and no employee share schemes available for key management personnel as well.

Committee Evaluation

As part of the annual self-assessment of the Board of Directors, the performance an effectiveness of the Board Committees is assessed by the Board as a whole.

Conflict of Interest

The Committee shall at all times:

- Ensure management of conflict of interest in relation to all appointments and recruitments.
- Make recommendations in relation to conflicts of interest to the Related Party Transaction Review Committee / Audit and Risk Committee where it deems appropriate on any area within its remit where action is needed.

Activities for Future

The Committee will regularly improve its scope and purview in line with the trends in the field of Human Resource Management whilst taking into consideration any changes to applicable rules and regulations.



Nayanganie Wickramasinghe
Chairperson - Board Human Resources Remuneration Committee

09 March 2026
Colombo

Board Nomination and Governance Committee Report GRI: 2-10



Johnson Fernando
Chairperson - Nomination Governance Committee

The Board Nomination and Governance Committee (BNGC) was formed to review that Directors meet the required fit and proper criteria to hold office. It reviews and recommend the appointment of the new directors. The Committee upholds governance standards, strengthens Board composition, and ensures effective leadership continuity.

Composition and Committee

The BNGC comprised of the following Non-Executive Directors whose brief profiles are given on pages 168 to 177 of this Annual Report. The committee comprised of three (03) Directors of the Company, out of which two (02) Directors are Independent Directors. The chairperson of the committee is an Independent Non-Executive director.

Members	Directorship Status	Membership Status	Date of appointment as BNGC Member	Tenure as a Member	Attendance
Mr. Johnson Fernando	Non-Executive Independent Director	Chairperson	01 October 2024	1 year & 3 months	2/2
Ms. Nayanganie Wickramasinghe	Non-Executive Independent Director	Member	01 October 2024	1 year & 3 months	2/2
Mr. Sanjeewa Bandaranayake	Non- Executive Non-Independent Director	Member	01 October 2024	1 year & 3 months	2/2

Permanent Invitees

The Chief Executive Officer is required to be present at each meeting.

Secretary to the Committee

The Secretary of the Board of the Company serves as the Secretary of the Committee.

Functions of the Committee

- Establishing and maintaining a formal and transparent procedure to evaluate, select, and appoint/ reappoint Directors of the Company and act in accordance with such a charter in proposing appointments and reappointments to the Board and its subcommittees. The procedure is set out in the Policy on Corporate Governance Nomination and Re-Election.
- Evaluating and recommending the appointment of Directors to the Board of Directors and Board Subcommittees to appoint the most suitable candidates to fill any vacancy/vacancies. However, a member of the Committee shall not participate in decisions regarding his/her own appointments.
- Considering, recommending (or not recommending), and providing advice to the Board on the reappointment/re-election of current Directors, taking into consideration the combined knowledge, experience, performance, and contribution made by the Director to meet the Company's strategic demands

and the number of directorships held by the Directors in other listed and unlisted companies and other principal commitments. As per the Articles of Association of the Company directors appointed by the Board to fill casual vacancies are required to submit themselves for re-appointment at the AGM that follows their appointment by the Board. Further, one Third (1/3) of the Board shall retire from office each year and are eligible for reappointment. Directors to retire in every year shall be those who have been longest in office since their last election. The Board ensures that a Director shall submit himself/ herself for re-election at least every 3 years.

	Mr. Johnson Fernando	Prof. Kasun Wijetilleke	Mr. Chandana Guniyangoda	Ms. Thushari Hewawasam
Board Committees Served on (as a member or Chairperson)	Board Nomination and Governance Committee	Board HR Remuneration Committee	-	Board Strategic Plan Review Committee
Date of first appointment as Director	08-Jun-20	08-Jun-20	10-Dec-25	08-Oct-25
Date of last reappointment as Director	28-May-2024	28-May-2024	-	-
"Directorships / chairmanships and other principal commitments *"	Please refer the Director's profile on page 171	Please refer the Director's profile on page 172	Please refer the Director's profile on page 170	Please refer the Director's profile on page 175
"Any relationships between the candidate and the Directors, the Company or its shareholders holding more than 10% of shares in the Company"	None	None	None	None

* both present and those held over the preceding three years in other listed Companies

- Establishing and maintaining criteria for selecting Directors such as academic/professional qualifications, skills, experience, and key attributes required for eligibility, considering the nature of the business and industry specific requirements. The process of Nomination and Re-election of Directors is documented in the policy on Corporate Governance Nomination and Re- Election and has been in implementation since 01 October 2024.
- Developing and maintaining the Company's Code of Conduct and related policies, monitoring compliance, and periodically recommending any changes to the Board for approval.
- Establishing and maintaining a process for the periodic evaluation of the performance of the Board of Directors, its committees and the CEO of the Company to ensure that their responsibilities are satisfactorily discharged. Periodic evaluations are conducted to assess line with regulatory and legal developments, as a best practice. Boards on which he/she represents, and other principal commitments.
- Considering the succession plan for the members of the Board and ensuring there is a succession plan for all KMPs below the main Board.
- Regularly reviewing the structure, size, and composition of the Board and committees, including gender representation and competencies (including the skills, knowledge, and experience), and making recommendations to the Board regarding any changes. The Board comprises of individuals from a range of skills, expertise and age details of which are set out in page 168 to 177.
- Reviewing and recommending the overall corporate governance framework of the Company, taking into consideration the Listing Rules of the CSE, other applicable regulatory requirements, and industry/international best practices.

- Periodically reviewing and updating the Corporate Governance policies/ framework of the Company in line with regulatory and legal developments, as a best practice.
- Receiving reports from management on compliance with the Corporate Governance Framework of the Company, including the Company's compliance with the provisions of the SEC Act, Listing Rules of the CSE, and other applicable laws, together with any deviations/non compliances and the rationale for the same.
- Acting in accordance with the provisions of the Companies Act No. 07 of 2007, Regulations of the Insurance Act No. 43 of 2000 (as amended), Articles of Association of the Company, and the Corporate Governance Rules contained in the Listing Rules of the CSE in recommending appointments or reappointments of Directors to the Board.
- Ensuring that all Directors and the Chief Executive Officer continuously satisfy the fit and proper assessment criteria set out in the Listing Rules of the CSE. A confirmation is obtained from all Directors and the CEO at the end of the Financial year that they satisfy the required fit and proper criteria. The declarations are submitted to the BNGC for information of the Committee.
- Considering the selection and appointment of a Chairperson in case a vacancy arises.
- Considering if each Director is able to and has been adequately carrying out his or her duties as a Director, considering the knowledge and experience required to meet the strategic demands facing the Company, the number of directorships of listed Company Boards on which he/she represents, and other principal commitments.
- Proposing the maximum number of listed Company Board representations which any Director may hold and disclosing this in the Company's annual report.
- Proposing the companies which could result in a conflict of interest if a Director were to accept such directorship
- Ensure that conflicts of interest are managed at all times and report any such situations to the Board or relevant Subcommittee where necessary
- Periodically reviewing and recommending to the Board the governance structure and process, delegation of authority, and reporting relationships to ensure they support the strategy and business model of the Company.
- Recommending that a Directors and Officers Liability Insurance policy is in place for Directors and KMP.

Methodology Adopted by the Committee

The methodology adopted by the BNGC is set out in the Terms of Reference of the Committee approved by the Board of Directors and are in compliance with the requirements of the Listing Rules. The main elements include followings;

- Exercising general oversight with respect to the governance of the Board of Directors.
- Reviewing the qualifications of and recommending to the Board of Directors proposed nominees for election to the Board.
- Evaluating and recommending to the Board corporate governance practices applicable to the Company.
- Appraising the framework for the assessment of Board performance and the Board self-evaluation.
- Overseeing the corporate social responsibility function of the Company, including environmental, social, and governance practices.

Committee Meetings

The Committee shall meet as often as it deems necessary but at least twice a year, with additional meetings to occur or actions to be taken by unanimous written consent when deemed necessary or desirable by the Committee or its Chairperson. Special meetings may be convened upon the request of the Board and Chairperson.

Activities in 2025

- Policy Review: Reviewed Corporate Governance policies adopted by the board last year to comply with Stock Exchange requirements, confirmed that the policies have been reviewed as per the requirement to review the policies every year.
- Board Performance Evaluation: Conducted the periodic evaluation of the Board of Directors' performance in line with listing rules and presented the collective results,

Board Nomination and Governance Committee Report

- Committee Vacancies and Reconstitution:
    - Reconstitution of the Board IT Committee.
    - Proposed amending the SPRC Terms of Reference to ensure the Chairperson of the Board does not also chair the Strategic Plan Review Committee, maintaining better governance practices.
    - Charter Updates: Reviewed proposed changes to the Board Investment Committee Charter.
    - Recommended reconstituting the Investment Committee as a Management Level Committee
- ESG Policy and Strategy: Formulated and updated an Environmental, Social, and Governance (ESG) Policy aligned with revised Corporate Governance Rules and SLERS SI and S2 disclosures

Director's Independence

All Declarations on Independence are submitted to the Committee annually and on appointment of new Directors. The Board is satisfied that the Independent Directors of the Company meet the criteria for determining independence. Details are available on page 195.

The process of informing Independent Directors (through the Chairperson of the Board Audit Committee) of Major issues relating to the entity is set out in the Policy on relations with shareholders and investors and is provided on page 36. The BNGC Committee will review the policy on an annual basis.

The Statement on Compliance with the Corporate Governance Rules of the Listing Rules is available at pages 211-221.

Activities for Future

- Ensuring that the Board has an adequate mix of skills, experience, and attributes necessary to support Company's achievement of goals and objectives.
- Strengthening governance and ethical standards
- Enhance the focus on Corporate Social Responsibility function of Company, including Environmental, Social, and Governance practices.



Johnson Fernando
Chairperson - Board Nomination and Governance Committee

09 March 2026
Colombo

Board Strategic Plan Review Committee Report



Sanjeewa Bandaranayake
Chairperson - Strategic Plan Review Committee

The Board Strategic Plan Review Committee (BSPRC) of the Company is appointed by and reports to the Board of Directors. The BSPRC is established to strengthen the strategic direction of the Company via evaluating the progress of each function and ensuring the accomplishment of strategic initiatives of functions in line with the smooth implementation of objectives cited in the strategic plan.

Composition and Committee

The BSPRC comprised of the following Non-Executive Directors whose brief profiles are given on pages 168 to 177 of this Annual Report. The committee comprise of three (03) Non-executive Directors of the Company. The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Strategic Plan Review Committee. The Committee may invite any internal member or external consultant with due approval to obtain input/views in order to facilitate decision making as and when required.

Members	Directorship Status	Membership Status	Date of appointment as BSPRC Member	Tenure as a Member	Attendance
Mr. Sanjeewa Bandaranayake	Non –Executive Non-Independent Director	Chairperson	01 October 2024	1 year and 3 months	1/1
Ms.Nayanganie Wickramasingha	Non –Executive Independent Director	Member	23 June 2025	6 months	1/1
Ms.Thushari Hewawasam	Non –Executive Non-Independent Director	Member	08 October 2025	3 months	1/1
Mr. Azzam Ahamat	Non –Executive Non-Independent Director	Member	23 December 2022	-	-
Mr. Pradeep Amirthanayagam	Non-Executive Non-Independent Director	Member	01 October 2024	-	-

Note
Mr. Pradeep Amirthanayagam ceased to be a member with his resignation as a Director with effect from 04 March 2025.
Mr. Azzam Ahamat ceased to be a member with his resignation as a Director with effect from 10 June 2025.

Permanent Invitees

The CEO and CFO are the regular attendees for the meetings. The other members of the executive management committee attend based on the requirement.

Secretary to the Committee

The Secretary of the Board of the Company shall serve as the Secretary of the Committee.

Charter of the Committee

The committee is granted the authority to direct corporate management and senior management to achieve excelled performance within stipulated time period and provide guidance on

Board Strategic Plan Review Committee Report

corrective measures. The committee is empowered to obtain independent assessment over the records provided by the Strategic Plan Development and Implementation Committee to achieve productive outcome within the stipulated time period.

When required, the Chairperson of the Committee will report and update the Board of Directors on significant issues and concerns discussed and where appropriate, make the necessary recommendations.

The committee will be governed by the provisions made by the Board of Directors so far as the same are applicable

Functions of the Committee

- To review the key points highlighted and discussed at the strategic planning quarterly progress review meetings and to recommend corrective measures.
- To develop the policies based on recommendations made by Strategic Plan Development and Implementation Committee.
- To provide guidance and direction for strategic plan implementation process.

Methodology Adopted by the Committee

The methodology adopted by the BSPRC is set out in the Terms of Reference of the Committee approved by the Board of Directors. This includes followings;

- Provide Strategic Direction to the Company
- Recommend the Three Year Strategic Corporate Plan and Annual Strategy Implementation Plan for the approval of the Board.
- Ensure workable strategies are developed and recommended based on macro environmental changes.
- Review the Strategic Plan, processes, progress and assessment and recommend corrective actions to Board of Directors
- Review the performance of the Company taking into consideration of its strategies, objective, plans and budgets and ensure corrective actions are implemented, if necessary based on observation made by Strategic Plan Development and Implementation Committee at management level, actively recommend corrective actions for respective department/s
- Ensure that Strategic Planning Quarterly Progress Review Meetings are conducted as scheduled and chaired by CEO where performances are presented by Department Heads coordinated by Manager Finance & Strategy

Committee Meetings

The Committee shall meet at least once a quarter and as many times as the Committee deems Necessary. The Quorum of the Committee shall be a majority of the members of the Committee

Activities in 2025

Reviewed the corporate plan for 2026 and made recommendation for improvement and strategy development.

Activities for Future

Committee will continuously engage in assessing and evaluating the progress made on the achievement of the Company's strategic plan and identify the areas of improvement and recommend adjustment to the plan as required to the Board of Directors.



Sanjeewa Bandaranayake
Chairperson - Board Strategic Plan Review Committee

09 March 2026
Colombo

Board IT and Marketing Committee Report



Dulinda Perera
Chairperson - Board Information Technology and Marketing Committee

Company has resolved to rename the Board IT Subcommittee as the Board IT and Marketing Committee (BITMC) and to adopt a new Terms of Reference (TOR)The primary objective of fostering synergy between the Marketing and IT functions, thereby enabling the Committee to better assist the Board in formulating and overseeing the effective execution of the Company's IT and Marketing strategies

Composition and Committee

The members to the BITMC shall be appointed by the Board of Directors and shall comprise minimum three Directors of the Board all of whom shall be Non-Executive Directors.

Members	Directorship Status / Employee Designation	Membership Status	Date of appointment as BITMC Member	Tenure as a Member	Attendance
Mr. Dulinda Perera	Non-Executive Non Independent Director	Chairperson	16 May 2025	7 months	3/3
Mr. Johnson Fernando	Non-Executive Independent Director	Member	19 February 2021	4 years & 10 months	2/3
Prof. Kasun Wijetilleke	Non-Executive Independent Director	Member	23 February 2023	2 years & 10 months	3/3
Ms. Jeevani Kariyawasam	Chief Executive Officer	Member	01 February 2022	3 years & 11 months	3/3
Mr. Channa Abeywickrema	Head of Operations	Member	23 June 2022	3 years & 6 months	3/3
Mr. Amila Rajapaksha	Chief Financial Officer	Member	22 May 2023	2 years & 7 months	3/3
Mr. Prabath Gunasena	DGM Group IT	Member	22 February 2023	2 years & 10 months	3/3
Mr. Navindu Wijesekera	Head of IT PI	Member	04 July 2023	2 years & 5 months	3/3
Ms. Nahaziya Irshad	Head of Marketing	Member	22 July 2025	7 months	3/3

Permanent Invitees

The other members of the executive management committee attend based on the requirement.

Secretary to the Committee

The Secretary of the Board of the Company shall serve as the Secretary of the Committee.

Functions of the Committee

- To review the Company strategies related to IT and Marketing activities their alignment with the overall strategy and objectives of the Company;

Board IT and Marketing Committee Report

- To deliberate on IT strategies and plan on future IT investments for digitalisation.
- To increase awareness of key technology changes and innovations in the marketplace including overall industry trends and future trends in technology that may impact the Company overall strategic plan objectives.
- To review and monitor strategies presented by the management for developing or implementing new technologies and systems.
- To review and recommend to the Board significant IT infrastructure investments (in LKR or equivalent in USD) in capital expenditure value.
- To receive and review reports from management concerning the Company's technology implementations including, among other things, software development project implementation status, value creation, ROI, IT Risks, technology architecture and significant technology investments and major information security projects, changes and the status of information security plan.
- To review and provide appropriate advice on information technology related policies and robust risk management framework or recommend such policies and framework to the Board for approval.
- To monitor the IT Roadmap and the related Governance Framework and to ensure that the IT function is in accordance with the regulatory requirement, the business requirement of the Company and the customer needs of the organisation.
- To review and monitor the effectiveness of the IT risk management and security plan (including advising the Board Integrated Risk Management Committee on Technology Risk and Cyber Security).
- To review reports submitted by the Chief Information Security Officer (CISO) regarding the implementation of the information security strategy, performance of security audits and risk assessments, and compliance with information security regulations.
- To ensure the implementation and monitoring of adequate technical resources and institutional arrangements for building awareness on technology risk.
- To improve efficiency of the Board by taking responsibility on "technology" tasks delegated to the Committee and to be discussed in depth.
- If required to review, IT's HR Strategy including skills development and staffing towards meeting the Finance Company's IT needs and recommend to the Board Human Resources and Remuneration Committee.
- Assess and recommend third party involvement to the IT related functions including Cloud services, and ensure that engagement with third parties and agents is evaluated in view of potential IT and cyber risks.
- To identify non -compliance and make adequate recommendations.
- Security Control Monitoring and Testing
- Data Protection and Encryption
- Training and Awareness
- Strategic oversight and direction on the Marketing functions of the Company

Methodology Adopted by the Committee

The methodology adopted by the BITMC is set out in the Terms of Reference of the Committee approved by the Board of Directors.

Committee Meetings

The Committee may choose to hold meetings of the Committee, as physical meetings where members are present in person, or, as virtual meetings where members join the meeting remotely, or, are present both in person as well as remotely (hybrid) meetings. Virtual meetings and hybrid meetings include connecting virtually via telephone conferencing or via audio-visual mechanisms/applications.

The BITMC shall meet at minimum once a quarter per year and shall convene such additional meetings as the Members of the Committee or the Chairperson of the Board shall deem appropriate to fulfil its responsibilities

Activities in 2025

- Reviewed the progress of IT projects including the implementation of the Performance Dashboard in the live environment.
- Reviewed the ongoing system modifications requested by functional department to enhance the core system performance.
- Revised the Committee's Terms of Reference to expand its oversight from "Digital Marketing" to "Marketing as a whole," ensuring a more holistic and integrated approach to the Company's brand and growth strategies.
- Updating the Terms of reference of the Company.

- Advanced the Company's "paperless ecosystem" goal through the implementation of the e-Workflow (e-memo) system, which digitises internal approvals, recommendations, and execution processes.
- Reviewing the performance of the marketing department and ongoing activities.

Activities for Future

Committee will continue to assist the Board in overseeing the implementation of strategies determined by the committee/ BOD on Information Technology (IT), Cyber security and Information Security and Marketing & Digital Marketing integrations where deemed appropriate.



Dulinda Perera
Chairperson - Board IT and Marketing Committee

09 March 2026
Colombo

Risk Management

Overview

As an organisation that assumes risk in exchange for premiums, a robust risk management framework is a fundamental component for supporting People's Insurance PLC's (PI) core business as a general insurer.

Operating within a dynamic and often volatile environment, PI faces a broad spectrum of risks, including financial risks, operational risks, strategic risks and more recently sustainability risks, in particular climate-related and catastrophe risks. Recognising the complexity and evolving nature of its risk landscape, PI has adopted an enterprise-wide approach to identify, assess and manage risk on an ongoing basis.

PI's Approach to Risk Management

PI's Enterprise Risk Management (ERM) Framework ensures risks are assessed systematically, priced appropriately, and managed effectively. The Board takes overall responsibility for the ERM framework. The Board is supported by the relevant Board Committees, which provide focused supervision over risk exposures, internal controls, compliance, and financial reporting. To ensure the ERM is operationalised consistently across all levels of operation, the Board has established a robust governance structure in keeping with the best practices outlined under the three-lines-of-defence model.

Key Objectives of the ERM Framework	Capitals Impacted	Stakeholders Impacted
Safeguard Policyholder Interests by ensuring financial strength and claims-paying ability		
Protect Capital and Financial Stability through prudent capital management, reserving, reinsurance, and investment oversight		
Support Sustainable Growth by aligning risk-taking with Board-approved risk appetite and strategic priorities		
Enhance Decision-Making by embedding risk considerations into strategy, underwriting, pricing, and investments		
Strengthen Operational Resilience through robust internal controls and business continuity planning		
Ensure Regulatory Compliance through adherence to laws and supervisory requirements		
Improve Risk Transparency and Reporting by providing timely and accurate risk insights to the Board and Management to support informed oversight and governance		

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Natural Capital | Social and Relationship Capital

Customers | Shareholders / Investors | Regulators | Reinsurances | Employees | Suppliers & Business Partners | Wider Community

Risk Management Framework

Board of Directors



- Board HR, Remuneration Committee
- Board Nomination & Governance Committee
- Board RPT Review Committee
- Board IT and Marketing Committee
- Board Strategic Plan review committee
- Board Audit Committee

- Operations Management Committee
- Principal Officer
- Specified Officer
- Heads of Departments
- ICT Department
- Risk and Compliance Department
- Internal Audit

Board of Directors

- Serves as the apex governing body for PI's Integrated Risk Management Framework (IRMF).

Board Audit Committee

- Reviews regulatory risk reports, evaluates the effectiveness of internal controls, and ensures compliance with statutory requirements.

Investment Management Committee

- Formulates strategic investment plans, ensures adherence to regulatory guidelines and monitors the performance of investment portfolios.



Risk Management

Risk Monitoring



Board of Directors

- Board HR, Remuneration Committee
- Board Nomination & Governance Committee
- Board RPT Review Committee
- Board ICT Committee
- Strategic Plan Review committee

- Board Audit Committee
- Group Integrated Risk Management Committee

1. Risk Dashboard-Quarterly
2. Group Compliance Review-Quarterly

Three Lines of Defence

1st line of Defence

Day to day Management of Risks

- CEO and Corporate Management
- Head office Departments
- Branch Level Operations

The first-line-of-defence is represented by various business units who are tasked with managing operational risks within their functional areas. They are responsible for implementing established risk policies and procedures while identifying potential vulnerabilities in the day to day Company operations. Part of the responsibilities of the first line of defence includes cross-functional collaboration to identify, assess, and manage risks, ensuring a cohesive and unified approach to risk mitigation.

2nd line of Defence

Risk Management

- Risk & Compliance Department
- Management committees for setting up framework and policies

The second line of defence comprises PI's Compliance Department. They are primarily responsible for developing methodologies, policies, and procedures for risk management in line with the Board approved Risk Management policy, and monitoring various risk exposures within the Board approved risk appetite and tolerance limits. The Risk and Compliance Officer provides the Board with monthly updates on the Company's compliance with applicable regulations, policies, and procedures, along with a quarterly risk dashboard capturing key risk exposures is submitted to the Group IRMC. As part of its responsibilities, the Risk and Compliance Department conducts PEST (Political, Economic, Social, and Technological) analysis to determine necessary improvements to risk-related policies and procedures in line with the evolving external environment. These recommendations are reported to the Operational Management Committee and the Board Audit Committee for necessary action.

3rd line of Defence

Independent Assurance

- Internal Audit
- External Audit

The Company's Internal Audit Function serves as the third line of defence, providing independent assurance regarding the efficacy of the Company's risk management framework. In its capacity as an independent observer, the Internal Audit function reports directly to the Board Audit Committee (BAC). The Company's external auditors and regulators also play a role in providing independent assurance.

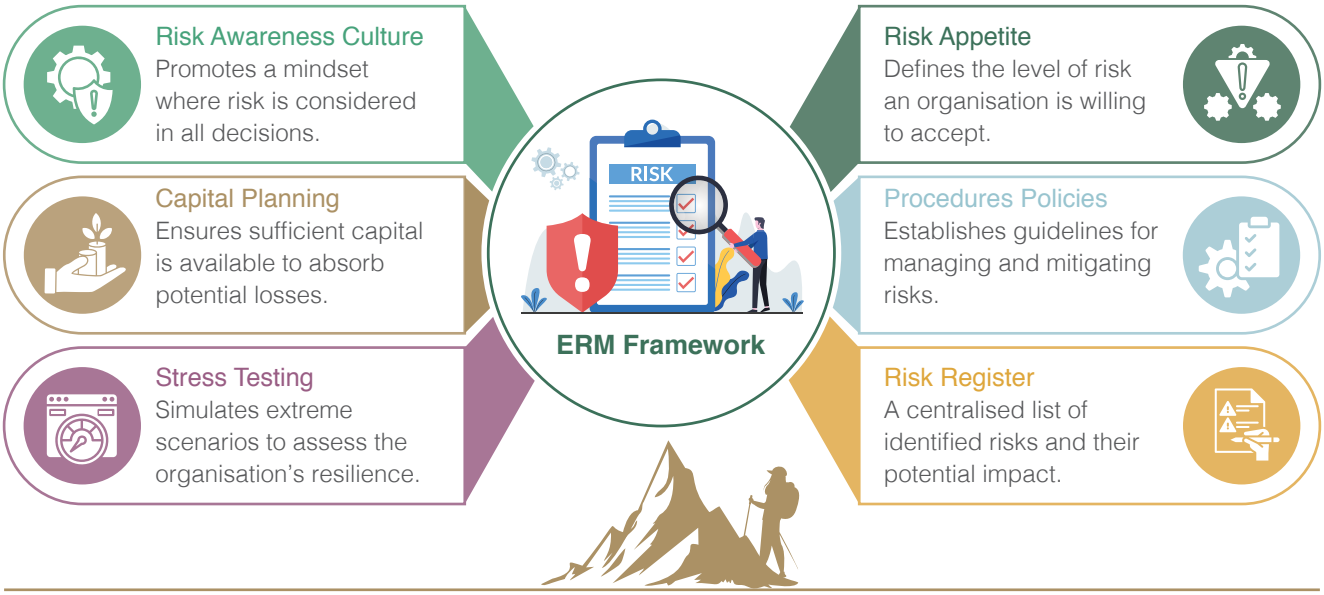
Risk Landscape

- Financial Risks
- Operational Risks
- Strategic Risks

Risk Architecture

Risk architecture provides the structural backbone for ensuring PI's Enterprise Risk Management (ERM) Framework operates effectively to achieve its objectives.

Risk Management Architecture within PI's ERM Framework



PI's Risk Management Policy serves as an overarching mandate for the effective management of risks within the organisation. The Risk Management Policy was implemented in mid-2024.

Risk Appetite Limits and Tolerance Thresholds

Board approved Risk Appetite limits serve as the foundation of the ERM Framework. Risk Appetite Limits are set for all major risks within the Company's risk landscape to establish clear boundaries within which business activities must be conducted.

Cascading from this tolerance thresholds are set for each principal risk category, to serve as measurable quantitative and qualitative indicators for the determination of the appropriate control framework for the management of enterprise-wide risks. Significant limit breaches are promptly escalated to Management and the Board, ensuring timely intervention, corrective action, and accountability.

Policies and Procedures

Risk Appetite Limits and associated tolerance thresholds are operationalised through a comprehensive suite of risk management policies and procedures, including the delineation of roles, responsibilities, approval hierarchies, and reporting protocols, collectively forming an ecosystem to guide day-to-day risk-taking decisions.

Risk Management

Risk Category	Risk Appetite Limit	Policies and Procedures
Underwriting Risk	Net claim ratio; • Motor ≤ 67% • Fire ≤ 43% • Marine ≤ 45% • Miscellaneous ≤ 62%	• Motor insurance manual • Fire and engineering insurance manual • Miscellaneous insurance manual • Marine insurance manual
Claim Settlement Risk	Net claim ratio; • Motor ≤ 67% • Fire ≤ 43% • Marine ≤ 45% • Miscellaneous ≤ 62%	• Motor claim manual • Manual of Non Motor Claims
Claims Reserving Risk	Net claim ratio; • Motor ≤ 67% • Fire ≤ 43% • Marine ≤ 45% • Miscellaneous ≤ 62%	• Motor claim manual • Manual of Non Motor Claims
Reinsurance Risk	Reinsurance Receivable ≤ 5%	• Reinsurance process • Reinsurance manual
Credit Risk on Insurance Receivables	Premium receivable > 90 days ≤ 5%	• Motor insurance manual • Fire and engineering insurance manual • Miscellaneous insurance manual • Marine insurance manual
Concentration Risk	Maintenance of maximum admissible % from admissible assets as per the determination 1	• Investment Operations Manual
Liquidity Risk	Risk Based Capital Adequacy ≥ 220%	• Determination 1 • Regulation of Insurance Industry Act No. 43 of 2000
Credit Risk - Financial Instruments	A - above	• Investment Operations Manual
Market Risk	Maintenance of maximum admissible % from admissible assets as per the determination 1	• Determination 1 • Regulation of Insurance Industry Act No. 43 of 2000
Business Risk	Combined ratio ≤ 104% Net claim ratio; • Motor ≤ 67% • Fire ≤ 50% • Marine ≤ 46% • Miscellaneous ≤ 68% Motor: Non-motor concentration -80%: 20% Expense Ratio ≤ 35% Annual GWP growth > 25%	• Motor insurance manual • Fire and engineering insurance manual • Miscellaneous insurance manual • Marine insurance manual • Motor claim manual • Manual of Non Motor Claims
Information Technology (IT) / Security Cyber Risk	Zero Breaches	• ICT Policies

Risk Category	Risk Appetite Limit	Policies and Procedures
Human Resource Risk	Staff turnover; • Sales Staff-Performers ≤ 5% • Sales Staff-Non Performers ≤ 5% • Non Sales Staff-Call Centre ≤ 5% • Non Sales Staff ≤5%	• Human Resource policy • HR Procedure Manual
Regulatory Risk	Zero penalties and fines imposed	• Compliance with laws and regulations
Reputation Risk	Number of Frauds-External- NIL Number of Frauds-Internal-NIL	• Compliance with laws and regulations
Sustainability Risk	Zero environmental regulatory violations Zero ESG-related reputational incidents 100 % Compliance with regulatory requirements 100% compliance with work-place safety compliances	• Environment, Social & Governance (ESG) Policy

Risk Register

The Risk Register serves as a centralised data base to formally document identified risks across the organisation. It captures key risk exposures, their potential impact and likelihood, existing controls, mitigation measures, and assigned risk owners.

The main purpose of the Risk Register is to enable systematic risk tracking, monitoring of control effectiveness, and periodic reassessment of risk ratings which gives the Management and the Board visibility over emerging and evolving risks, thereby strengthening informed decision-making and accountability.

Stress Testing

The primary purpose of stress testing at PI is to evaluate the Company's resilience under adverse but plausible scenarios and to ensure that it remains financially sound even in periods of significant uncertainty. As a general insurer exposed to underwriting volatility, catastrophe events, market fluctuations, and liquidity pressures, stress testing serves as a forward-looking risk management tool that strengthens preparedness and supports prudent capital planning.

A comprehensive Stress Testing Policy guides PI's approach to assessing resilience under adverse scenarios. By simulating challenging economic, market, insurance, and operational conditions, stress testing helps identify potential vulnerabilities, evaluate the effectiveness of risk mitigation strategies, and assess the adequacy of capital and liquidity buffers under stress environments.

As mandated by the Policy, quarterly stress testing is conducted to measure performance against established tolerance thresholds, enabling PI's management and the Board to anticipate potential strain, implement remedial actions proactively, and ensure that capital adequacy and liquidity positions remain robust even during periods of heightened volatility.

Capital Planning

A key component of PI's ERM Framework, the Capital Planning Process is designed to ensure that the Company maintains adequate capital and liquidity buffers to support its business objectives while adhering to regulatory requirements, both during normal business cycles and under stressed conditions.

The process incorporates forward-looking capital projections, stress-adjusted capital assessments and dividend considerations, to provide the flexibility for the Company to capitalise on future growth and investment opportunities while maintaining prudential discipline.

	Target	Actual for FY 2025
Capital Adequacy Ratio (CAR)	Minimum > 120%	246%
	Supervisory limit > 160%	
Total Available Capital (TAC)	> Rs. 500 Mn	Rs. 5,777 Mn

Risk Management

Risk Awareness Culture

PI promotes a strong risk awareness culture in which accountability for risk management is embedded at every level of the organisation.

Clear communication of risk appetite, structured reporting mechanisms, defined escalation protocols, and regular training initiatives reinforce a shared understanding of risk responsibilities. The three-lines-of-defence model further strengthens ownership, oversight, and independent assurance.

Key Improvements to the ERM Framework – FY 2025

Strengthening Risk Governance and Oversight

A specialised Board IT & Marketing Sub-Committee was established to provide focused oversight on technology and marketing-related risks. Meetings of this Sub-Committee are now held more frequently than quarterly.

Expanding the Scope of the Risk Register

The Risk Register was updated to capture the top 3 risks across each department, which were consolidated to determine the overall top 10 risks for People's Insurance.

Updating Policies and Procedures

- Preparation of a Fraud Register with active involvement from the Disciplinary Committee and Internal Audit Department, and presented to the Board Audit Committee quarterly.
- Introduction of new monitoring mechanisms as outlined in the Personal Data Protection Act to enhance vigilance over potential personal data breaches.

Enhancing Stress Testing

Stress testing limits on the People's Insurance risk dashboard were updated in line with industry standards and Company budgeted figures.

MANAGING PI's KEY RISKS

Risk Matrix for FY 2025

Likelihood	Low Impact	Medium Impact	High Impact
High Likelihood			• Claim reserving Risk • Underwriting Risk • Business Risk
Medium Likelihood	• Reinsurance Risk • ESG Risks • Product Design Risk	• Market Risk • Credit Risk on Insurance Receivables • Claim settlement Risk	• Reputation Risk • IT Risk
Low Likelihood		• Concentration Risk	• Liquidity Risk • Credit Risk - Financial Instruments • Regulatory Risk • Human Resource Risk

Impact of the Risk

FINANCIAL RISKS

Underwriting Risk	As a general insurer, Underwriting Risk can arise across all product portfolios owing to deviations between expected and actual claims experience, pricing assumptions, or policyholder behaviour. Left unmanaged, these risks can affect profitability, capital adequacy, and the Company's long-term financial stability.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	H

PI's Risk Management Strategy

PI maintains a highly disciplined underwriting approach combining actuarial modelling, historical claims analysis, and forward-looking risk assessment. The Company's team of expert underwriters continues to ensure pricing remains accurate and reflective of market conditions with policies strictly evaluated to ensure premiums accurately reflect underlying risk, in line with established underwriting guidelines.

Several challenges continued to influence Underwriting Risk in 2025, most notable among them was Claims inflation in the motor segment where the rising costs of spare parts, outpaced premium growth, bringing pressure on margins. Similarly, the increasing frequency of climate-related events, such as floods and cyclones, heightened exposure in the Fire and Property classes. Against this backdrop, quarterly risk dashboards were introduced to monitor underwriting quality, across key indicators covering product portfolio profitability, pricing adequacy, and terms, enabling timely adjustments such as phasing out loss-making clients where necessary. These initiatives were supported by targeted training and capacity-building programmes to strengthen the skills and expertise of the underwriting teams. Additionally, PI maintained full compliance with regulatory requirements, notifying authorities whenever underwriting approvals exceeded prescribed limits.

Metrics

	Target	Actual
Underwriting Results (Rs. Mn)	(520)	(634)**
Combined Ratio	110%	114%

** Significantly impacted due to cyclone Ditwah

Key Priorities for Future

Strengthening underwriting discipline by implementing tighter authority limits, referral triggers, and risk scoring models informed by claims experience and exposure. The Company also aims to introduce mid-term corrective pricing and coverage adjustments for underperforming portfolios, while ensuring accurate capture of risk attributes at the proposal stage through system validations and mandatory fields, thereby enhancing pricing precision, risk selection, and overall portfolio performance.

Claim Settlement Risk	Claim Settlement Risk typically arises due to disagreements or conflicts between the insurer and the policyholder at the point of claim settlement.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	M

PI's Risk Management Strategy

The primary driver of Claims Settlement Risk is disputes with policyholders arising from claim rejections due to underinsurance. To manage this, PI continues to rely on its comprehensive Claims Manual, which establishes detailed guidelines for the claims approval process, including rigorous due diligence to verify claim authenticity and clearly defined roles and responsibilities for approval and payment.

Complementing these efforts, in 2025 the Company began issuing Insurance Product Information Documents (IPIDs) to provide policyholders with clear, accessible information about the claims process. Awareness sessions were also conducted to educate sales officers, helping ensure that policyholders understand the implications of underinsurance and reducing potential disputes. Additionally, the Company commenced monitoring trends in claim-related complaints, repudiations, and legal cases to serve as key indicators of settlement risk and support proactive risk management.

Metrics

	Target	Actual
Motor	67%	70%*
Fire	43%	597%*
Marine	45%	-41%
Miscellaneous	62%	60%

** Significantly impacted due to cyclone Ditwah

Key Priorities for the Future

Strengthening collaboration between claims, operations, and legal teams, while providing ongoing training for claims officers on policy interpretation and regulatory compliance to improve accuracy, efficiency, and consistency in claims management.

Claims Reserving Risk	Claims Reserving Risk arises from insufficient reserves being allocated for reported claims and those incurred but not yet reported (IBNR).	Risk Rating for FY 2025	Risk Rating for FY 2024
		M	M

PI's Risk Management Strategy

Claims Reserving Risk in is primarily driven by uncertainty around claim amounts due to limited information in the early stages. To manage this risk, claims are promptly assessed upon intimation and appropriately reserved. An independent, qualified actuary conducts quarterly evaluations to ensure reserve adequacy, while significant outstanding claims are periodically reviewed by Management and the Board. During the year, enhanced monitoring mechanisms were introduced to regularly compare initial reserves with actual settlements and to track significant reserve releases or adjustments, strengthening oversight and accuracy in reserving.

Metrics

	2025	2024
Provision for gross incurred but not reported (IBNR) claims (Rs. Mn)	983	832

Key Priorities for the Future

Enabling greater interdependence between claims handling and reserve-setting functions to ensure claim estimates are updated promptly based on the latest information, and escalating significant reserve deviations to senior management and the Board to support robust oversight and timely decision-making.

Reinsurance Risk	Reinsurance Risk refers to the potential financial exposure that arises if PI's risk-bearing capacity is not adequately supported by reliable and cost-effective reinsurance arrangements.	Risk Rating for FY 2025: L	Risk Rating for FY 2024: L

PI's Risk Management Strategy

Reinsurance Risk is attributed mainly to evolving reinsurance market conditions and ambiguities in treaty wording. PI's key mitigation strategy in this regard is to partner exclusively with reputable global reinsurance companies that maintain strong ratings from agencies such as Standard & Poor's and A.M. Best, thus ensuring counterparty reliability and financial strength.

Another key imperative is to negotiate multi-year contracts to enhance stability. Moreover, treaty wordings in all new contracts are thoroughly scrutinised including using independent legal expertise to minimise interpretation risks and contractual uncertainties.

Metrics

	Target	Actual
Reinsurance recoverable to equity	29%	24%
Net retention ratio	66%	80%

Key Priorities for the Future

Maintaining a strong average reinsurer credit rating to ensure counterparty reliability, closely monitoring exposure ratios per reinsurer to avoid concentration risk, and enhancing oversight of recovery timeliness to safeguard liquidity. The Company also aims to track and minimise disputed recoverables to reduce contractual uncertainties, while regularly reviewing the ceded loss ratio to assess the effectiveness and cost-efficiency of the reinsurance programme.

Credit Risk on Insurance Receivables	Credit risk on insurance receivables arises when policyholders face difficulties in settling their premium.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	M

PI's Risk Management Strategy

PI manages this risk through a disciplined collections framework focused on minimising overdue balances. A structured monitoring mechanism tracks outstanding premiums, with a target of maintaining receivables beyond 90 days below 10% of total receivables. Multiple payment channels, including digital platforms are provided to facilitate timely settlement. Where premiums remain unpaid within stipulated timeframes, policy cancellations are enforced (except for Title, Marine, and Travel insurance), with non-payment cancellations generally taking effect 60 days from inception. Furthermore, claims are processed only after all outstanding premiums are settled, strengthening financial discipline.

The Company also monitors Credit Risk on Insurance Receivables by conducting stress testing and recognises provisions for expected credit losses based on debtor ageing, supported by periodic reviews to assess potential defaults. Impairment provisions are recorded in the financial statements where required. Stress tests are conducted regularly to evaluate the potential impact of adverse conditions, delayed settlements and counterparty concentration risks on cash flows and liquidity.

In 2025, the increased frequency of extreme weather events in Sri Lanka, including incidents such as Cyclone Ditwah, affected the economic capacity of policyholders, heightening Credit Risk on insurance receivables. In response, PI's internal credit guidelines were further strengthened. Fortnightly credit review meetings were also introduced, requiring process owners to explain movements in outstanding balances. Detailed analyses of receivable movements, long-outstanding cancellations, and recoveries were presented at Management meetings, while monthly debtor balance reports are submitted to the Board.

Metrics

	Target	Actual
Premium receivable > 90 days	≤ 5%	5%

Key Priorities for the Future

Ensuring strict adherence to updated IRCSL guidelines on premium payment warranties and strengthening oversight of receivable movements, with particular focus on preventing balances from remaining outstanding beyond 365 days. The Company also plans to conduct regular compliance audits to reinforce adherence to internal credit policies and regulatory requirements. Periodic assessments will be undertaken to evaluate the impact of evolving economic conditions on credit risk exposure, while enhancing early intervention mechanisms to support timely recovery and minimise potential defaults.

Concentration Risk	Concentration Risk arises due to the possible lack of diversification within the investment portfolio resulting in excessive exposure to a single industry, geographic region, or asset class. Such imbalances increase financial vulnerability, particularly in times of market fluctuations or economic downturns.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	H

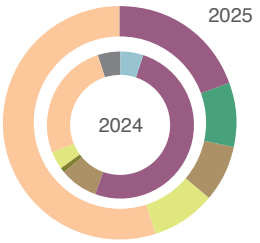
PI's Risk Management Strategy

A disciplined and forward-looking investment approach underpins PI's efforts to minimise concentration risk and strengthen portfolio resilience. The Company's Investment Operations Manual prescribes concentration limits across asset classes, including listed equities, government securities, fixed deposits, and other financial instruments, ensuring diversification in line with its risk appetite and regulatory requirements.

The Investment Committee closely monitors individual exposures at both entity and group levels, while periodic stress testing assesses concentration across geography, peril, line of business, customer segment, and insured value. These reviews evaluate compliance with internal risk thresholds and external regulatory standards. In addition, the Board reviews the investment portfolio monthly to ensure alignment with Insurance Regulatory Commission of Sri Lanka (IRCSL) guidelines on concentration risk.

Metrics

Investment Concentration



	2025	2024
Treasury bonds	0%	5.4%
Treasury bills	19.6%	53%
Repurchase agreements	9%	0%
Listed equity securities	0%	0%
Listed corporate debentures	7.7%	8.8%

Key Priorities for the Future

Expand the stress testing framework to regularly monitor reinsurance adequacy against extreme but plausible scenarios to ensure continued resilience under catastrophic conditions. In parallel, PI will focus on promoting balanced growth across product lines and distribution channels to reduce concentration risk and strengthen the stability and sustainability of its overall portfolio.

Liquidity Risk	Liquidity Risk arises due to potential shortfalls in cash flows needed to meet financial obligations such as claim settlements and reinsurance payments. Liquidity pressures may result from mismatches between inflows and outflows, asset-liability imbalances, or excessive concentration in illiquid investments as well as delays in reinsurance recoveries.	Risk Rating for FY 2025	Risk Rating for FY 2024
		L	M

PI's Risk Management Strategy

Given the nature of the general insurance business, maintaining strong liquidity is critical to operational stability and the timely settlement of policyholder claims. PI Investment Committee is tasked with ensuring adherence to the Company's Investment Policy which prescribes the optimal asset composition and sets out investment limits to maintain an adequate proportion of liquid assets to meet claim settlement obligations.

Routine cash flow monitoring is carried out through regular reviews of assets and liabilities and forward-looking liquidity analyses under both base and stressed scenarios to support cash flow projections. Findings are monitored by the Investment committee to facilitate adjustments to reinsurance arrangements where necessary. Reserve adequacy is periodically reassessed to account for potential disruptions, while contingency plans are in place to secure credit facilities or short-term borrowings including overdraft facilities to meet urgent funding needs.

In 2025, amid the risk of unexpected large claims, including those arising from events such as Cyclone Ditwah, PI strengthened oversight through daily and weekly liquidity dashboards, close monitoring of investment maturity profiles, and enhanced cash flow mismatch with clear escalation procedures put in place for reporting of limit breaches to the Investment Committee.

Metrics

	FS Page Reference	Less than one year	1-2 Years	Over 2 Years	No stated Maturity	Total
As at 31 December 2025						
Financial Assets	45	11,517	1,592	862	1,149	15,121
Financial Liabilities	45	9,183	97	96	-	9,376
Excess Assets / (Liabilities)	45	2,334	1,496	766	1,149	5,745
As at 31 December 2024						
Financial Assets	45	8,718	774	1,889	676	12,057
Financial Liabilities	45	6,460	121	94	-	6,675
Excess Assets / (Liabilities)	45	2,257	652	1,795	676	5,381

Key Priorities for the Future

Enhance the monitoring of the Company's liquidity position through more dynamic forecasting tools and real-time dashboards to enable early identification of potential funding gaps and improve preparedness to face sudden liquidity shocks.

Credit Risk - Financial Instruments	Credit Risk on Financial instruments manifests in three separate instances. • Default Risk, arising due to the likelihood of a borrower failing to repay for the instrument as they become due. • Spread Risk, being the spread between the fixed-income securities and the risk-free rate. • Downgrade Risk due to the Possibility of credit rating to be lowered.	Risk Rating for FY 2025: L	Risk Rating for FY 2024: M

PI's Risk Management Strategy

Credit Risk on financial instruments is managed under the oversight of the Investment Committee, where investment decisions and market risk thresholds are set in line with the Company's risk appetite. To minimise credit risk, with exposures classified into defined credit risk grades with the majority of exposures concentrated in instruments rated A- and above.

Specific limits are set across all financial instruments and commitments, including debt securities, cash, equity, derivatives, reinsurance receivables, and assumed insurance, to manage Default Risk, while authorisation structures are in place to control extended credit, while limits are applied to manage single-party exposure and reduce Concentration Risk. Each exposure is regularly evaluated using available financial data, including monitoring changes in counterparties' credit ratings and overall financial performance to manage Downgrade Risk.

Investment performance, including maturity profiles and credit rating updates, are reported to the Board on a monthly basis to ensure ongoing oversight and proactive risk management.

Metrics

Risk Rating	Exposure-2025		Exposure-2024	
	Rs. Mn	%	Rs. Mn	%
Risk Free	3,146	21%	5,621	47%
AAA to AA-	3,136	21%	294	2%
A+ to A-	5,192	34%	3,684	31%
BBB+ to BB-	1,478	10%	880	7%
Non-rated	2,169	14%	1,577	13%
	15,121		12,057	

Key Priorities for the Future

Implementing more frequent monitoring of the investment strategy and asset-liability management, enabling timely adjustments to address market changes, optimise returns, and ensure alignment with the Company's risk appetite and liquidity requirements.

Market Risk	The potential financial loss arising from fluctuations in market variables such as interest rates, that can affect the value of the PI's investment portfolio and overall financial position.	Risk Rating for FY 2025	Risk Rating for FY 2024
		M	M

PI's Risk Management Strategy

Market Risk is managed through a combination of clearly defined local risk appetite, strategic asset allocation, and a disciplined investment process. Additionally, regular analyses of portfolio volatility against expected returns, sensitivity of portfolio performance to exchange rate movements, and interest rate impacts on bond prices, are conducted. Investment performance, including variations in returns and yields for each instrument, is reported to the Board of Directors on a monthly basis.

Financial risks are regularly monitored, with reinsurance arrangements used where appropriate to mitigate exposures.

Metrics

As at 31 December 2025	Variable interest	Fixed interest	Non-interest bearing	Total
Financial Assets (Rs. Mn)	969	10,451	76	11,496
Proportion to total net exposure	8%	91%	1%	

As at 31 December 2024	Variable interest	Fixed interest	Non-interest bearing	Total
Financial Assets (Rs. Mn)	389	9,635	62	10,086
Proportion to total net exposure	4%	96%	1%	

Key Priorities for the Future

Performing sensitivity analysis to identify the impact of variations in the market variables to the return in an ongoing basis.

Business Risk	Business Risk arises from the potential for underperformance due to unforeseen changes in internal or external environments. Business Risk also includes Product Design Risk which arises when the Company's products fail to align with market needs and customer expectations, potentially impacting competitiveness and growth.	Risk Rating for FY 2025	Risk Rating for FY 2024
		M	H

PI's Risk Management Strategy

Business Risk is managed under the oversight of the Board, Board Committees, and Corporate Management, in line with the Board-approved three-year strategic plan to grow core operations. Performance is regularly reviewed against targets, strategic objectives, and risk appetite thresholds, enabling timely adjustments in response to macroeconomic developments. This process includes periodic reassessment of underwriting criteria to ensure alignment with the Company's risk and growth objectives.

Product Design Risk is managed proactively based on PI's customer-centric approach which focuses on data-driven customer intelligence along with ongoing feedback to ensure continuous improvement in products to improve their relevance in order to meet the evolving needs of customers.

Metrics

	2025	2024
Combined Ratio	114%	110%
Expense Ratio	40%	34%
GWP Growth	34%	8%

Key Priorities for the Future

Conducting scenario analyses to assess the impact of adverse market, regulatory, and economic conditions, and strengthening business continuity and disaster recovery arrangements to ensure operational resilience under all circumstances.

OPERATIONAL RISKS

Information Technology (IT)/ Security Cyber Risk 	IT / Cyber Security Risk refers to the potential disruptions caused by system failures, breakdowns, or cyber security threats that can potentially disrupt operations and expose the Company to data loss or exploitation.	Risk Rating for FY 2025	Risk Rating for FY 2024
		L	L

PI's Risk Management Strategy

IT and Cyber Security Risk is managed in line with Group IT policies. These policies cover IT discipline, licensed software usage, internet and email monitoring, server oversight, and antivirus and firewall protection. Additionally, the Information Security Policy framework addresses data protection, email usage, and password management. Advanced systems, including Unified Threat Management (UTM) and Sophos Endpoint Security, are in place to protect the Company's data assets against cyber-attacks, while critical information is further safeguarded through regular maintenance of an off-site backup system. Periodic IT and Cyber Security risk assessments are conducted by the Audit Committee and the Board ensure continuous oversight and evaluation of controls. These risk assessments cover both for new IT products and for IT operations.

Factors influencing the Company's IT and Cyber Security Risk profile in 2025 included rising global cyber-attacks such as ransomware, phishing-as-a-service, and credential harvesting campaigns, increased reliance on third-party service providers with access to sensitive systems, and evolving regulatory requirements including ICT governance, data privacy obligations, and cyber resilience expectations.

To address these challenges, PI implemented several strategic measures to strengthen cyber resilience. Cybersecurity controls were enhanced through upgraded endpoint protection, next-generation firewalls, email security gateways, and network segmentation to defend against emerging threats. Governance and policy frameworks were strengthened with updates to the Information Security Governance Framework and IT-related policies, ensuring alignment with international best practices and regulatory expectations. Recognising the human element as a critical risk factor, the Company conducted targeted cybersecurity awareness programmes, phishing simulations, and specialised training for high-risk user groups, fostering a strong security culture and reducing susceptibility to social engineering attacks.

Third-party and vendor risks were also actively managed, with strengthened security assessments for providers and reinforced contractual requirements on cyber controls, data handling, and incident reporting. Disaster recovery capabilities were enhanced through regular drills, backup testing, and scenario-based simulations, ensuring operational resilience against service disruptions, including ransomware and other cyber events. Collectively, these measures enhance PI's ability to safeguard critical systems and data, maintain regulatory compliance, and mitigate potential exposure to IT and Cyber Security Risk.

Metrics

	2025	2024
Disruptions Caused by IT failures	Zero	Zero

Key Priorities for the Future

Key identified process automation to enhance the operational productivity

Human Resource Risk	Human Resource Risk refers to the potential disruption of the Company's operations due to high employee turnover, skill gap and leadership succession challenges all of which could hinder the Company's ability to achieve its strategic objectives.	Risk Rating for FY 2025	Risk Rating for FY 2024
		L	L

PI's Risk Management Strategy	PI's primary approach to minimising human capital risk is based on a broad based human capital development that includes a robust recruitment strategy that revolves around competitive compensation packages and career development opportunities to attract and retain top talent. Continuous learning remains a priority, with structured training programmes focused on developing technical, leadership, and soft skills. At the same time, a robust succession planning framework identifies and nurtures high-potential employees, ensuring leadership stability and long-term business continuity.

Metrics

	2025	2024
Employee Turnover	22.92%	33.55%

Key Priorities for the Future	People and culture development to establish a preferred work place.

STRATEGIC RISKS

Regulatory Risk	Regulatory Risk arises due to the possibility of financial loss, reputational damage, or operational disruption due to non-compliance with laws, regulations, licensing requirements, or changes in regulatory frameworks that govern the insurance industry.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	H

PI's Risk Management Strategy	Regulatory Risk is managed under the oversight of the Board and the Board Audit Committee (BAC). Department heads submit monthly compliance reports to the Risk and Compliance Department, highlighting any regulatory breaches, which are in turn escalated to the BAC. The Board and Corporate Management engage with regulators and participate in industry forums to remain informed on the latest regulatory developments. In response to evolving regulatory expectations in 2025, the Company updated key governance documents, including the Delegation of Financial Authority Manual (MOFA), Procurement Policy and Procedures, and Payment Procedures Manual, to ensure continued compliance and robust internal controls. Additionally, a Personal Data Protection Officer was appointed in line with the requirements of the Personal Data Protection Act.

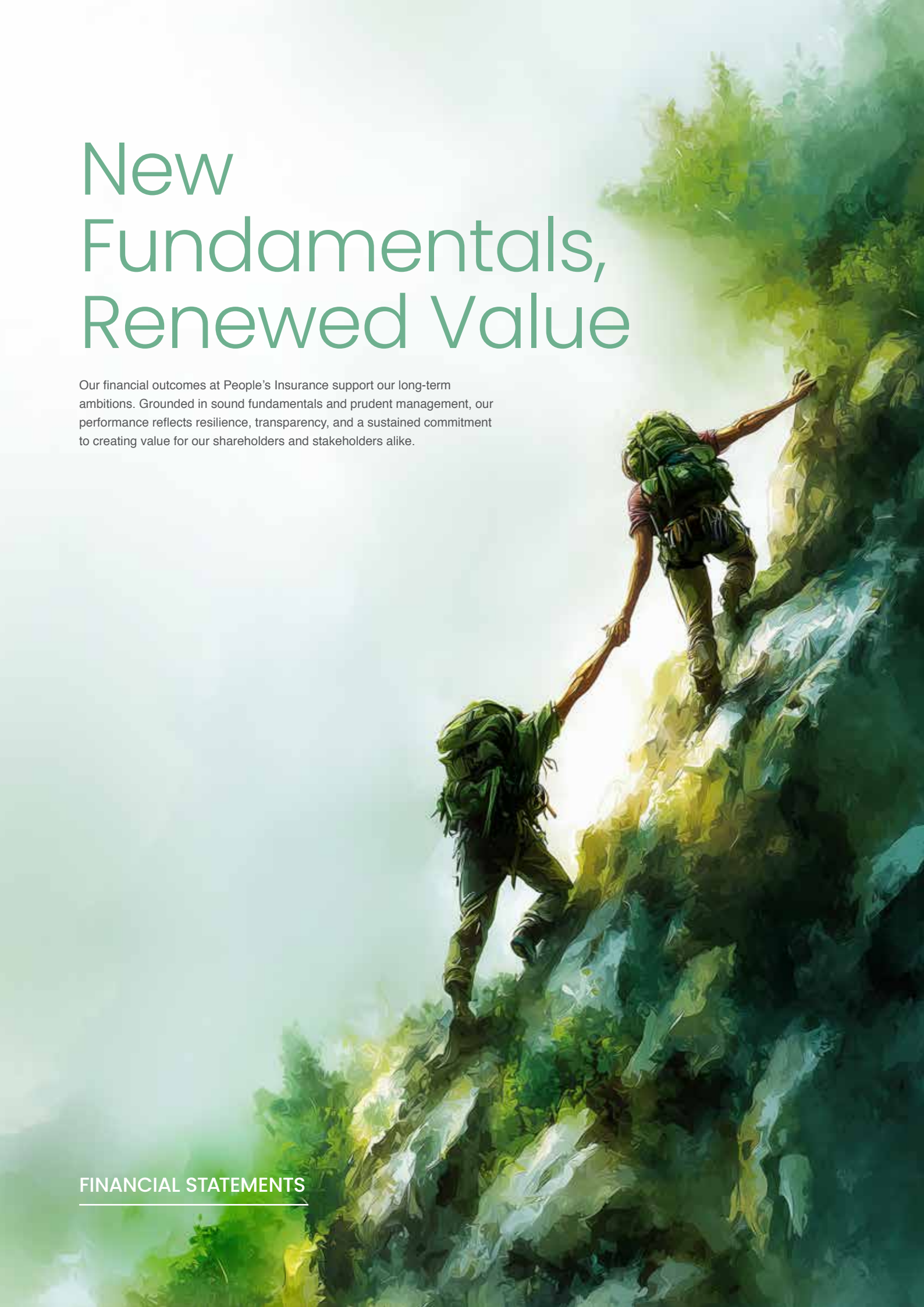
Reputation Risk	Reputation Risk for PI refers to the potential loss of stakeholder trust, brand value, or market confidence resulting from negative publicity, operational failures, regulatory breaches, or other events that could damage the Company's public image.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	H
PI's Risk Management Strategy	Oversight of reputation risk rests with the Board and its Committees, which ensure that strategic decisions, risk management practices, and operational conduct are aligned with the Company's values, regulatory obligations, and stakeholder expectations. Reputation considerations are embedded within the enterprise risk management framework, enabling the early identification and mitigation of issues that could adversely affect public perception. Moreover, clear communication channels with policyholders, shareholders, regulators, intermediaries, and business partners support transparency and responsiveness. The Company safeguards its reputation by maintaining strong underwriting discipline, prudent claims management, transparent financial reporting, and consistent regulatory compliance. Service standards and complaint-handling mechanisms are closely monitored to ensure fair treatment of customers and timely resolution of concerns. In addition, PI reinforces ethical conduct through a well-defined Code of Ethics, internal control systems, and whistleblowing procedures that encourage accountability and responsible behaviour across all levels of the organisation. Crisis management and business continuity plans are also in place to ensure effective response to unforeseen events that may pose reputational threats.		

SUSTAINABILITY RISK

Sustainability Risk	Sustainability risk refers to potential adverse impact on the Company's financial performance and / or reputation owing to inadequate or improper management of environmental, social and governance factors, including exposure to climate- related, evolving regulatory or stakeholder expectations.	Risk Rating for FY 2025	Risk Rating for FY 2024
		H	M
PI's Risk Management Strategy	Building on the preliminary steps taken in 2024 to assess sustainability risks relevant to PI, the Company fully integrated Sustainability-Related Risk and Opportunity (SRRO) management into its Enterprise Risk Management (ERM) framework in 2025. This ensures a proactive and continuous improvement approach underpins the identification, assessment, prioritisation, and monitoring of SRRO's. A comprehensive set of pre-identified Key Risk Indicators (KRIs), incorporating both qualitative and quantitative parameters, is regularly monitored to support informed decision-making and performance enhancement across the full spectrum of operations. Sustainability targets are integrated into strategic planning and reporting processes, supported by ongoing monitoring and timely adjustments. These include strategic, legal, regulatory, and climate-related targets, with oversight and review provided by the governing body. Selected climate targets have also been aligned with the Science Based Targets initiative (SBTi). PI's approach to measuring and documenting greenhouse gas (GHG) emissions is in line with the GHG Protocol. Clearly defined inventory boundaries, objectives aligned with corporate strategy, and emission reduction plans form part of this framework. These processes are subject to periodic review and approval by the governing body to ensure accountability and alignment with sustainability objectives. In 2025, a Sustainability Maturity Assessment was conducted to evaluate the Company's preparedness and identify compliance gaps in relation to SLFRS S1 and SLFRS S2 sustainability disclosure requirements. The findings revealed that while the Company demonstrates strong readiness to disclose climate-related information, further enhancements are being required to strengthen progress monitoring and performance analysis across all operations.		

New Fundamentals, Renewed Value

Our financial outcomes at People's Insurance support our long-term ambitions. Grounded in sound fundamentals and prudent management, our performance reflects resilience, transparency, and a sustained commitment to creating value for our shareholders and stakeholders alike.



FINANCIAL STATEMENTS

Financial Calendar

Audited Financial Statement

2025	2026 (Proposed)
Financials signed on 20 February 2026	Financials to be signed on 19 February 2027
Annual Report published on 09 March 2026	Annual Report to be published on 09 March 2027

Annual General Meeting (AGM)

2025	2026 (Proposed)
17th Annual General Meeting held on 30 March 2026	18th Annual General Meeting to be held on 30 March 2027

Interim Financial Statements - Submission to the Colombo Stock Exchange (CSE)

2025	2026 (Proposed)
For the 1st Quarter ended 31 March 2025 14 May 2025	For the 1st Quarter ended 31 March 2026 14 May 2026
For the 2nd Quarter ended 30 June 2025 11 August 2025	For the 2nd Quarter ended 30 June 2026 14 August 2026
For the 3rd Quarter ended 30 September 2025 13 November 2025	For the 3rd Quarter ended 30 September 2026 13 November 2026
For the 4th Quarter ended 31 December 2025 24 February 2026	For the 4th Quarter ended 31 December 2026 25 February 2027

Annual Report of the Board of Directors on the Affairs of the Company

The information set out herein is presented in compliance with the requirements of Section 168 of the Companies Act No. 07 of 2007 ("Companies Act") to be included in the Annual Report of the Board of Directors on the Affairs of the Company. This Report has also been prepared taking into consideration the provisions and guidance of the Code of Best Practice on Corporate Governance 2023.

1. OVERVIEW

[Code A.1, A.1.2, A.1.5]

The Board of Directors of People's Insurance PLC ("the Company") is pleased to present this Integrated Annual Report to the shareholders, together with the Audited Financial Statements for the year ended 31 December 2025 and the Independent Auditor's Report thereon, in conformity with all applicable statutory requirements.

This Report was approved by the Board of Directors on 09 March 2026.

2. REVIEW OF BUSINESS

[Section 168(1)(a), Code D.1]

The nature of the business of the Company and its subsidiaries together with any change thereof during the accounting period.

2.1 Vision, Mission and Corporate Conduct

The Vision and Mission of the Company are set out on page 10 of this Annual Report. The business activities of the Company have been conducted in alignment with its Vision and Mission, reflecting a firm commitment to the highest standards of ethical conduct and integrity as articulated in the Code of Business Conduct and Ethics. These activities are carried out in conformity with the corporate culture and core values of the Company, as disclosed on page 10 of this Report.

2.2 Principal Business Activities

The principal activity of People's Insurance PLC ("the Company") is the provision of Non-Life Insurance solutions to both individual and corporate customers. There were no significant changes in the nature of the principal activities of the Company during the financial year under review. The Company did not engage in any activity that contravenes applicable laws or relevant regulations.

In line with its principal business operations, the Company also offers Non-Life Takaful products to customers as a window operation under its main business operations, with the approval of the Insurance Regulatory Commission of Sri Lanka (IRCSL). The Company has not engaged in any activities that contravene applicable laws or regulatory requirements.

2.3 Company Ownership Structure

Details of the ownership structure of the Company are provided on page 10 of this Annual Report.

2.4 Branch Network

As at 31 December 2025, the Company's branch network comprised 19 regional offices and 108 window offices operated at branches of People's Leasing & Finance PLC.

2.5 Review of Business Performance

A comprehensive review of the financial and operational performance of the Company, together with insights into future business developments, is set out in the Chairperson's Message (pages 22 to 25), the Chief Executive Officer's Review (pages 26 to 30), and the Performance and Value Creation section (pages 32 to 33).

These sections form an integral part of the Annual Report of the Board of Directors and, together with the Audited Financial Statements, present a fair reflection of the state of affairs of the Company.

2.6 Code of Conduct (Code D6)

The Company upholds high standards of integrity, professionalism, and ethical conduct in all its operations. A formal Code of Conduct is in place for Directors and employees, outlining expected standards of behaviour in the discharge of their duties and in safeguarding the Company's reputation.

In addition, specific guidelines are established for operational and branch staff to ensure responsible underwriting, claims handling, customer service, and regulatory compliance.

2.7 Future Developments (Code A.1.2)

An overview of the Company's future developments is presented in the Chairperson's Message (pages 22 to 25), the Chief Executive Officer's Review (pages 26 to 30), and the Performance and Value Creation section (pages 32 to 33).

Annual Report of the Board of Directors on the Affairs of the Company

3. FINANCIAL STATEMENTS

[Section 168 (1) (b), Code D.1, D.2, D.3]

Completed and Signed Financial Statements of the Company

The Financial Statements of the Company for the year ended 31 December 2025 have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) and comply with the requirements of the Companies Act No. 07 of 2007 and the Regulation of Insurance Industry Act No. 43 of 2000, as amended. The Financial Statements were duly certified by the Chief Financial Officer, being the officer responsible for their preparation, and were approved by two members of the Board of Directors, as evidenced by their signatures appearing on page 289. The said Financial Statements form an integral part of this Report.

3.1 Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company so as to present a true and fair view of the state of its affairs.

The Directors confirm that the Financial Statements have been prepared in compliance with the requirements of Sections 150 (1), 151, 152, and 153 (1) and (2) of the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, and the Regulation of Insurance Industry Act No. 43 of 2000, together with subsequent amendments thereto.

The Statement of Directors' Responsibility for Financial Reporting, appearing on pages 279 to 280, forms an integral part of this Report.

3.2 Financial Results and Appropriations

The Company recorded a net profit of Rs. 355 Mn for the year under review. A summary of the Company's financial performance is presented alongside.

	2025 Rs.	2024 Rs.
Profit after tax	355,248,159	429,421,407
Profit brought forward from the previous year	4,197,059,403	3,867,637,996
Profit available for appropriation	4,552,307,562	4,297,059,403
Appropriations		
Final dividend paid in respect of the previous year	-	(100,000,000)
Un-appropriated profit carried forward	4,552,307,562	4,197,059,403

3.3 Provision for Taxation

The tax position of the Company is disclosed in Note 20 to the Financial Statements (pages 311 to 313).

3.4 Property, Plant and Equipment and Market Value of Properties

As at 31 December 2025, the Company did not own any freehold land or buildings. Leasehold buildings and other fixed assets have been recognised and accounted for in accordance with Sri Lanka Financial Reporting Standards. Details of property, plant and equipment are set out in Note 24 to the Financial Statements (pages 314 to 316).

3.5 Intangible Assets

Details of intangible assets, including the movements therein during the financial year, are disclosed in Note 23 to the Financial Statements (pages 313 to 314).

3.6 Reserves

The movement in reserves during the year under review is presented in the Statement of Changes in Equity on page 290 of the Financial Statements.

3.7 Investments

Details of investments held by the Company as at the reporting date are disclosed in Note 27 to the Financial Statements (pages 320 to 325).

3.8 Turnover

The Company underwrote a Gross Written Premium of Rs. 8,367 Mn in 2025 (2024: Rs. 6,249 Mn).

Gross Written Premium for the year, analysed by major classes of business, is provided on page 303 of this Annual Report.

3.9 Stated Capital and Shareholders' Funds

In compliance with the Companies Act No. 07 of 2007, the Financial Statements reflect the stated capital of the Company. As at 31 December 2025, the stated capital of the Company amounted to Rs. 1,435 Mn (2024: Rs. 1,435 Mn).

3.10 Capital Adequacy Ratio (CAR) and Minimum Capital Requirements

The Company maintained a Capital Adeacy Ratio (CAR) of 246% as at 31 December 2025 (2024: 389%), which remains well above the regulatory requirement, reflecting its continued financial strength and prudent risk management.

The minimum capital requirement of Rs. 500 Mn, as stipulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL) by Gazette dated 07 May 2013, is fully complied with by the Company.

3.11 Total Available Capital (TAC)

In accordance with the Risk-Based Capital (RBC) framework effective 01 January 2016, insurance companies are required to maintain a minimum TAC of Rs. 500 Mn.

As at 31 December 2025, the Company's TAC stood at Rs. 5,777 Mn (2024: Rs. 5,183 Mn), which is significantly above the minimum requirement. Further details are provided on page 342 and in Note 45 to the Financial Statements.

3.12 Actuary's Report

The Appointed Actuary has reviewed the adequacy of the insurance contract liabilities and related technical provisions as at 31 December 2025 and has confirmed that they have been determined in accordance with accepted actuarial principles and regulatory requirements.

The Actuarial Report is set out on page 283 of this Annual Report.

3.13 SLFRS 17 Implementation

The implementation of SLFRS 17 is overseen by the Board through the Audit Committee as part of its financial reporting oversight responsibilities. The Committee periodically reviews progress, key technical matters, and system readiness to ensure compliance with applicable requirements.

A cross-functional team comprising Finance, Actuarial, IT, and Technical representatives manages the implementation in accordance with the approved project plan and reports progress to the Audit Committee on a regular basis.

4. EXTERNAL AUDITOR

[Section 168 (1) (c)(i) and (j), Code D3]

The following disclosures are made in relation to the External Auditor of the Company, including the Auditor's Report on the Financial Statements, amounts payable as audit fees and fees for other services rendered during the accounting period, and the Auditor's relationship or any interest with the Company.

4.1 Auditor and their Independence

In accordance with the provisions of the National Audit Act No. 19 of 2018, People's Insurance PLC falls within the definition of an "Auditee Entity." Accordingly, the Auditor General, or any person authorised by the Auditor General, is responsible for carrying out the audit of the Company.

The responsibilities of the Auditor in relation to the Financial Statements are set out in the Independent Auditor's Report appearing on page 284 of this Annual Report.

4.2 Auditor's Report

The Report of the Auditor General on the Financial Statements of the Company is provided on pages 284 to 286.

4.3 Auditor's Remuneration

A sum of Rs. 4.9 Mn (2024 – Rs. 3.6 Mn) was payable to the Auditors as audit fees during the year under review.

In addition, a sum of Rs. 12.4 Mn (2024 – Rs. 7.1 Mn) was payable by the Company in respect of IFRS 17 implementation-related services and other non-audit services rendered during the year.

4.4 Appointment of Auditors

The Auditor General continues to function as the Auditor of the Company for the ensuing financial year in compliance with Article 154 of the 19th Amendment to the Constitution.

5. ACCOUNTING POLICIES

[Code D.1, D.2]

The accounting policies adopted by the Company are formulated in accordance with Sri Lanka Accounting Standards and recognised industry best practices. The accounting policies applied in the preparation of the Financial Statements are considered appropriate to the nature and scope of the Company's operations and have been applied consistently, except where otherwise explicitly disclosed in the Notes to the Financial Statements.

There were no changes to the accounting policies during the year under review.

6. BOARD OF DIRECTORS

[Sections 168 (1) (e), (f), (h), Code A.1, A.5, A.6, A.7, A.8, A.9, A.10]

The following disclosures are made in accordance with the requirements of Sections 168 (1) (e), (f), and (h) of the Companies Act No. 07 of 2007, including particulars of entries in the Interests Register of the Company during the accounting period, remuneration and other benefits paid to Directors during the year, and information relating to the Directorate of the Company during and at the end of the accounting period.

6.1 Profiles

The names of the members of the Board of Directors, together with their profiles detailing skills, experience, and expertise, are set out on pages 170 to 177 of this Annual Report.

6.2 Appraisal of Board Performance

The methodology adopted for evaluating the performance of the Board of Directors is disclosed in the Corporate Governance section on page 239. Performance evaluations were duly completed and obtained from the members of the Board.

6.3 Other Directorships / Significant Positions of Directors

Details of other directorships and significant positions held by the present Directors of the Company are disclosed within their respective profiles appearing on pages 170 to 177 of this Annual Report.

6.4 Resignations and Appointments

During the year under review, there were changes to the composition of the Board of Directors. Mr. Pradeep Amirthanayagam, a Non-Executive, Non-Independent Director, resigned from the Board with effect from 04 March 2025, and Mr. Azzam Ahamat, also a Non-Executive, Non-Independent Director, resigned with effect from 10 June 2025.

The Board welcomed several new appointments during the year. Mr. Chandana Guniyangoda was appointed as a Non-Executive, Independent Director and assumed the role of Chairperson with effect from 10 December 2025. Mr. Dulinda Perera joined the Board as a Non-Executive, Non-Independent Director with effect from 04 March 2025, and Ms. Thushari Hewawasam was appointed as a Non-Executive, Non-Independent Director with effect from 08 October 2025.

Directors' Interests Register

In compliance with the requirements of the Companies Act No. 07 of 2007, the Company maintains an Interests Register. Particulars of entries made in the Interests Register during the accounting period are set out alongside.

6.5 Directors' Interests in Transactions

The Directors of the Company have made general declarations in accordance with Section 192 (2) of the Companies Act. Arising from these declarations, details of contracts in which the Directors have an interest are disclosed under Related Party Transactions in Note 46 on page 355 of the Financial Statements. The Directors have declared all material interests in contracts involving the Company and have abstained from voting on any matters in which they had a material interest.

6.6 Loans to Directors

The Company has not granted any loans to the Directors during the year under review.

6.7 Directors' Interest in Shares

The Directors have disclosed to the Board their respective shareholdings in the Company, including any acquisitions or disposals made during the year. The individual shareholdings of the Directors as at 31 December 2025 and 31 December 2024 are provided below.

Name of the Director	No of Shares	
	As at 31.12.2025	As at 31.12.2024
Mr. Chandana Guniyangoda	-	-
Ms. Nayanganie Wickramasingha	-	-
Mr. Johnson Fernando	-	-
Prof. Kasun Wijetilleke	-	-
Mr. Sanjeewa Bandaranayake	-	-
Mr. Dulinda Perera	-	-
Ms. Thushari Hewawasam	-	-

As at 31 December 2025, the Chief Executive Officer held 6,719 shares in the Company.

6.8 Share Dealings

There have been no share dealings or transactions by the Directors during the financial year under review.

6.9 Remuneration to Directors [Rule 9.3.2(d), Code B.1, B.2]

The details of Directors' fees, emoluments, and other benefits paid during the year are set out below. These payments reflect the Board's adherence to the Company's approved remuneration framework and corporate governance practices.

	2025	2024
	Rs.	Rs.
Non-executive, Non independent Directors' fees and emoluments	5,592,700	11,981,115
Non-executive, Independent Directors' fees and emoluments	6,620,000	5,221,000

6.10 Directors' Meetings

Details of the Directors' meetings held during the year, including attendance records, are presented on page 198 of this Annual Report.

7. SHARE INFORMATION

[CSE Rule 9.2.1(g), 9.6, 9.10]

This section provides key information regarding the Company's shareholding structure, substantial shareholders, and other relevant share-related disclosures in accordance with best practices in corporate governance.

7.1 Distribution Schedule of Shareholdings

Information on the distribution of shareholding and the respective percentages is provided in the 'Shareholder Information' section on page 93 of this Annual Report.

7.2 Information on Earnings, Dividends, Net Assets and Market Value

Details relating to the Company's earnings, dividends, net assets, and market value per share are presented on pages 93 to 95. Additionally, information on the trading of shares and movements in the number of shares represented by the stated capital of the Company is disclosed in the 'Shareholder Information' section on page 93.

7.3 Substantial Shareholdings

Names of the top twenty shareholders holding voting shares, the percentages of their respective holdings, and the percentage holding of the public are provided in the 'Shareholder Information' section on pages 96 and 97.

7.4 Equitable Treatment to Shareholders

The Company has at all times ensured that all shareholders are treated equitably, consistent with its commitment to transparency and sound corporate governance.

7.5 Dividends

No dividend was declared or paid during the financial year 2025.

7.6 Information on Ratios, Market Prices of Shares and Credit Ratings

Information required to be disclosed in accordance with Rule 7.6 (xi) of the Listing Rules of the Colombo Stock Exchange is provided in the 'Shareholder Information' section on pages 93 to 97.

8. DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY

[Section 168 (1) (g), Code H]

During the year under review, the Company made donations totaling Rs. 4.3 Mn (2024: Rs. 1.5 Mn), in accordance with the Resolution passed at the previous Annual General Meeting.

The Company's initiatives in Corporate Social Responsibility are highlighted in the 'Social and Relationship Capital' section on pages 150 to 153, and in the 'Natural Capital' section on pages 154 to 164 of this Annual Report.

9. CORPORATE GOVERNANCE

[Code of Best Practice D.1, D.1.1, D.1.4, D.4], [G.1, G.2, G.3], [CSE Rules 9.2–9.16]

The Board of Directors places the highest emphasis on adherence to the principles of sound corporate governance and the Code of Best Practice on Corporate Governance (2023). To this end, the Board has ensured that the necessary resources, processes, and controls are in place to comply with the relevant regulatory and professional standards. The measures implemented, along with information fulfilling the disclosure requirements of the Code, relevant Directions, and the Listing Rules of the Colombo Stock Exchange ('CSE'), are presented on pages 210 to 227 of this Annual Report.

The Directors further confirm that:

- The Company has not engaged in any activity that contravenes applicable laws and regulations.
- All material interests in contracts involving the Company have been duly declared by the Directors, who have abstained from voting on matters in which they were materially interested.
- The Company has consistently sought to ensure the equitable treatment of all shareholders.
- The business continues to operate on a going concern basis.

During the financial year, the Company invested in property, plant, and equipment to the aggregate value of Rs. 86.3 Mn. The carrying value of property, plant, and equipment as at 31 December 2025 amounted to Rs. 134.7 Mn (2024: Rs. 122.4 Mn). Details of property, plant, and equipment are provided in Note 24 to the Financial Statements on page 314.

The Board has conducted a comprehensive review of the Company's internal control framework, encompassing financial, operational, and compliance controls, as well as risk management systems. Based on this review, the Directors have obtained reasonable assurance regarding the effectiveness of these controls and their consistent application throughout the year.

9.1 Board Sub-Committees (Code D.4, D.5, A.7)

While the Board assumes overall responsibility and accountability for the management and strategic direction of the Company, it has established Board Sub-Committees to ensure more effective oversight of specific areas of the business. These Sub-Committees are designed to strengthen governance, risk management, and internal control in line with the Corporate Governance standards prescribed by the Listing Rules of the Colombo Stock Exchange (CSE) and adopting recognised best practices.

Accordingly, the following Board Sub-Committees have been constituted by the Board.

Board Sub-committees	Committee Report Reference
Board Audit Committee	Pages 230 - 233
Related Party Transactions Review Committee	Pages 234 - 235
Board Human Resources and Remuneration Committee	Pages 236 - 238
Board Nomination and Governance Committee	Pages 239 - 242
Board Strategic Plan Review Committee	Pages 243 - 244
Board Information Technology Committee	Pages 245 - 247

The composition of each Board Sub-Committee, together with the record of Directors' attendance at their respective meetings, is provided on pages 230 to 247 of this Annual Report.

Related Party Transactions Review Committee

The Board places significant emphasis on transparency and rigorous oversight of all transactions with related parties. In line with this commitment, Directors have fully disclosed such transactions in accordance with Sri Lanka Accounting Standard LKAS 24 – Related Party Disclosures, which has been consistently applied in the preparation of the Company's Financial Statements. These disclosures are detailed in Note 46 on pages 355 to 359 and form an integral part of the Annual Report of the Board of Directors.

During the financial year, there were no related party transactions exceeding 10% of equity or 5% of total assets, which would have necessitated immediate disclosure to the Colombo Stock Exchange (CSE) or separate reporting in the Annual Report.

The Company has adhered strictly to the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission (SEC), ensuring full compliance with all statutory and regulatory disclosure requirements. Through these measures, the Board affirms its commitment to uphold the highest standards of corporate governance, integrity, and accountability in its dealings with related parties.

Compliance with Transfer Pricing Regulations

The Board confirms that all transactions entered into with associated parties during the period were conducted on an arm's length basis, consistent with the principles of fairness and comparability with transactions carried out with non-associated parties. This ensures compliance with the applicable transfer pricing regulations and reflects the Company's commitment to transparency and sound corporate governance.

Board Human Resources and Remuneration Committee

The Board has established the Human Resources and Remuneration Committee to provide independent oversight of the Company's human capital policies, employee remuneration, and performance frameworks. Details regarding the composition, mandate, and activities of this Committee are provided on pages 236 to 238 of this Annual Report.

Board Nomination and Governance Committee

The Nomination and Governance Committee supports the Board in maintaining robust governance practices, overseeing Board appointments, succession planning, and compliance with corporate governance standards. The composition, roles, and key activities of this Committee are disclosed on pages 239 to 242 of this Annual Report.

Board Audit Committee

All members of the Board Audit Committee are Non-Executive Directors, ensuring independent oversight of the Company's financial reporting, internal controls, and risk management. The Chief Executive Officer and Chief Financial Officer attend Committee meetings by invitation, providing necessary insights and supporting information. The report of the Board Audit Committee, including its activities, observations, and recommendations, is presented on pages 230 to 233 of this Annual Report.

9.2 System of Internal Controls (Code D.2, D.3)

The Board of Directors has taken proactive measures to ensure the implementation of a robust and comprehensive system of internal controls, encompassing financial, operational, and compliance aspects. These controls are designed to ensure that the Company operates in an orderly and efficient manner, safeguards its assets, and provides reasonable assurance regarding the accuracy and reliability of financial and other information.

Annual Report of the Board of Directors on the Affairs of the Company

The Board confirms that the Company's financial reporting framework has been designed to support the preparation of Financial Statements for external purposes in accordance with applicable accounting standards and regulatory requirements.

To reinforce oversight, the Board has appointed a qualified Internal Auditor to conduct the internal audit function. The Internal Auditor reports directly to the Board Audit Committee, providing independent assessments on the effectiveness of financial, operational, and compliance controls. The Internal Audit function is subject to an annual independent quality review to ensure compliance with professional standards and independence. Findings are reported directly to the Board Audit Committee to maintain objectivity and reliability of audit outcomes.

9.3 Risk Management (Code D.4, G.1)

The Board, together with Executive Management, has established a comprehensive framework for the identification, measurement, and mitigation of risks across the Company. The Risk Management function is overseen by a dedicated officer reporting to the Board Audit Committee, ensuring alignment with the Company's risk appetite and governance objectives.

In addition, a group-level Risk Management Committee, comprising representatives from the Company, supports the systematic monitoring and management of enterprise-wide risks. A detailed overview of the Company's risk management framework, policies, and key risk mitigation strategies is presented in the Enterprise Risk Management report on pages 248 to 266 of this Annual Report.

9.4 Compliance with Laws and Regulations (Code D.1.1, D.1.4)

The Board of Directors affirms that, to the best of its knowledge and belief, the Company has complied with all applicable laws, regulations, and statutory requirements governing its operations. The Board recognises that regulatory compliance forms a fundamental pillar of sound corporate governance and sustainable business practice.

To ensure continuous oversight, a comprehensive regulatory compliance report is submitted to the Board on a monthly basis. This structured reporting framework enables the Board to monitor adherence to legal and regulatory obligations and to take timely corrective action where necessary.

The Company also maintains strict compliance with the Financial Transactions Reporting Act No. 40 of 2011 and the Convention on the Suppression of Terrorist Financing Act No. 03 of 2013. In fulfilling these obligations, the Company submits the required monthly reports to the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka, thereby reinforcing its commitment to anti-money laundering (AML) and countering the financing of terrorism (CFT) requirements.

Through these measures, the Board underscores its unwavering commitment to regulatory integrity, transparency, and responsible corporate conduct.

9.5 Environment (Code H)

The Board of Directors confirms that, to the best of its knowledge and belief, the Company has not engaged in any activity that has caused or is likely to cause material detriment to the environment. The Company remains committed to conducting its operations in a responsible and environmentally sustainable manner.

9.6 Environmental, Social and Governance (ESG) Reporting (Code H)

The Board recognises that Environmental, Social and Governance (ESG) considerations play an increasingly significant role in long-term value creation and strategic execution. ESG principles are embedded within the Company's governance framework, influencing risk management, stakeholder engagement, and sustainable business practices. The Board has initiated assessment of climate-related risks and opportunities, in accordance with the SLFRS S1 & S2. This includes evaluating potential impacts on underwriting, investments, and operational resilience.

The Annual Report provides comprehensive information on the recognition, management, measurement, and reporting of ESG-related risks and opportunities. Further details are set out on page 266 of this Report. Through its ESG initiatives and disclosures, the Board reaffirms its commitment to transparency, accountability, and the creation of sustainable value for all stakeholders.

9.7 Information Technology and Cyber Security (Code G1,G.2,G.3,D.1)

The Company operates under comprehensive Group IT policies that govern network connectivity, cyber security risk identification, and the effectiveness of cyber risk management controls. These policies ensure structured oversight and protection of the Company's information systems and digital infrastructure. The Board has established a formal cybersecurity oversight framework, with periodic reporting from the Chief Information Security Officer to the Board Audit Committee.

The responsibilities of the Chief Information Security Officer (CISO) are delegated to the Head of IT of the PLC Group, ensuring appropriate leadership and accountability at Group level. Further details are provided in the Corporate Governance Section on page 206 of this Annual Report.

9.8 Going Concern (Code D.1)

Having carefully reviewed the Company's financial position, corporate and business plans, prevailing operating environment, regulatory landscape, and other relevant considerations in line with the Code of Best Practice on Corporate Governance, the Board is confident that the Company has adequate resources and financial resilience to sustain its operations in the foreseeable future.

Accordingly, the Board affirms that the Financial Statements have been prepared on a going concern basis.

10. STAKEHOLDER MANAGEMENT AND INTEGRATED REPORTING

[Code C.1, C.2, H]

The Board recognises that sustainable value creation is intrinsically linked to effective stakeholder engagement. The Company has implemented structured mechanisms to identify, understand, and manage the interests of its key stakeholders as part of its value creation process.

Economic, environmental, and social dimensions are appropriately integrated into the Company's reporting framework, reflecting its commitment to balanced and transparent disclosure. Further details are set out under Stakeholder Value on pages 32 to 33 of this Annual Report.

11. STATUTORY PAYMENTS

The Directors confirm that, to the best of their knowledge and belief, all statutory payments due to the Government, regulatory authorities, and employees have been duly settled in a timely manner. The Board remains committed to maintaining full compliance with all statutory and fiscal obligations.

12. OUTSTANDING LITIGATION

Based on the opinion of the Directors and in consultation with the Company's legal advisors, any litigation currently pending against the Company is not expected to have a material impact on its reported financial performance or future operations, other than claims arising in the ordinary course of conducting insurance business.

The Board continues to monitor all legal proceedings to ensure that appropriate measures are taken to safeguard the Company's interests.

13. EVENTS AFTER THE REPORTING DATE

Details of significant events occurring after the reporting date, where applicable, are disclosed in Note 48 to the Financial Statements on page 359. The Board confirms that no circumstances have arisen since the reporting date that would require adjustments to, or additional disclosures in, the Financial Statements other than those disclosed therein.

14. ANNUAL GENERAL MEETING

[CSE Rule 9.4, Code C.1]

The 17th Annual General Meeting (AGM) of the Company will be held at People's Insurance PLC via audio and visual technology on 30 March 2026 at 10.30 a.m.

The Notice convening the Meeting is set out on page 390 of this Annual Report.

15. COMPLIANCE WITH LISTING RULE REQUIREMENTS ON THE CONTENT OF THE ANNUAL REPORT

The extent of the Company's compliance with the prescribed content requirements of the Annual Report is set out in the Compliance Summary on page 209. The Directors further affirm that the Annual Report and the Financial Statements, taken as a whole, are fair, balanced, and understandable,

and provide the information necessary for shareholders and other stakeholders to assess the Company's financial position, financial performance, ESG/sustainability risks and opportunities, business model, and future outlook.

In accordance with Listing Rule 9.16, the Board further confirms that:

(i) The Directors have declared all material interests in contracts involving the Entity and have refrained from voting on matters in which they were materially interested;

(ii) The Board has conducted a review of the effectiveness of the system of internal controls, encompassing financial, operational, compliance controls and risk management, and has obtained reasonable assurance regarding their adequacy and effective implementation;

(iii) The Directors have undertaken appropriate measures to enhance their awareness of applicable laws, rules, and regulations, and remain cognisant of changes, particularly in relation to the Listing Rules and applicable capital market provisions; and

(iv) The Company has disclosed relevant details of any material non-compliance with laws or regulations, including any material fines imposed by government or regulatory authorities in jurisdictions where the Entity operates.

Through these confirmations, the Board reiterates its commitment to transparency, accountability, and the highest standards of corporate governance.

16. ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

[Section 168 (1)(k)]

The Board of Directors hereby acknowledges its responsibility for, and confirms its approval of, the contents of this Annual Report.



Chandana Guniyangoda
Chairperson



Nayanganie Wickramasingha
Director



Sumudu Wickramarachchi
Acting Company Secretary

09 March 2026

Colombo

Statement of Directors' Responsibility for Financial Reporting

The Board of Directors of People's Insurance PLC ("the Company") is responsible for the preparation and presentation of the Financial Statements in accordance with the provisions of the Companies Act No. 07 of 2007 ("Companies Act"). The responsibilities of the External Auditors in relation to the Financial Statements are set out in the Independent Auditor's Report on pages 284 to 286 of this Annual Report.

In accordance with Sections 150(1) and 151 of the Companies Act, the Directors are responsible for ensuring that the Company maintains proper accounting records of all transactions and prepares Financial Statements that give a true and fair view of the state of affairs of the Company as at the financial reporting date and of its financial performance and cash flows for the year then ended, and for placing such Financial Statements before the Annual General Meeting.

The Financial Statements comprise the Statement of Financial Position as at 31 December 2025, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and the Notes thereto. Accordingly, the Directors confirm that the Financial Statements of the Company give a true and fair view of:

1. The State of Affairs of the Company as at 31 December 2025; and
2. The Financial Performance of the Company for the financial year then ended.

The Financial Statements for the year 2025, prepared and presented in this Annual Report, are in agreement with the underlying books of account and are in conformity with the requirements of the following:

- Sri Lanka Accounting Standards (SLFRSs and LKASs);
- Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Insurance Industry Act No. 43 of 2000 and amendments thereto;
- Statement of Recommended Practice (SORP) issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL);
- Listing Rules of the Colombo Stock Exchange (CSE), including Section 9 – Continuing Listing Requirements; and
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The Directors further confirm that the Financial Statements comply with the format prescribed by the Insurance Regulatory Commission of Sri Lanka for the preparation of Annual Financial Statements of Insurance Companies. The Board assumes full responsibility for the integrity, objectivity, and reliability of the Financial Statements and the financial reporting process of the Company. In preparing the Financial Statements, the Directors confirm that:

- Appropriate accounting policies have been selected and consistently applied, and material departures, if any, have been disclosed and explained;
- All applicable Sri Lanka Accounting Standards have been fully complied with;
- Judgements and estimates made are reasonable, prudent, and aligned with the substance of transactions;
- The Financial Statements include all information required under the Companies Act, the Insurance Industry Act, the Listing Rules of the Colombo Stock Exchange, and other relevant regulatory frameworks; and
- The Financial Statements have been prepared on a going concern basis after due consideration of the Company's financial position, liquidity, capital adequacy, and regulatory solvency requirements.

The Directors are responsible for ensuring compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange and confirm that all disclosures required thereunder — including those relating to corporate governance, related party transactions, and timely reporting of material information— have been duly made. The Board further confirms that the Company has complied with the principles and applicable provisions of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, and that the Corporate Governance Report forming part of this Annual Report details the manner and extent of such compliance.

In accordance with Section 148(1) of the Companies Act, the Directors ensure that proper accounting records are maintained which accurately record and explain the Company's transactions and disclose, with reasonable accuracy, the financial position of the Company at any time. These records enable the preparation of Financial Statements in accordance with the Companies Act and facilitate proper audit. The Company's External Auditors were provided with full access to the Company's books, records, and minutes of meetings, and carried out such inspections, reviews, and sample checks as they considered appropriate to express their audit opinion.

Statement of Directors' Responsibility for Financial Reporting

The Board has instituted and continues to maintain an effective system of internal controls and risk management to safeguard the Company's assets, ensure the reliability of financial reporting, promote operational efficiency, and support compliance with applicable laws and regulations. These controls, including internal audit and other financial and operational checks, are regularly reviewed by the Board through the Audit Committee.

As required by Section 56(2) of the Companies Act, the Directors confirm that any dividends declared or proposed have been authorised only after satisfying the solvency test in accordance with Section 57 of the Companies Act and, where applicable, obtaining Certificates of Solvency from the External Auditors. The Directors further confirm that the Financial Statements and disclosures included in this Annual Report comply with the Sustainability Disclosure Standards (SLFRS S1 and S2), and that the Company has taken appropriate steps to integrate sustainability considerations into its reporting, risk management, and governance processes.

The Directors further confirm that, in compliance with Sections 166(1) and 167(1) of the Companies Act and the relevant Listing Rules of the Colombo Stock Exchange, this Annual Report has been prepared within the prescribed timeframe and will be made available to shareholders within the stipulated period. The Financial Statements have been certified by the Chief Financial Officer, the officer responsible for their preparation, as required by Section 150(1)(b) of the Companies Act, and have been signed by two Directors as required by Section 150(1)(c) of the Companies Act and other regulatory requirements. The Board also reviews and approves the Company's Interim Financial Statements prior to their release, following a recommendation by the Audit Committee, ensuring consistency, reliability, and alignment with regulatory requirements.

Compliance Report

The Board confirms that all shareholders in each category have been treated equitably in accordance with the original terms of issue, and that the rights of shareholders have been respected in line with applicable laws and the Listing Rules of the Colombo Stock Exchange. The Directors also confirm that, to the best of their knowledge and belief, all statutory payments relating to employees, the Government, and other statutory bodies that were due as at the reporting date have been paid or, where relevant, adequately provided for.

The Directors are satisfied that they have fully discharged their responsibilities as set out in this Statement.

By order of the Board,



Sumudu Wickramarachchi
Acting Company Secretary

09 March 2026

CEO's and CFO's Responsibility Statement

The Chief Executive Officer and the Chief Financial Officer of People's Insurance PLC ("the Company") hereby confirm their responsibility for the preparation and presentation of the Financial Statements of the Company for the year ended 31 December 2025.

The Financial Statements have been prepared and presented in compliance with the following;

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Requirements of the Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Insurance Industry Act No. 43 of 2000 and amendments thereto;
- Statement of Recommended Practice (SoRP) issued by Insurance Regulatory Commission of Sri Lanka (IRCSL);
- Listing Rules of the Colombo Stock Exchange (CSE) and;
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka
- Where applicable, the Sustainability Disclosure Standards (SLFRS S1 and SLFRS S2)

Accordingly, the Company has prepared these Financial Statements in conformity with SLFRSs / LKASs and related interpretations applicable for the year ended 31 December 2025, together with the comparative information as at and for the year ended 31 December 2024, where required, as set out in the accounting policies. Comparative information has been restated, where necessary, to conform to the current year's presentation.

The formats used in the preparation of the Financial Statements and disclosures made therein comply with the formats prescribed in the Statement of Recommended Practice (SoRP). The Company presents its financial results to shareholders on a quarterly basis in compliance with the Listing Rules of the Colombo Stock Exchange.

The accounting policies adopted in the preparation of the Financial Statements are appropriate to the Company and have been applied consistently, unless otherwise stated in the Notes to the Financial Statements. Significant accounting policies and estimates involving a high degree of judgement and complexity were discussed in detail with the External Auditors and the Board Audit Committee.

The Board of Directors and the Management of the Company accept full responsibility for the integrity, objectivity and reliability of these Financial Statements. The estimates and judgements underlying the preparation of the Financial Statements were made on a prudent and reasonable basis to ensure that the Financial Statements reflect, in a true and fair manner, the substance of transactions and the financial position of the Company.

In fulfilling this responsibility, the Company has taken proper and sufficient care in establishing and maintaining an effective system of internal controls and accounting records to safeguard assets and to prevent and detect fraud and other irregularities. This system is subject to continuous review, evaluation and improvement. The Internal Audit Department carries out periodic audits to provide reasonable assurance that established policies and procedures are consistently adhered to.

The Chief Executive Officer and the Chief Financial Officer are responsible for establishing, implementing and maintaining adequate internal controls and procedures within the Company. The effectiveness of these internal controls and procedures has been evaluated for the year under review, and based on such evaluation, no significant deficiencies or material weaknesses were identified in the design or operation of such controls. To the best of our knowledge, there were no instances of fraud involving management or employees having a significant role in the internal control framework of the Company.

The Board Audit Committee meets periodically with the Internal Auditors and the External Auditors to review the performance of their respective responsibilities and to deliberate on matters relating to auditing, internal controls and financial reporting. The Board Audit Committee, reviews the internal and external audit programmes, evaluates the effectiveness of internal control systems and procedures, and assesses adherence to statutory and regulatory requirements. Audit and Non-Audit services provided by the External Auditors are subject to prior approval of the Board Audit Committee in order to safeguard their independence and objectivity. To ensure complete independence, both the External Auditors and the Internal Auditors have full and unrestricted access to the members of the Board Audit Committee to discuss any matters of significance.

The Financial Statements of the Company were audited by the Auditor General and their Report appears on pages 284 to 286 of this Annual Report. It is further confirmed that the Company has complied with the applicable guidelines relating to the audit of listed companies, where mandatory compliance is required.

CEO's and CFO's Responsibility Statement

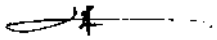
However, it should be recognised that any system of internal control and accounting is subject to inherent limitations, and accordingly, absolute assurance cannot be provided.

We confirm that;

1. To the best of our knowledge, the Financial Statements, significant accounting policies and other financial information included in this Annual Report fairly present, in all material respects, the financial position, results of operations and cash flows of the Company for the year under review.
2. The Company has adequate resources to continue in operation and has applied the going concern basis in the preparation of these Financial Statements.
3. The Company has complied with all applicable laws, regulations, Listing Rules and prudential requirements and there is no material non-compliance.
4. There are no material litigations pending against the Company other than those disclosed in Note 49 to the Financial Statements of this Annual Report.
5. All taxes, duties, levies and statutory payments payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at 31 December 2025 have been duly paid or, where relevant, adequately provided for in the Financial Statements.
6. The Company has complied with all legal and regulatory provisions of the Regulation of Insurance Industry Act.
7. The Company has arranged treaty reinsurance with approved reinsurers in accordance with the guidelines issued by the Insurance Regulatory Commission of Sri Lanka.
8. Reserving and solvency guidelines applicable to insurance companies have been complied with and total reserves are supported by matching admissible assets in accordance with regulatory requirements.
9. The equity capital of the Company meets the prescribed minimum capital requirement in accordance with applicable regulations.



Jeevani Kariyawasam
Chief Executive Officer



Amila Rajapaksha
Chief Financial Officer

09 March 2026

Colombo

IBNR and LAT Certification

12 February 2026

To the shareholders of People's Insurance PLC

People's Insurance PLC 31 December 2025 LAT Certification

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test ('LAT') as laid out in SLFRS 4. The LAT is performed to assess the adequacy of the carrying amount of the Unearned Premium Reserve ('UPR'). I hereby certify that the UPR provision of LKR 3,088,343,897 set by the Company, net of reinsurance and DAC, is adequate at a 50th percentile in relation to the undiscounted unexpired risks of People's Insurance PLC as at 31 December 2025, in many but not all scenarios of future experience. As such, there is no premium deficiency to be recognised by the Company.

The valuation of the Company's unexpired risks has been conducted in compliance with the IRCSL Solvency Margin (Risk Based Capital) Rules, 2015, relevant insurance regulation, and in accordance with the Institute and Faculty of Actuaries ('IFoA') professional standards, to the extent that they are applicable.

I have relied upon information and data provided by the management of the Company and I have not independently verified the data supplied, beyond applying checks to satisfy myself as to the reasonableness of the data.



Sivaraman Kumar
Fellow of the Institute and Faculty of Actuaries (FIA)
For and on behalf of NMG Consulting
12 February 2026

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www.NMG-Group.com
109 North Bridge Road, #05-21, Singapore 179097

Independent Auditor's Report

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. INF/A/PI/AR/2025/01 මගෙ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 04 March 2026

Chairman
People's Insurance PLC

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the People's Insurance PLC for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the People's Insurance PLC (the "Company") for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of profit or loss, statement 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 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Key Audit Matters

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

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

No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

Key audit matter	How my audit addressed the key audit matter
Non-Life Insurance Contract Liabilities Non-Life Insurance Contract liabilities amounting to Rs. 7,119,085,782 represent 73% of total liabilities of the Company as at 31 December 2025. 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 are determined based on an actuarial valuation as described in Note 37. This was a key audit matter due to: • materiality of the reported Non-Life Insurance Contract Liabilities. • the degree of assumptions, judgements and estimation uncertainty associated with the actuarial valuation of Non-Life Insurance Contract Liabilities and Liability Adequacy Test carried out to determine the adequacy of the carrying value of Non -Life Insurance Contract Liabilities. Key areas of significant judgments, estimates and assumptions used in the valuation of the Non-Life Insurance Contract Liabilities included the following: • 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 37 to the financial statements.	To assess the reasonableness of the Non-Life Insurance Contract Liabilities, my audit procedures included the following: • Assessed the competency, capability and objectivity of the management specialist engaged by the Company. • Obtained an understanding of the liability valuation process. • Checked the completeness and accuracy of the data used in the valuation of Non-Life Insurance Contract Liabilities by agreeing key information to source documents and accounting records. • Engaged expert resources to assess the reasonableness of the assumptions used in the actuarial valuations of the Non-Life insurance contract liability and Liability Adequacy Test with reference to the industry data and considering both historical experience and business expectations. • Checked the unearned premium and reported claim calculations. I assessed the adequacy of the disclosures in Note 37 to the financial statements.

1.4 Other information included in the Company's 2025 Annual Report

The other information comprises the information included in the Company's 2025 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Company's 2025 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

1.5 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

Independent Auditor's Report

1.6 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 07 of 2007 include specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that were required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) of the Companies Act, No. 07 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The Financial Statements of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007.

2.1.3 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.4 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

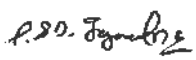
2.2 Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.



L.S.I. Jayaratna
Auditor General

Statement of Profit or Loss

Year ended 31 December	Note	Page	2025 Rs.	2024 Rs.
Revenue	6	303	5,722,470,265	5,928,201,984
Gross written premium	7	303	8,367,388,707	6,249,295,113
Change in reserve for unearned insurance premium	8	303	(1,188,074,173)	(457,166,081)
Gross earned premium			7,179,314,534	5,792,129,032
Premium ceded to reinsurers	9	304	(2,875,254,412)	(1,245,930,708)
Change in reserve for unearned reinsurance premium	10	304	311,806,117	167,028,987
Net earned premium			4,615,866,239	4,713,227,311
Fee income	11	304	148,337,257	98,887,860
Claims and expenses				
Net claims	12	305	(3,164,894,977)	(3,129,707,791)
Underwriting and net acquisition costs	13	308	(208,592,746)	(490,546,313)
Other operating and administrative expenses	14	309	(1,959,584,298)	(1,641,591,916)
Finance cost	15	309	(65,015,978)	(63,628,279)
			(5,398,087,999)	(5,325,474,299)
Underwriting results			(633,884,503)	(513,359,128)
Other revenue				
Interest and dividend income	16	310	1,032,277,484	1,178,784,913
Net fair value gains/(losses)	17	310	74,874,209	18,064,535
Other income/(losses)	18	311	(547,667)	18,125,225
			1,106,604,026	1,214,974,673
Profit before tax	19	311	472,719,523	701,615,545
Income tax expense	20	311	(117,471,364)	(272,194,138)
Profit for the year			355,248,159	429,421,407
Basic earnings per share	21	313	1.74	2.11

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

Statement of Comprehensive Income

Year ended 31 December	Note	Page	2025 Rs.	2024 Rs.
Profit for the year			355,248,159	429,421,407
Comprehensive income				
Comprehensive income that may be reclassified to statement of profit or loss in subsequent periods:				
- Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	27.4	325	(25,284,824)	(26,382,378)
- Deferred tax effect on above	26.3	319	7,585,447	7,914,713
			(17,699,377)	(18,467,665)
Comprehensive income not to be reclassified to statement of profit or loss in subsequent periods:				
- Actuarial losses on defined benefit obligations	38.1.2	334	(7,660,322)	(9,370,194)
- Deferred tax effect on above	26.3	319	2,298,097	2,811,059
			(5,362,225)	(6,559,135)
Comprehensive income for the year, net of tax			(23,061,602)	(25,026,800)
Total comprehensive income for the year, net of tax			332,186,557	404,394,607

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

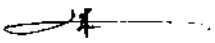
Statement of Financial Position

As at 31 December	Note	Page	2025 Rs.	2024 Rs.
Assets				
Intangible assets	23	313	18,991,591	15,783,718
Property, plant and equipment	24	314	134,700,210	122,447,874
Right of use assets	25	316	160,803,923	217,153,747
Deferred tax asset	26	318	26,804,939	7,552,011
Financial investments	27	320	11,496,065,492	10,085,833,841
Reinsurance receivables	28	325	1,782,739,544	451,344,298
Insurance receivables	29	326	1,759,981,784	1,364,271,636
Deferred expenses	30	327	21,109,899	-
Other assets	31	328	181,790,229	269,990,052
Cash and cash equivalents	32	328	82,025,892	155,077,825
Total assets			15,665,013,503	12,689,455,002
Equity and liabilities				
Equity				
Stated capital	33	329	1,435,000,000	1,435,000,000
Retained earnings	34	329	4,552,307,562	4,197,059,403
Fair value reserve	35	329	(1,365,630)	16,333,747
Other reserves	36	330	(15,809,085)	(10,446,860)
Total equity			5,970,132,847	5,637,946,290
Liabilities				
Insurance contract liabilities	37	330	7,119,085,782	4,852,025,556
Employee defined benefit obligations	38	333	117,118,707	94,123,807
Other liabilities	39	335	1,339,035,620	1,073,553,717
Lease liability	25	316	207,907,990	264,383,135
Reinsurance payables	40	336	574,954,646	387,360,941
Deferred income	30	327	-	9,364,218
Income tax payable	41	336	201,767,891	272,603,145
Bank overdrafts	42	336	135,010,020	98,094,193
Total liabilities			9,694,880,656	7,051,508,712
Total equity and liabilities			15,665,013,503	12,689,455,002

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

Certification

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Amila Rajapaksha
Chief Financial Officer

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:



Chandana Guniyangoda
Chairperson



Nayanganie Wickramasingha
Director

20 February 2026
Colombo

Statement of Changes in Equity

As at	Note	Page	Stated capital Rs.	Retained earnings Rs.	Fair value reserve Rs.	Other reserves Rs.	Total Rs.
Balance as at 31 December 2023			1,350,000,000	3,867,637,996	34,801,412	(3,887,725)	5,248,551,683
Profit for the year			-	429,421,407	-	-	429,421,407
Dividends paid during the year	22	313	85,000,000	(100,000,000)	-	-	(15,000,000)
Other comprehensive income	35,36	329,330	-	-	(18,467,665)	(6,559,135)	(25,026,800)
Balance as at 31 December 2024			1,435,000,000	4,197,059,403	16,333,747	(10,446,860)	5,637,946,290
Profit for the year			-	355,248,159	-	-	355,248,159
Dividends paid during the year	22	313	-	-	-	-	-
Other comprehensive income	35,36	329,330	-	-	(17,699,377)	(5,362,225)	(23,061,602)
Balance as at 31 December 2025			1,435,000,000	4,552,307,562	(1,365,630)	(15,809,085)	5,970,132,847

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December	Note	Page	2025 Rs.	2024 Rs.
Operating activities				
Premium received from customers			7,969,205,786	6,183,530,948
Reinsurance premium paid			(2,687,660,706)	(1,697,087,053)
Claims paid	12.1	305	(3,503,553,807)	(3,000,752,706)
Reinsurance receipts in respect of claims			512,399,411	143,807,179
Interest received			644,745,771	936,987,852
Other operating cash flows			(1,261,922,319)	(1,666,755,097)
Cash flows from operating activities	A		1,673,214,136	899,731,123
Gratuity paid	38.1	333	(6,976,538)	(4,374,708)
Income tax paid	41	336	(176,833,541)	(209,630,548)
Interest paid on vehicle loan			(3,045,569)	-
Interest paid on lease liability	25.3	317	(49,827,395)	(61,625,721)
Net cash flows from operating activities			1,436,531,093	624,100,146
Investing activities				
Purchase of liquid investments			(16,333,587,484)	(200,857,534)
Purchase of other investments			(11,118,483,245)	(12,078,638,651)
Sale of liquid investments			15,344,457,579	601,072,329
Sale of other investments			10,628,925,129	11,203,462,059
Purchase of intangible assets			(8,135,915)	(9,085,215)
Purchase of property, plant and equipment			(74,463,871)	(94,203,384)
Proceeds received from disposal of fixed assets			22,288,136	15,006,949
Net cash flows used in investing activities			(1,538,999,671)	(563,243,447)
Net cash flows before financing activities			(102,468,578)	60,856,699
Financing activities				
Payment of lease liabilities	25.4	317	(87,644,684)	(70,645,946)
Loan obtained			26,200,000	-
Loan repayment			(26,200,000)	-
WHT paid on scrip dividend			-	(15,000,000)
Net cash flows used in financing activities			(87,644,684)	(85,645,946)
Net increase/(decrease) in cash and cash equivalents during the period	B		(190,113,262)	(24,789,247)

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December	Note	Page	2025 Rs.	2024 Rs.
A. Cash flows generated from operating activities				
Profit before tax			472,719,523	701,615,545
Adjustments for:				
Net fair value gains/losses	17	310	(13,446,715)	(14,520,263)
Provision for employee defined benefit obligations	38.1.1	333	22,311,116	20,418,443
Depreciation and amortisation expenses	14	309	138,543,909	115,898,452
Provision for impairment and bad debt written off			4,470,094	(25,033,943)
Interest on vehicle loan			3,045,569	-
Interest paid on lease liability	25.3	317	49,827,395	61,625,721
Profit/loss on disposal of property, plant and equipment			5,561,588	(15,367,834)
Profit before working capital changes			683,032,479	844,636,121
Changes in working capital				
Increase/(decrease) in reinsurance receivables			(1,331,395,246)	87,633,005
Increase/(decrease) in insurance receivables and other assets			(311,980,419)	(131,942,520)
Increase/(decrease) in deferred expenses			(30,474,117)	(25,680,392)
Increase/(decrease) in insurance liabilities			2,267,060,226	593,202,906
Increase/(decrease) in other liabilities			396,971,213	(468,117,997)
Cash flows from operating activities			1,673,214,136	899,731,123
B. Increase in cash and cash equivalents				
Cash and cash equivalents	32	328	262,237,462	415,434,897
Bank overdraft	42	336	(135,010,020)	(98,094,193)
Net cash and cash equivalents as at 31 December			127,227,442	317,340,704
Less: Net cash and cash equivalents as at 01 January			317,340,704	342,129,951
Net increase/(decrease) in cash and cash equivalents during the period			(190,113,262)	(24,789,247)

The notes to the financial statements as set out on pages 293 to 360 form an integral part of these financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Reporting Entity

People's Insurance PLC is a public limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is situated at No. 07, Havelock Road, Colombo 05. Ordinary shares of the Company are listed on the Colombo Stock Exchange (CSE). The Company is registered under the Companies Act No. 07 of 2007 and regulated under the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto.

For more information, please refer page 389 of this Annual Report.

1.2 Parent Entity and Ultimate Parent Entity

The Company's parent entity is People's Leasing & Finance PLC. The Company's ultimate parent undertaking and controlling entity is People's Bank which is owned by the Government of Sri Lanka.

1.3 Principal Activity and Nature of Operations

The principal activity of the Company is carrying out Non-Life (general) insurance business for both individual and corporate customers. There were no significant changes in nature of the principal activities of the Company during the financial year under review.

1.4 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of these financial statements. The responsibilities of the Board of Directors in relation to the financial statements are set out in the Statement of Directors' Responsibility for Financial Reporting on pages 279 to 280 in this Annual Report.

1.5 Number of Employees

Staff strength of the Company as at 31 December 2025 is 649 (2024 - 655).

1.6 Approval of Financial Statements by the Board of Directors

The financial statements of the Company for the year ended 31 December 2025 were approved and authorised for issue on 20 February 2026 in accordance with the resolution of the Board of Directors on 20 February 2026.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The 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. 07 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto and Listing Rules of the CSE. The financial statements include the following components;

- a statement of profit or loss and statement of comprehensive income providing information on the financial performance of the Company for the year under review (pages 287 to 288);
- a statement of financial position providing information on the financial position of the Company as at the year end (page 289);
- a statement of changes in equity depicting all changes in shareholders' equity (page 290);
- a statement of cash flows providing information to the users on the ability of the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows (pages 291 to 292);

  and

- notes to the financial statements comprising accounting policies and other explanatory information (pages 293 to 360).

2.2 Basis of Measurement

The financial statements of the Company have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Item	Basis of Measurement	Note	Page
Insurance contract liabilities	Values are determined in accordance with internationally accepted actuarial principles	37	330
Employee defined benefit obligations	Actuarially valued and recognised at present value	38	333
Financial assets at fair value through profit or loss (FVTPL)	Fair value	27.1	321
Debt instruments measured at fair value through other comprehensive income (FVOCI)	Fair value	27.3	324

2.3 Presentation of Financial Statements

An alternative format has been used in presenting accounting policies to minimise the disclosure overload and clutter in the financial statements. The assets and liabilities of the Company in the statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. An analysis regarding recovery or settlement period is presented in Note 45 (Risk management framework – exposure to liquidity risk). No adjustments have been made for inflationary factors affecting the financial statements.

2.4 Financial Period

The financial statements are prepared to a financial year ended 31 December.

2.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by an accounting standards or interpretation.

2.6 Comparative Information

The presentation and classification of assets and liabilities in the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.) which is the functional currency of the Company.

2.8 Materiality and Aggregation

Each material class of similar items is presented separately. Items of dissimilar nature or functions are presented separately unless they are immaterial.

2.9 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the Company in conformity with SLFRS and LKAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Further, the management is also required to consider key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates. Accounting judgments, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key significant accounting judgments, estimates and assumptions involving uncertainty are discussed below whereas the respective carrying amounts of such assets and liabilities are given in related notes.

2.9.1 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 December 2025, based on available information, In addition to that, the management of the Company evaluated the resilience of the business considering a wide range of factors under multiple stress tested scenarios, relating to expected premium volumes, volatility of claims, expense management, profitability, ability to defer non-essential capital expenditure, reinsurance payment timelines, liquidity of the investment portfolio and the ability to continue providing services to ensure businesses continue as least impacted as possible.

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis. In determining the above significant management judgements, estimates and assumptions.

2.9.2 Assessment of Impairment

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The external credit grading model, which assigns probability of defaults (PDs) to the individual grade
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss (LTECL) basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

- Determination of associations between macroeconomic scenarios and, economic inputs, such as gross domestic product and the effect on PDs, exposure at default (EAD) and loss given defaults (LGD)
- Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models

2.9.3 Provisions for Liabilities and Contingencies

The Company receives legal claims against it in the normal course of business. The management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions.

2.9.4 Deferred Tax Assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available to the Company which can be utilised against such tax losses. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Details on deferred tax assets are disclosed in Note 26 on page 318 to the financial statements.

2.9.5 Valuation of Insurance Contract Liabilities

The estimates of insurance contracts have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported and claims incurred, but not enough reported (IBNR/IBNER) at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty. The main assumption underlying in estimating the amount of outstanding claims is the past claims development experience. Large claims are usually addressed separately, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios.

2.9.6 Employee Defined Benefit Obligation

Employee defined benefit obligations are determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increments, withdrawal rates and mortality rates. Due to the long-term nature and the valuation complexity, such estimates are subject to significant uncertainty. All assumptions are reviewed annually at each reporting date. In determining the discount rate, the management considers the interest rates of the Government of Sri Lanka treasury bonds with maturities corresponding to the expected duration of defined benefit obligation. Future expected inflation rates and salary increment rates of the Group are considered in determining the salary increases. Details of the key assumptions used by the Actuary and sensitivities there on the estimation are contained in Note 38 on page 333.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are explained in detail in respective notes to the financial statements. Those accounting policies presented with each note, have been applied consistently by the Company. Set out below is an index of the significant policies, the details of which are available on the pages that follow;

Significant Accounting Policies	Note	Page
Foreign currency transaction	3.1	296
Impairment of non-financial assets	3.2	296
Reversal of impairment of non-financial assets	3.3	296
Impairment of financial assets	3.4	296
Provisions	3.5	298
Statement of cash flow	3.6	298
Standards issued but not effective	4	298
Operating segments	5	300
Revenue	6	303
Gross written premium	7	303
Change in reserve for unearned insurance premium	8	303
Premium ceded to reinsurers	9	304
Change in reserve for unearned reinsurance premium	10	304
Fee income	11	304
Net claims	12	305
Underwriting and net acquisition costs	13	308
Other operating and administrative expenses	14	309
Finance cost	15	309
Interest and dividend income	16	310
Net fair value gains/(losses)	17	310
Other income	18	311
Profit before tax	19	311
Income tax expense	20	311
Basic earnings per share (EPS)	21	313

Significant Accounting Policies	Note	Page
Dividends	22	313
Intangible assets	23	313
Property, plant and equipment	24	314
Lease and Right of use assets	25	316
Deferred tax asset	26	318
Financial investments	27	320
Reinsurance receivables	28	325
Insurance receivables	29	326
Deferred expenses/ income	30	327
Other assets	31	328
Fair value reserve	35	329
Other reserves	36	330
Insurance contract liabilities	37	330
Employee defined benefit obligations	38	333
Other liabilities	39	335
Reinsurance payables	40	336
Income tax payable	41	336
Accounting classification and fair value	44	337
Event after the reporting date	48	359
Capital commitments and contingencies	49	359

Other significant accounting policies which have been applied commonly by the Company are as follows;

3.1 Foreign Currency Transaction

The Company's financial statements are presented in Sri Lankan Rupees which is also the Company's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.2 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed, only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

3.3 Reversal of Impairment of Non-Financial Assets

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

3.4 Impairment of Financial Assets

3.4.1 Overview of the ECL Principles

Based on forward-looking impairment approach, the Company has been recording the allowance for expected credit losses for all insurance receivables and other debt financial assets not held at FVTPL in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.4.2. The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 45.D. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in

Note. 45.D.i. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 45.D.i. based on the above process, the Company groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When financial instruments are first recognised, the Company recognises an allowance based on 12mECLs.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 financial instrument also include instruments, where the credit risk has improved and the instrument has been reclassified from Stage 3.

Stage 3: Financial instruments considered credit-impaired (as outlined in Note 45.D.i). The Company records an allowance for the LTECLs.

3.4.2 The Calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- **PD -** The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 45.D.e.
- **EAD -** The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD -** The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the counterparty would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. LGD is further explained in Note 45.D.e. When estimating ECLs, the Company considers three scenarios (a base case, good and bad). Each of these is associated with different PDs, EADs and LGD as set out in Note 45.D.i when relevant, the assessment of multiple scenarios also incorporates how defaulted financial instruments are expected to be recovered, including the probability that the instrument will cure and the value of collateral or the amount that might be received for selling the asset.
- **Definition of Default -** The Company defines default and classification as Stage 3 (credit-impaired) for ECL calculations for collective purpose when receivables are overdue by more than 150 days for non-government businesses and 300 days for government businesses.

3.4.3 The Mechanics of the ECL Method

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original effective interest rate (EIR). This calculation is made for each of the three scenarios, as explained above.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired (as defined in Note 45.D.i), the Company recognises the lifetime expected credit losses for these financial instruments. The method is similar to that for stage 2 assets, with the PD set at 100%.

3.4.4 Forward Looking Information

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, the Company occasionally applies qualitative adjustments, or overlays, as temporary measures when differences between model outputs and actual market conditions are considered materially significant.

3.4.5 Impairment of Debt Instruments Measured at Fair Value Through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount with a corresponding charge to the statement of profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon de-recognition of the assets.

3.5 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.6 Statement of Cash Flows

The statement of cash flows has been prepared using the direct method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) - 7, Cash Flow Statements. Interest and dividends received are classified as investing cash flows. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

4.1 SLFRS 17 - Insurance Contracts

Scope

SLFRS 17 applies to all types of insurance contracts including life, non life, direct insurance, and reinsurance regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features. However, a limited number of scope exceptions apply.

Key Requirements

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

The core of SLFRS 17 is the general measurement model, supported by:

- The Variable Fee Approach (VFA): an adaptation for contracts with direct participation features.
- The Premium Allocation Approach (PAA): a simplified method primarily intended for short-duration contracts.

The key features of SLFRS 17's insurance contract accounting model include:

- Fulfilment Cash Flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.
- Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.
- CSM Adjustments: Certain changes in expected future cash flows are offset against the CSM and recognised in profit or loss over the remaining coverage period.
- Discount Rate Effects: Changes in discount rates are recognised either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice.

- Revenue and Expense Presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period.
- Non-Distinct Investment Components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.
- Separate Presentation of Results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense.
- Reinsurance Loss Recovery Component: A loss recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.
- Balance Sheet Presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- Enhanced Disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 01 January 2026, with comparative figures required.

Estimated impact of the adoption of SLFRS 17

The Company has assessed the estimated impact of the initial application of SLFRS 17 on its financial statements, and the results are summarized in below.

Based on work performed to date, the Company expects the most significant financial statement impact to arise from the discounting of incurred claims liabilities and the introduction of explicit risk adjustments. The quantitative impact of initial application, including the effect on retained earnings at the date of transition, is currently being finalised and will be disclosed in the 2026 financial statements in accordance with LKAS 8.

Statement of Alternative Treatment (SoAT) on the figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting.

The SoAT provides temporary conditional reliefs for the first, second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements.

We will apply the provisions in the Statement of Alternative Treatment when preparing interim financial statements under LKAS 34 in 2026.

4.2 SLFRS 18 - Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 01 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

4.3 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 01 January 2026. Early application is permitted.

4.4 SLFRS 19 – Subsidiaries without Public Accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 01 January 2027. Early application is permitted.

4.5 Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

5. OPERATING SEGMENTS

Basis of Segmentation

Operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

For the management purposes, the Company has mainly classified overall business in to motor and non-motor segments and non-motor segment has been further classified in to three main segments based on their products and services.

The segmental information reported below is used by the chief operating decision maker for the allocation of resources and assessment of performance.

Reportable segments	Details of operating segments
Motor insurance	Provides cover for motor vehicles against loss or damage caused by accidents, fire, theft and legal liability to third parties in the event of physical injuries or property damage
Marine insurance	Provides the insured with indemnity and financial protection for loss of or damage to cargo during transit
Fire insurance	Provides property cover for damage and losses caused by fire another incidents as applicable to property
Miscellaneous insurance	Provides cover for variety of risks mainly for personal accident and other general insurance which are not categorised under other segments

Segment Results - 2025

Description	Note	Operating segments				Total
		Motor	Fire	Marine	Miscellaneous	Rs.
Gross written premium	7	6,610,834,757	766,640,921	72,506,210	917,406,819	8,367,388,707
Change in reserves for unearned insurance premium	8	(1,085,541,602)	(55,849,849)	(11,539,007)	(35,143,715)	(1,188,074,173)
Gross earned premium		5,525,293,155	710,791,072	60,967,203	882,263,104	7,179,314,534
Premium ceded to reinsurers	9	(1,696,501,222)	(680,046,441)	(52,873,895)	(445,832,854)	(2,875,254,412)
Change in reserves for unearned reinsurance premium	10	282,213,287	42,226,314	9,123,545	(21,757,029)	311,806,117
Net earned premium		4,111,005,220	72,970,945	17,216,853	414,673,221	4,615,866,239
Fee income	11	135,115,392	7,381,626	880,213	4,960,026	148,337,257
Net claims	12	(2,861,826,368)	(32,126,547)	7,067,687	(278,009,749)	(3,164,894,977)
Underwriting and net acquisition costs	13	(288,052,846)	64,913,197	32,763	14,514,140	(208,592,746)
Underwriting results before other operating and administrative expenses		1,096,241,398	113,139,221	25,197,516	156,137,638	1,390,715,773
Other operating and administrative expenses and finance cost						(2,024,600,276)
Underwriting results						(633,884,503)
Investment income						1,032,277,484
Net fair value gain/(losses)						74,874,209
Other income						(547,667)
Profit before tax						472,719,523
Income tax						(117,471,364)
Profit after tax						355,248,159

Segment Results - 2024

Description	Note	Operating Segments				Total
		Motor	Fire	Marine	Miscellaneous	Rs.
Gross written premium	7	4,659,766,863	667,221,105	59,092,321	863,214,824	6,249,295,113
Change in reserves for unearned insurance premium	8	(250,254,428)	(38,041,879)	3,032,930	(171,902,704)	(457,166,081)
Gross earned premium		4,409,512,435	629,179,226	62,125,251	691,312,120	5,792,129,032
Premium ceded to reinsurers	9	(262,402,235)	(527,493,317)	(43,039,233)	(412,995,923)	(1,245,930,708)
Change in reserves for unearned reinsurance premium	10	56,305,889	28,021,554	(440,139)	83,141,683	167,028,987
Net earned premium		4,203,416,089	129,707,463	18,645,879	361,457,880	4,713,227,311
Fee income	11	87,771,644	6,281,966	579,096	4,255,154	98,887,860
Net claims	12	(2,806,418,166)	(56,733,138)	(15,995,596)	(250,560,891)	(3,129,707,791)
Underwriting and net acquisition costs	13	(533,042,708)	41,415,973	(2,850,820)	3,931,242	(490,546,313)
Underwriting results before other operating and administrative expenses		951,726,859	120,672,264	378,559	119,083,385	1,191,861,067
Other operating and administrative expenses and finance cost						(1,705,220,195)
Underwriting results						(513,359,128)
Investment income						1,178,784,913
Net fair value gain/(losses)						18,064,535
Other income						18,125,225
Profit before tax						701,615,545
Income tax						(272,194,138)
Profit after tax						429,421,407

6. REVENUE

Accounting policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Net earned premium	4,615,866,239	4,713,227,311
Other revenue	1,106,604,026	1,214,974,673
	5,722,470,265	5,928,201,984

7. GROSS WRITTEN PREMIUM

Accounting policy

Gross written premium (GWP) represents the premium charged by the Company to underwrite risks and accounted on accrual basis. Gross written premium comprises the total premiums received/receivable for the whole period of cover provided by contracts entered into during the accounting period and is recognised on the date on which the policy commences.

Premium income for the year by major classes of business are as follows;

For the year ended	31.12.2025			31.12.2024		
	Basic Rs.	*SRCC/TC Rs.	Total Rs.	Basic Rs.	*SRCC/TC Rs.	Total Rs.
Motor	5,071,169,158	1,539,665,599	6,610,834,757	3,641,551,064	1,018,215,799	4,659,766,863
Fire	410,701,560	355,939,361	766,640,921	374,491,202	292,729,903	667,221,105
Marine	71,942,952	563,258	72,506,210	57,582,361	1,509,960	59,092,321
Miscellaneous	900,707,495	16,699,324	917,406,819	850,439,702	12,775,122	863,214,824
	6,454,521,165	1,912,867,542	8,367,388,707	4,924,064,329	1,325,230,784	6,249,295,113

*SRCC/TC - Strike, Riot and Civil Commotion Cover and Terrorism Cover; both ceded to the SRCC and TC Fund.

8. CHANGE IN RESERVE FOR UNEARNED INSURANCE PREMIUM

Accounting policy

Unearned premium reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage. Unearned premium is calculated on the 365 basis. Change in reserve for unearned insurance premium represents the net portion of the GWP transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

The significant increase in the unearned premium reserve is mainly due to increased business activity at the latter part of the financial year and overall business growth.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Class-wise		
Motor	(1,085,541,602)	(250,254,428)
Fire	(55,849,849)	(38,041,879)
Marine	(11,539,007)	3,032,930
Miscellaneous	(35,143,715)	(171,902,704)
	(1,188,074,173)	(457,166,081)

9. PREMIUM CEDED TO REINSURERS

Accounting policy

Gross reinsurance premium written comprises the total reinsurance premium payable for the whole cover provided by contracts entered into the period and is recognised on the date on which the policy commences. Premium includes any adjustments arising in the accounting period in respect of reinsurance contracts commencing in prior accounting periods.

The significant increase in premium ceded to reinsurers is mainly due to the 100% cession of motor SRCC and TC premiums to the National Insurance Trust Fund (NITF), in line with regulatory requirements and the growth in the underlying motor insurance portfolio.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Class-wise		
Motor	(1,696,501,222)	(262,402,235)
Fire	(680,046,441)	(527,493,317)
Marine	(52,873,895)	(43,039,233)
Miscellaneous	(445,832,854)	(412,995,923)
	(2,875,254,412)	(1,245,930,708)
Payee-wise		
Local Insurance		
- National Insurance Trust Fund	(199,585,176)	(101,449,584)
- Strike, Riot, Civil Commotion and Terrorism Cover	(1,879,538,213)	(494,241,462)
Foreign reinsurers	(796,131,023)	(650,239,662)
	(2,875,254,412)	(1,245,930,708)

10. CHANGE IN RESERVE FOR UNEARNED REINSURANCE PREMIUM

Accounting policy

Unearned reinsurance premium is the proportion of premium written in a year that relates to periods of risk after the reporting date. Unearned reinsurance premium is deferred over the term of the underlying direct insurance policies. Change in reserve for unearned reinsurance premium represents the net portion of the reinsurance premium transferred to the unearned reinsurance premium reserve during the year to cover the unexpired period of the policies.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Class-wise		
Motor	282,213,287	56,305,889
Fire	42,226,314	28,021,554
Marine	9,123,545	(440,139)
Miscellaneous	(21,757,029)	83,141,683
	311,806,117	167,028,987

11. FEE INCOME

Accounting policy

Policyholders are charged for policy administration service and other contract fees. Any fee and commission income from services are recognised when the performance obligations are satisfied over time as per SLFRS 15.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Policy fees	123,117,341	79,199,465
Administration fees	25,219,916	19,688,395
	148,337,257	98,887,860

12. NET CLAIMS

Accounting policy

Recognition of Gross Claims

Gross claims for Non-Life insurance include all claims occurring during the year, whether reported or not, related external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims.

Claims expenses and liabilities for outstanding claims are recognised in respect of direct insurance 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. The provision in respect of IBNR is actuarially valued on a quarterly basis to ensure a more realistic estimation of the future liability based on past experience and trends.

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 adjustment to the amounts provided. Such amounts are reflected in the financial statements for that period. The methods used and the estimates made are reviewed regularly.

Recognition of Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

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.

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Claims paid	12.1	(3,503,553,807)	(3,000,752,706)
Claims recovered from reinsurers	12.2	246,841,655	263,726,023
Net change in contract liabilities	12.3	91,817,175	(392,681,108)
		(3,164,894,977)	(3,129,707,791)

12.1 Claims Paid

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Class-wise		
Motor	(3,035,360,541)	(2,568,914,570)
Fire	(68,175,371)	(98,495,512)
Marine	(14,958,176)	(8,370,172)
Miscellaneous	(385,059,719)	(324,972,452)
	(3,503,553,807)	(3,000,752,706)

12.2 Claims Recovered From Reinsurers

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Class-wise		
Motor	58,764,153	91,272,631
Fire	56,377,979	64,415,023
Marine	8,550,127	3,036,644
Miscellaneous	123,149,396	105,001,725
	246,841,655	263,726,023

12.3 Net Change in Contract Liabilities

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Gross change in insurance claims outstanding	12.3.1	(1,390,819,365)	(305,048,103)
Change in reinsurance recoverable on claims outstanding	12.3.2	1,482,636,540	(87,633,005)
		91,817,175	(392,681,108)

12.3.1 Gross Change in Insurance Claims Outstanding

For the year ended	31.12.2025		
	Change in gross claims outstanding Rs.	Change in provision for IBNR Rs.	Total Rs.
Class-wise			
Motor	(241,574,486)	(220,328)	(241,794,814)
Fire	(983,607,830)	(161,528,870)	(1,145,136,700)
Marine	12,951,273	(711,549)	12,239,724
Miscellaneous	(27,282,767)	11,155,192	(16,127,575)
	(1,239,513,810)	(151,305,555)	(1,390,819,365)

12.3.1 Gross Change in Insurance Claims Outstanding

For the year ended	31.12.2024		
	Change in gross claims outstanding Rs.	Change in provision for IBNR Rs.	Total Rs.
Class-wise			
Motor	(256,776,323)	28,602,371	(228,173,952)
Fire	(27,853,341)	(5,129,269)	(32,982,610)
Marine	(21,849,468)	1,578,291	(20,271,177)
Miscellaneous	(15,164,453)	(8,455,911)	(23,620,364)
	(321,643,585)	16,595,482	(305,048,103)

12.3.2 Change in Reinsurance Recoverable on Claims Outstanding

The significant increase in reinsurance recoverable on outstanding claims is mainly due to the recognition of the reinsurers' share of claim reserves relating to the cyclone Ditwah claim, in accordance with the applicable reinsurance arrangements.

For the year ended	31.12.2025		
	Change in reinsurance recovery on claims outstanding	Change in reinsurance recovery on provision for IBNR	Total
	Rs.	Rs.	Rs.
Class-wise			
Motor	321,641,422	34,923,412	356,564,834
Fire	966,590,912	158,216,633	1,124,807,545
Marine	(183,098)	1,419,110	1,236,012
Miscellaneous	9,797,971	(9,769,822)	28,149
	1,297,847,207	184,789,333	1,482,636,540

For the year ended	31.12.2024		
	Change in reinsurance recovery on claims outstanding	Change in reinsurance recovery on provision for IBNR	Total
	Rs.	Rs.	Rs.
Class-wise			
Motor	(84,743,772)	(15,858,503)	(100,602,275)
Fire	9,181,724	1,148,237	10,329,961
Marine	11,128,693	(1,519,584)	9,609,109
Miscellaneous	(13,983,240)	7,013,440	(6,969,800)
	(78,416,595)	(9,216,410)	(87,633,005)

13. UNDERWRITING AND NET ACQUISITION COSTS

Accounting policy

Recognition of Underwriting and Deferred Acquisition Costs

Acquisition expenses, 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.

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Acquisition cost	13.1	(932,628,307)	(630,853,209)
Change in deferred acquisition cost		135,393,382	32,159,113
		(797,234,925)	(598,694,096)
Reinsurance commission	13.1	693,561,532	114,626,592
Change in unearned commission reserve		(104,919,353)	(6,478,809)
		588,642,179	108,147,783
		(208,592,746)	(490,546,313)

13.1 Acquisition and Reinsurance Commission

For the year ended	31.12.2025				
	Acquisition cost Rs.	Change in deferred acquisition cost Rs.	Reinsurance commission Rs.	Change in unearned reinsurance commission Rs.	Total Rs.
Class-wise					
Motor	(844,514,959)	124,562,301	527,753,327	(95,853,515)	(288,052,846)
Fire	(61,110,469)	4,778,309	132,091,304	(10,845,947)	64,913,197
Marine	(11,084,870)	1,871,987	10,071,197	(825,551)	32,763
Miscellaneous	(15,918,009)	4,180,785	23,645,704	2,605,660	14,514,140
	(932,628,307)	135,393,382	693,561,532	(104,919,353)	(208,592,746)

For the year ended	31.12.2024				
	Acquisition cost Rs.	Change in deferred acquisition cost Rs.	Reinsurance commission Rs.	Change in unearned reinsurance commission Rs.	Total Rs.
Class-wise					
Motor	(552,263,231)	23,082,796	(14,762,661)	10,900,388	(533,042,708)
Fire	(56,001,270)	5,361,470	99,304,126	(7,248,353)	41,415,973
Marine	(10,208,025)	(32,908)	8,774,597	(1,384,484)	(2,850,820)
Miscellaneous	(12,380,683)	3,747,755	21,310,530	(8,746,360)	3,931,242
	(630,853,209)	32,159,113	114,626,592	(6,478,809)	(490,546,313)

14. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Accounting policy

Other operating and administrative expenses are recognised on accrual basis. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment are charged to the statement of profit or loss.

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Staff expenses	14.1	(1,099,707,725)	(907,337,922)
Administrative expenses		(718,859,891)	(644,389,455)
Amortisation and depreciation		(138,543,909)	(115,898,452)
Impairment (charge)/ reversal		(2,472,773)	26,033,913
		(1,959,584,298)	(1,641,591,916)

14.1 Staff Expenses

GRI: 201 -3

Accounting policy

Short-Term Employee 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 or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company recognises the changes in the defined benefit obligations under staff expenses in the statement of profit or loss.

(a) current service cost

(b) interest cost

For more details please refer Note 38 on defined benefit obligations.

Defined Contribution Plans

A defined contribution plan is a post employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to the Employees' Provident Fund (EPF) under the Employees' Provident Fund Act No. 15 of 1958 as amended and Employees' Trust Fund under the Employees' Trust Fund Act No. 46 of 1980, covering all employees are recognised as an employee benefit expense in the statement of profit or loss when they are due. The Company contributes 12% and 3% of gross emoluments of employees' as employees' provident fund and trust fund contributions respectively.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Wages and salaries	(638,546,991)	(538,022,870)
Staff benefit expenses	(364,665,572)	(285,694,047)
Contributions made to the EPF	(59,347,237)	(50,562,049)
Contributions made to the ETF	(14,836,809)	(12,640,513)
Defined benefit plan expenses	(22,311,116)	(20,418,443)
	(1,099,707,725)	(907,337,922)

15. FINANCE COST

Accounting policy

Finance costs comprise interest expense on lease liability and recorded as it accrues using the effective interest rate (EIR) method. Accrued interest included within the carrying value of the interest bearing financial liability.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Finance expenses	12,143,014	2,002,558
Interest expense on vehicle	3,045,569	-
Interest expense on lease liability	49,827,395	61,625,721
	65,015,978	63,628,279

16. INTEREST AND DIVIDEND INCOME

Accounting policy

Interest income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the effective interest rate method. Under SLFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI are also recorded by using the EIR method under SLFRS 9. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Dividend Income

Dividend income is recognised when the right to receive the dividend is established.

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Interest income	16.1	1,032,277,484	1,178,784,913
		1,032,277,484	1,178,784,913

16.1 Interest Income

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Interest income from FVOCI investment		
- Treasury bonds	45,313,323	113,997,941
Debt instrument at amortised cost		
- Treasury bills	315,899,458	470,041,563
- Debentures	77,870,256	146,545,343
- Fixed deposits	532,690,125	393,946,255
- Repurchase agreements	14,142,470	857,534
- Staff loans	23,648,958	17,047,530
- Savings and rent deposits	22,712,894	36,348,747
	1,032,277,484	1,178,784,913

17. NET FAIR VALUE GAINS / (LOSSES)

Accounting policy

Net fair value gains recorded in the statement of profit or loss on investment include fair value gains/(losses) on financial assets at FVTPL.

For the year ended		31.12.2025 Rs.	31.12.2024 Rs.
Unit trust	- realised	61,427,494	3,544,272
	- unrealised	13,446,715	14,520,263
		74,874,209	18,064,535

18. OTHER INCOME

Accounting policy

Other income includes disposal gains/(losses) on property, plant and equipment. Profit or loss on sale of property, plant and equipment is recognised in the period in which the sale occurs and is classified under other income.

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Miscellaneous income	5,013,921	2,757,391
Disposal gain/(losses)	(5,561,588)	15,367,834
	(547,667)	18,125,225

19. PROFIT BEFORE TAX

The profit before tax for the year is stated after charging following expenses;

For the year ended		Note	31.12.2025 Rs.	31.12.2024 Rs.
Auditors' remuneration	- statutory audit services		4,879,580	3,590,869
	- other services		12,438,159	7,118,647
Amortisation of intangible assets		23	4,928,042	5,049,191
Depreciation of property, plant and equipment		24	46,146,484	26,561,795
Depreciation of ROU		25	87,469,363	84,287,468
Director's emoluments			12,212,700	17,201,115

20. INCOME TAX EXPENSE

Accounting policy

Recognition of income tax expenses

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, when it is recognised in equity.

Major components of income tax expense are as follows;

20.1 Tax Recognised in Statement of Profit or Loss

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Current income tax	(147,574,758)	(239,175,482)
Income tax on current year's profits	20,734,010	(18,232,107)
Over/(under) provision for income tax in respect of previous year	(126,840,748)	(257,407,589)

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Deferred tax			
Reversal/(charge) of deferred tax liability	26.3	(535,450)	(19,599,670)
Origination of deferred tax asset	26.3	9,904,834	4,813,121
Deferred taxation charge/(reversal)		9,369,384	(14,786,549)
Income tax expense		(117,471,364)	(272,194,138)

20.2 Tax recognised in Statement of Comprehensive Income

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.
Change in deferred tax asset due to actuarial loss	26.3	2,298,097	2,811,059
Change in deferred tax asset due to fair value gains	26.3	7,585,447	7,914,713
		9,883,544	10,725,772

20.3 Reconciliation of Effective Tax Rate

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Profit for the year	355,248,159	429,421,407
Income tax expense	126,840,748	257,407,589
Deferred taxation	(9,369,384)	14,786,549
Profit before income tax	472,719,523	701,615,545
At the statutory income tax rate of 30% (2024 - 30%)		
Income exempt from income tax	(34,131,406)	(16,792,985)
Aggregate allowable expenses	(199,683,044)	(149,333,007)
Aggregate disallowable expenses	253,010,783	277,129,888
Non-Taxable Income	-	(15,367,834)
	491,915,856	797,251,607
Statutory tax rate of 30% (2024 - 30%)	(147,574,758)	(239,175,482)
Tax at applicable rate	(147,574,758)	(239,175,482)
Deferred taxation reversal	9,369,384	(14,786,549)
Over/(under) provision for income tax in respect of previous year	20,734,010	(18,232,107)
Income tax expense	(117,471,364)	(272,194,138)

20.4 Income Tax Rate

Current tax is the expected tax payable on the taxable income for the year using tax rate enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of previous year. Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of the previous period. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

As per the Inland Revenue (Amendment) Act No. 45 of 2022, income tax and deferred tax were calculated at the rate of 30%.

21. BASIC EARNING PER SHARE (EPS)

Accounting policy

Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees.

For the year ended	31.12.2025	31.12.2024
Profit for the year (Rs.)	355,248,159	429,421,407
Weighted average number of shares (Re-stated 2024)	203,632,478	203,632,478
Basic earnings per share (Rs.)	1.74	2.11

Number of shares	31.12.2025	31.12.2024
As at 01 January	203,632,478	200,000,000
Shares issued during the year	-	3,632,478
As at 31 December	203,632,478	203,632,478

21.1 Diluted Earnings Per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as the basic earnings per share stated above.

22. DIVIDENDS

As at	31.12.2025 Rs.	31.12.2024 Rs.
Scrip dividend paid	-	85,000,000
Dividend per Ordinary share	-	0.5

23. INTANGIBLE ASSETS

Accounting policy

The Company's intangible assets include the value of acquired computer software.

Basis of Recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Software acquired by the Company is initially measured at cost and subsequently stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Intangible assets are amortised on a straight-line basis over the period of services to be rendered. Amortisation is recorded in the statement of profit or loss.

Intangible assets with finite lives are amortised over the useful economic life. 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 they are treated as changes in accounting estimates.

Amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows;

Asset class	Useful life	Amortisation method
Computer software	5 years	Straight-line method

De-recognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from it. The gain or loss arising from the de-recognition of such intangible assets is included in the statement of profit or loss when the item is derecognised.

Impairment

An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the statement of profit or loss. Future servicing rights are also considered in establishing an onerous contract provision for each reporting period.

	Software Rs.
Cost	
As at 01 January 2024	87,593,833
Additions during the year	9,085,215
As at 31 December 2024	96,679,048
Additions during the year	8,135,915
As at 31 December 2025	104,814,963
Accumulated amortisation	
As at 01 January 2024	75,846,139
Amortisation during the year	5,049,191
As at 31 December 2024	80,895,330
Amortisation during the year	4,928,042
As at 31 December 2025	85,823,372
Carrying amount	
As at 31 December 2024	15,783,718
As at 31 December 2025	18,991,591

23.1 Fully Amortised Intangible Assets in use

Intangible assets also includes fully amortised assets which are still in use of normal business activities.

Initial cost of fully amortised intangible assets which are still in use as at the reporting date is as follows;

As at	31.12.2025 Rs.	31.12.2024 Rs.
Call handling software	3,881,100	3,881,100
General insurance system	60,000,000	60,000,000
HR Software	2,558,712	2,558,712
Software for Sales and MIS Portal	11,300,000	-
	77,739,812	66,439,812

23.2 Title restriction on Intangible Assets

No restrictions exist on the title of the intangible assets and no items pledged as securities for liabilities.

23.3 Acquisition of Intangible Assets during the Year

During the year Rs. 8,135,915 intangible assets purchased. (2024 - Rs. 9,085,215).

23.4 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of intangible assets during the year 31 December 2025 (2024 - Nil).

23.5 Assessment of Impairment of Intangible Assets

The Board of Directors has assessed the potential impairment indicators of intangible assets as at 31 December 2025. Based on the assessment, no impairment indicators were identified and therefore no impairment provision is required to be made in the financial statements as at the reporting date with respect of intangible assets.

24. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment (PPE) are tangible items that are held for servicing or for administrative purposes and are expected to be used for more than one year. Property, plant and equipment include computer hardware, office equipment, furniture and fittings and motor vehicles.

Basis of Recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably.

Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it. 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 at the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of computer equipment.

The Company applies the cost model to plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

Repairs and Maintenance

Repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred. Cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Depreciation charge begins when an assets is available for use. The estimated useful lives are as follows;

Asset Class	Useful life
Computer hardware	5 years
Office equipment	5 years
Furniture and fittings	5 years
Motor vehicles	5 years

De-recognition

Carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from it. Gain or loss arising from the de-recognition of an item of property, plant and equipment is included in the statement of profit or loss when the item is de-recognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is de-recognised. At each such capitalisation, the remaining carrying amount of the previous cost of inspection is de-recognised.

	Computer hardware Rs.	Office equipment Rs.	Furniture and fittings Rs.	Motor vehicles Rs.	Total Rs.
Cost					
As at 01 January 2024	75,851,790	106,193,764	59,643,078	32,256,264	273,944,896
Additions during the year	46,362,500	16,913,178	4,515,026	26,412,680	94,203,384
Disposals during the year	-	607,162	59,857	17,600,000	18,267,019
As at 31 December 2024	122,214,290	122,499,780	64,098,247	41,068,944	349,881,261
Additions during the year	18,150,000	22,366,975	1,146,895	44,614,950	86,278,820
Disposals during the year	9,938,608	3,912,838	-	32,800,000	46,651,446
As at 31 December 2025	130,425,682	140,953,917	65,245,142	52,883,894	389,508,635
Accumulated depreciation					
As at 01 January 2024	67,252,604	79,848,904	53,660,166	18,329,734	219,091,408
Depreciation during the year	5,820,767	11,570,008	3,101,411	6,069,609	26,561,795
Disposals during the year	-	572,130	47,686	17,600,000	18,219,816
As at 31 December 2024	73,073,371	90,846,782	56,713,891	6,799,343	227,433,387
Depreciation during the year	14,402,993	13,791,091	3,127,209	14,825,191	46,146,484
Disposals during the year	9,938,608	3,912,838	-	4,920,000	18,771,446
As at 31 December 2025	77,537,756	100,725,035	59,841,100	16,704,534	254,808,425
Carrying amount					
As at 31 December 2024	49,140,919	31,652,998	7,384,356	34,269,601	122,447,874
As at 31 December 2025	52,887,926	40,228,882	5,404,042	36,179,360	134,700,210

24.1 Fully Depreciated Property, Plant and Equipment in use

Property, plant and equipment also includes fully depreciated assets which are in the use of normal business activities. Initial cost of fully depreciated property, plant and equipment which are still in use as at the reporting date is as follows:

As at	31.12.2025 Rs.	31.12.2024 Rs.
Motor vehicle	404,200	404,200
Computer hardware	53,873,182	58,451,790
Office equipment	70,857,128	59,085,614
Furniture and fittings	53,013,342	47,670,118
	178,147,852	165,611,722

24.2 Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of property, plant and equipment of the Company as at the reporting date.

24.3 Acquisition of Property, Plant and Equipment during the Year

During the financial year, the Company acquired property, plant and equipment amounting to Rs. 86,278,820 (2024 - Rs. 94,203,384). Cash payments amounting to Rs. 74,463,871 (2024 - Rs. 94,203,384) were made during the year to purchase property plant and equipment.

24.4 Property, Plant and Equipment Pledged as Security for Liabilities

There were no items of property, plant and equipment pledged as securities for liabilities as at 31 December 2025 (2024 - Nil).

24.5 Capitalisation of Borrowing Cost

There were no capitalised borrowing costs relating to the acquisition of property, plant and equipment as at 31 December 2025 (2024 - Nil).

24.6 Temporarily Idle Property, Plant and Equipment

There were no temporarily idle property, plant and equipment as at 31 December 2025 (2024 - Nil).

24.7 Assessment of Impairment of Property, Plant and Equipment

The Board of Directors has assessed the potential impairment indicators of property, plant and equipment as at 31 December 2025. Based on the assessment, no impairment indicators were identified and therefore no impairment provision is required to be made in the financial statements as at the reporting date in respect of property, plant and equipment.

24.8 Amount of Contractual Commitments for the Acquisition of Property, Plant and Equipment

There are no contractual commitments for the acquisition of property, plant and equipment as at the reporting date.

24.9 Capital Work-In-Progress

During the financial year Capital work-in-progress amounting to Rs. 11,814,950 (2024 - Nil).

25. LEASE AND RIGHT OF USE ASSETS

Accounting policy

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

25.1 Right-of-Use Assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option if applicable. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Building		
Balance as at 01 January	217,153,747	269,910,053
Depreciation charged for the year	(87,469,363)	(84,287,468)
Additions to right-of-use assets	38,080,848	33,770,932
De-recognition of right-of-use assets	(6,961,309)	(2,239,770)
Balance as at 31 December	160,803,923	217,153,747

25.2 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities both in 'Right of use assets' in the statement of financial position.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance recognised as at 01 January	264,383,135	303,432,409
New lease agreements	38,080,848	33,770,932
Interest on lease liabilities	49,827,395	61,625,721
De-recognision of lease liabilities	(6,911,309)	(2,174,260)
Payments - Capital	(87,644,684)	(70,645,946)
- Interest	(49,827,395)	(61,625,721)
Balance as at 31 December	207,907,990	264,383,135

Maturity Analysis – Contractual Discounted Cash Flows

As at	31.12.2025 Rs.	31.12.2024 Rs.
Within one year	108,055,988	84,108,900
After one year but not more than three years	85,080,477	173,893,310
After three years but not more than five years	14,771,525	6,380,925
Total operating lease rentals payable	207,907,990	264,383,135

Maturity Analysis – Contractual Undiscounted Cash Flows

As at	31.12.2025 Rs.	31.12.2024 Rs.
Within one year	138,140,956	131,610,978
After one year but not more than three years	95,131,962	199,263,384
After three years but not more than five years	15,610,127	15,436,500
Total operating lease rentals payable	248,883,045	346,310,862

25.3 Amounts Recognised in Profit or Loss

As at	31.12.2025 Rs.	31.12.2024 Rs.
Interest on lease liabilities	49,827,395	61,625,721

25.4 Amounts Recognised in Statement of Cash Flows

As at	31.12.2025 Rs.	31.12.2024 Rs.
Interest paid on lease	49,827,395	61,625,721
Payment on lease liability	87,644,684	70,645,946
	137,472,079	132,271,667

25.5 Extension Options

Extension and termination options are included in the lease agreements of the Company. These are used to maximise operational flexibility in terms of managing the asset used in the Company's operations. The extension and termination options held are exercisable with the three months written consent by either party.

26. DEFERRED TAX ASSET

Accounting policy

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:

- 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.
- 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.

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 re-assessed 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 realised 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 the statement of profit or loss is recognised outside statement of profit or loss. 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.

Valuation of Deferred Tax Assets and Liabilities

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company establishes provisions based on the tax laws and interpretations.

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.
Deferred tax assets	26.1	53,765,628	45,779,370
Deferred tax liabilities	26.2	(26,960,689)	(38,227,359)
		26,804,939	7,552,011

26.1 Deferred Tax Asset

As at	Statement of financial position			
	31.12.2025		31.12.2024	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Employee benefits	109,458,385	32,837,515	84,753,613	25,426,082
Debtors impairment recognised in statement of profit or loss	60,946,873	18,284,062	58,474,099	17,542,230
Actuarial loss recognised in other comprehensive income	7,660,322	2,298,097	9,370,194	2,811,058
Fair value loss recognised in other comprehensive income	(1,153,179)	345,954	-	-
	176,912,401	53,765,628	152,597,906	45,779,370

26.2 Deferred Tax Liability

As at	Statement of financial position			
	31.12.2025		31.12.2024	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Property, plant and equipment	(39,846,641)	(11,953,992)	(55,055,396)	(16,516,619)
Fair value gains recognised in other comprehensive income	-	-	24,131,645	(7,239,493)
Assets-In-Use	(50,022,322)	(15,006,697)	(48,237,490)	(14,471,247)
	(89,868,963)	(26,960,689)	(79,161,241)	(38,227,359)
Recognised net deferred tax asset	87,043,438	26,804,939	73,436,665	7,552,011

26.3 Change in Deferred Tax Asset/Liability

For the year ended 31 December	Statement of profit or loss		Statement of other comprehensive income	
	2025	2024	2025	2024
	Change in deferred tax asset/(liability) Rs.	Change in deferred tax asset/(liability) Rs.	Change in deferred tax asset/(liability) Rs.	Change in deferred tax asset/(liability) Rs.
Deferred tax asset				
Employee benefits	4,600,373	4,813,121	-	-
Acturial loss	-	-	2,298,097	2,811,059
Fair value	-	-	7,585,447	7,914,713
Property, plant and equipment	4,562,629	-	-	-
Debtors impairment	741,832	-	-	-
	9,904,834	4,813,121	9,883,544	10,725,772
Deferred tax liability				
Property, plant and equipment	-	(7,837,716)	-	-
Assets-In-Use	(535,450)	(3,951,780)	-	-
Debtors impairment	-	(7,810,174)	-	-
Fair value	-	-	-	-
	(535,450)	(19,599,670)	-	-
	9,369,384	(14,786,549)	9,883,544	10,725,772

26.4 Reconciliation of Deferred Tax Asset

As at	2025 Rs.	2024 Rs.
Balance as at 01 January	7,552,011	11,612,788
Amounts recorded in the statement of profit or loss	9,369,384	(14,786,549)
Amounts recorded in other comprehensive income	9,883,544	10,725,772
Balance as at 31 December	26,804,939	7,552,011

27. FINANCIAL INVESTMENTS

Accounting policy

Recognition and Initial Measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in business model assessment and the SPPI test below. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the day one profit or loss as described below.

Measurement Categories of Financial Assets

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Fair value through profit or loss (FVTPL) as explained in Note 27.1
- Debt instruments at amortised cost as explained in Note 27.2
- Fair value through other comprehensive income (FVOCI) as explained in Note 27.3

De-recognition and Substantial Modification

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has both transferred the financial asset and the transfer qualifies for de-recognition.

Offsetting of Financial Investments

Financial assets and liabilities are offset and net amount is presented in the statement of financial position when and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's financial investments are summarised below based on measurement category.

Debt instruments at FVTPL and debt instruments at FVOCI have been valued at fair value. Debt instruments at amortised cost has been valued at amortised cost.

As at	Note	Carrying value		Fair value	
		31.12.2025 Rs.	31.12.2024 Rs.	31.12.2025 Rs.	31.12.2024 Rs.
Equity instrument at FVTPL	27.1	968,938,743	389,064,535	968,938,743	389,064,535
Debt instruments at amortised cost	27.2	10,527,126,749	9,174,297,805	10,815,547,592	9,644,334,621
Debt instruments at FVOCI	27.3	-	522,471,501	-	515,886,000
		11,496,065,492	10,085,833,841	11,784,486,335	10,549,285,156

27.1 Fair Value Through Profit or Loss (FVTPL)

Accounting policy

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. FVTPL assets are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised under 'Fair value gains/(losses)' in the statement of profit or loss. Dividend income is recorded in 'Interest and dividend income' when the right to payment has been established.

As at	Note	Carrying value		Fair value	
		31.12.2025 Rs.	31.12.2024 Rs.	31.12.2025 Rs.	31.12.2024 Rs.
Unit trusts	27.1.1	968,938,743	389,064,535	968,938,743	389,064,535

27.1.1 Unit Trust

As at	31.12.2025				31.12.2024			
	No of Units	Cost of the investment	Market value	Fair value gain /(loss)	No of Units	Cost of the investment	Market value	Fair value gain /(loss)
NDB Wealth Money Fund	2,296,042	76,604,441	86,941,920	3,604,441	3,686,642	123,000,000	129,524,635	6,524,635
Capital Allianace Investment Grade Fund	22,692,224	864,367,324	881,996,823	9,842,274	7,302,118	251,544,272	259,539,900	7,995,628
	24,988,266	940,971,765	968,938,743	13,446,715	10,988,760	374,544,272	389,064,535	14,520,263

27.2 Debt Instruments at Amortised Cost

Accounting policy

The Company only measures insurance receivables, reinsurance receivables and financial investments at amortised cost if both of the following conditions are met:

1. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below;

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI Test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is to be measured at FVTPL.

Impairment

The Company recognises loss allowances for ECL on assets subsequently measured at amortised cost. The Company measures loss allowance at an amount equal to lifetime ECL, except financial investments that are determined to have low credit risk at the reporting date. Refer Note 3.4 for further details on ECL policy.

As at	Notes	Carrying value		Fair value	
		31.12.2025 Rs.	31.12.2024 Rs.	31.12.2025 Rs.	31.12.2024 Rs.
Repurchase agreements	27.2.1	989,129,905	-	989,129,905	-
Staff loans	27.2.2	263,942,007	163,345,014	262,886,315	162,630,560
Rent deposits		62,967,430	48,005,414	62,967,430	48,005,414
Fixed deposits	27.2.3	6,030,993,879	2,633,592,286	6,413,912,595	3,207,155,569
Savings accounts		180,211,570	260,357,072	180,211,570	260,357,072
Treasury bills	27.2.4	2,156,648,663	5,098,323,815	2,159,429,777	5,090,786,042
Debentures	27.2.5	843,233,295	970,674,204	747,010,000	875,399,964
		10,527,126,749	9,174,297,805	10,815,547,592	9,644,334,621

27.2.1 Repurchase Agreements

The Company invests in reverse repurchase agreements (REPO) with People's Bank and Capital Alliance which are fully secured against the assigned government securities with ISIN numbers. No expected credit losses (ECL) are recognised for government securities since those are rated as risk free investments. Balance existed as at 31 December 2025 was Rs. 989,129,905 (2024 - NIL).

27.2.2 Staff Loans

The Company grants vehicle loans and supporting loans for the employees of the Company. Terms of the staff loans and interest rate prevailing for the staff loans as follows;

Loan category	Interest rate	Term
Vehicle loans	6%	8 years (maximum)
Supporting loans	-	3 years (maximum)

The carrying value of the staff loans has been computed based on the market interest rates which prevailed at the time of granting the loan and the fair value of the same has been computed based on the interest rates prevailed at the reporting date.

Impairment of Staff Loans

No expected credit losses (ECL) were recognised for staff loans since those are fully pledged with securities and ability of deducting from the salary.

27.2.3 Fixed Deposits

The Company has invested in fixed deposits on licensed commercial banks and registered finance companies during the period for a maximum term of 3 years. The interest rates for fixed deposits fluctuate between the range of 5% - 29.75% based on the tenures and the risk of institutions.

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.
Licensed commercial banks	27.2.3.1	3,728,525,649	1,578,827,394
Registered finance companies	27.2.3.2	2,302,478,928	1,054,775,590
		6,031,004,577	2,633,602,984
Less : Allowance for expected credit losses		(10,698)	(10,698)
		6,030,993,879	2,633,592,286

Total allowance for expected credit loss stemmed from 12 months ECL since all investments under this category are investment grade instruments.

27.2.3.1 Licensed Commercial Banks

As at	Carrying value	
	31.12.2025 Rs.	31.12.2024 Rs.
People's Bank	1,027,699,970	787,289,612
Other banks	2,700,825,679	791,537,782
	3,728,525,649	1,578,827,394

27.2.3.2 Registered Finance Companies

As at	Carrying value	
	31.12.2025 Rs.	31.12.2024 Rs.
People's Leasing & Finance PLC	2,038,463,335	1,004,063,736
Other finance companies	264,015,593	50,711,854
	2,302,478,928	1,054,775,590

27.2.4 Treasury Bills

The Company has invested in treasury bills through People's Bank. The treasury bill rates for the outstanding balances were in the range of between 8% - 9% .

27.2.5 Debentures

As at	Carrying value	
	31.12.2025 Rs.	31.12.2024 Rs.
Institution		
Listed debentures		
DFCC Bank PLC		
13.00% 844,500 debentures redeemable on 29.03.2025	-	92,705,657
10.25% 904,600 debentures redeemable on 21.11.2029	91,431,971	-
MTD Walkers PLC		
11.75% 254,624 debentures redeemable on 30.09.2019	26,954,137	26,954,137
LOLC Holdings PLC		
10.25% 3,000,000 debentures redeemable on 24.02.2026	325,958,035	325,984,660
Ceylon Electricity Board		
9.35% 4,000,000 debentures redeemable on 15.04.2026	426,300,783	426,297,074
Unlisted debentures		
DFCC Bank PLC		
11.00% 1,190,000 debentures redeemable on 12.06.2025	-	126,144,307
	870,644,926	998,085,835
Less : Allowance for expected credit losses	(27,411,631)	(27,411,631)
	843,233,295	970,674,204

Total allowance for expected credit loss stemmed from 12 months ECL and Lifetime ECL.

27.3 Fair Value Through Other Comprehensive Income (FVOCI)

Under SLFRS 9, debt instruments measured at FVOCI when both of the following conditions are met:

1. The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets

2. The contractual terms of the financial asset meet the SPPI test

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in statement of profit or loss in the same manner as for financial assets measured at amortised cost as explained in Note 3.4.5. ECL calculation for debt instruments at FVOCI is explained in Note 3.4.5. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to statement of profit or loss.

As at	Carrying value		Fair value	
	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2025 Rs.	31.12.2024 Rs.
Treasury bond	-	522,471,501	-	515,886,000

No expected credit losses (ECL) were recognised for government securities since those are rated as risk free investments.

27.4 Movement in Financial Investment

	Financial assets at FVTPL Rs.	Debt instruments at amortised cost Rs.	Debt instruments at FVOCI Rs.	Total Rs.
As at 01 January 2025	389,064,535	9,174,297,805	522,471,501	10,085,833,841
Purchases/accrued interest	1,663,446,715	25,204,612,481	25,284,824	26,893,344,020
Maturities/sales	(1,083,572,507)	(23,824,351,442)	(522,471,501)	(25,430,395,450)
Fair value gains recorded in statement of comprehensive income	-	-	(25,284,824)	(25,284,824)
Allowance for expected credit losses	-	(27,432,095)	-	(27,432,095)
As at 31 December 2025	968,938,743	10,527,126,749	-	11,496,065,492

27.5 Determination of Fair Value

Methodologies and assumptions used to determine fair value of the financial investments are disclosed in Note 44 to the financial statements.

27.6 Disclosure of Financial Risk

The Company's exposure to credit, currency and interest rate risks related to investments are disclosed in Note 45 to the financial statements.

27.7 Financial Investments Pledged as Security

The carrying value of financial assets pledged as security are disclosed in Note 47 to the financial statements.

28. REINSURANCE RECEIVABLE

Accounting policy

The Company cedes insurance risk to reinsurance in the normal course of business. Reinsurance receivables represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

According to the characteristics relating to reinsurance receivables, the instruments qualify the contractual cash flow characteristic test (SPPI test) as the return solely represent capital and interest. Even though there were no interest charge for reinsurance receivables, they satisfy the SPPI test as they are considered to be short term. Upon completion of the SPPI test, the management elected the business model of hold to collect the contractual cash flows and measure the instrument at amortised cost as these are short term in nature. Since these are short term balances without a financing component the amortised cost will be equal to carrying value.

Assessment of Impairment of Reinsurance Receivables

Reinsurance receivables of the Company are not qualified for ECL model based on SLFRS 4 - Insurance Contracts section 20, impairment losses will be recognised on reinsurance receivables, if and only if, there is an objective evidence, as a result that occurred after initial recognition of the reinsurance assets, that the Company may not receive all amounts due to it under the terms of the contract; and that evet has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Reinsurance receivables on outstanding claims as at 01 January	451,344,298	538,977,303
Reinsurance receivable on outstanding case reserve	1,297,847,207	(78,416,594)
Reinsurance receivable on IBNR cases	33,548,039	(9,216,411)
Reinsurance receivables on outstanding claims as at 31 December	1,782,739,544	451,344,298

As at	31.12.2025 Rs.	31.12.2024 Rs.
Payee-wise		
National Insurance Trust Fund	534,821,863	135,403,289
Foreign reinsurers	1,247,917,681	315,941,009
	1,782,739,544	451,344,298

28.1 Reinsurance Receivables on Outstanding Claims

This includes reinsurance reserve of claims that has not been paid yet.

28.2 Collateral Details

The Company does not hold collateral as security against potential default by reinsurance counter parties.

28.3 Fair Value of Reinsurance Receivables

The carrying value of reinsurance receivables approximates the fair value at the reporting date.

28.4 Risk Management

Please refer Note 45.D for risk management measures taken relating to reinsurance.

29. INSURANCE RECEIVABLES

Accounting policy

Insurance receivables satisfy the contractual cash flow characteristic test (SPPI test) as the return solely represent capital and interest. Even though there were no interest charge for insurance receivables, they satisfy the SPPI test as they are considered to be short term. Upon completion of the SPPI test, management elected the business model of hold to collect the contractual cash flows and measure the instrument at amortised cost as these are short term in nature. Since these are short term balances without a financing component, amortised cost will be equal to carrying value. Based on the three stages; performing (stage 1), under-performing (stage 2), non-performing (stage 3), the Company provides ECL on 12 months ECL and lifetime ECL weighted among several scenarios.

De-recognition due to Substantial Modification of Terms and Conditions

The Company de-recognises premium receivables, when the terms and conditions have been re-negotiated to the extent that, substantially, it becomes a new insurance contract, with the difference recognised as a separate asset or liability. The newly recognised insurance contracts are classified as stage 1 for ECL measurement purposes.

When assessing whether or not to de-recognise a insurance premium receivable, amongst others, the Company considers the following factors:

- Loss of insurable interest
- Change in counterparty

Assessment of Impairment of Insurance Receivables

The Company assessed the impairment provision based on the ECL method. The analysis of the impairment provision under three categories is provided below.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Opening balance	1,364,271,636	1,272,473,558
Premiums billed during the year	8,367,388,707	6,249,295,113
Premium received from customers	(7,969,205,786)	(6,183,530,948)
Impairment charge/reversal for the year	(2,472,773)	26,033,913
Closing balance	1,759,981,784	1,364,271,636

29.1 Impairment Movement

As at	31.12.2025 Rs.	31.12.2024 Rs.
Opening balance	31,024,415	57,058,328
Allowance made during the year for expected credit losses/impairment	2,472,774	(26,033,913)
Closing balance	33,497,189	31,024,415

The carrying value of insurance receivables approximates the fair value at the reporting date.

29.2 Analysis of Impairment Provision on Insurance Receivables

As at	31.12.2025		31.12.2024	
	Exposure Rs.	ECL allowance for impairment Rs.	Exposure Rs.	ECL allowance for impairment Rs.
Performing (Stage 1)	1,697,774,090	2,879,914	1,302,807,209	4,344,634
Under-performing (Stage 2)	55,888,088	3,299,140	56,664,841	6,494,561
Non-performing (Stage 3)	39,816,795	27,318,135	35,824,001	20,185,220
	1,793,478,973	33,497,189	1,395,296,051	31,024,415

29.3 Collateral Details

The Company does not hold any collateral as security against potential default by policyholders.

29.4 Fair Value of Insurance Receivables

The carrying amount disclosed above approximates the fair value at the reporting date.

29.5 Risk Management

Please refer Note 45. (D) for risk management measures taken relating to insurance receivables.

30. DEFERRED EXPENSES / INCOME

Accounting policy

Costs of acquiring new businesses including commission, underwriting, marketing and policy issuance expenses which vary with and directly related to production of new businesses are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred. Subsequent to initial recognition, deferred acquisition costs (DAC) are amortised over the period on the basis unearned premium is amortised.

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 and are treated as a change in an accounting estimate.

DAC is de-recognised when the related contracts are either expired or cancelled.

An impairment review of DAC 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 statement of profit or loss. DACs are also considered in the liability adequacy test for each reporting period.

Reinsurance Commissions

Commissions receivable on outward reinsurance contracts are deferred and amortised on a straight-line basis over the term of the expected premiums payable.

As at	31.12.2025			
	Opening balance	Deferred acquisition cost	Deferred reinsurance commission	Closing balance
	Rs.	Rs.	Rs.	Rs.
Class wise				
Motor	21,507,170	124,562,301	95,853,515	50,216,044
Fire	(23,446,640)	4,778,309	10,845,947	(29,514,278)
Marine	(3,070,319)	1,871,987	825,551	(2,023,883)
Miscellaneous	(4,354,429)	4,180,785	(2,605,660)	2,432,016
	(9,364,218)	135,393,382	104,919,353	21,109,899

As at	31.12.2024			
	Opening balance	Deferred acquisition cost	Deferred reinsurance commission	Closing balance
	Rs.	Rs.	Rs.	Rs.
Class wise				
Motor	(12,476,102)	23,082,796	(10,900,388)	21,507,170
Fire	(21,559,757)	5,361,470	7,248,353	(23,446,640)
Marine	(1,652,927)	(32,908)	1,384,484	(3,070,319)
Miscellaneous	644,176	3,747,755	8,746,360	(4,354,429)
	(35,044,610)	32,159,113	6,478,809	(9,364,218)

31. OTHER ASSETS

Accounting policy

Recognition of Other Assets

Other assets which consist of non-financial assets are recognised at cost less any impairment losses.

Tax Receivable

Tax receivable of the Company consists of withholding tax (WHT) receivable.

Inventory

Inventory includes all consumable items which are stated at lower of cost and net realisable value.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Non-financial assets		
Advances, deposits and prepayments	148,861,316	223,601,140
Inventory	14,819,691	19,816,051
Tax receivable	11,758,273	20,967,233
Other receivables	6,350,949	5,605,628
	181,790,229	269,990,052

32. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand with a maturity of three months or less which are subject to an insignificant risk of changes in value.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Cash in hand	1,390,802	1,534,364
Balances at bank	80,635,090	153,543,461
	82,025,892	155,077,825

Total allowance for expected credit loss is applicable to balances at bank and it stemmed from 12 months ECL since all investments under this category are investment grade instruments.

32.1 Bank Overdraft

Which form an integral part of cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows. In the statement of financial position, overdrafts are included under liabilities. Cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.
Cash in hand and balances at bank		82,025,892	155,077,825
Saving accounts		180,211,570	260,357,072
Cash and cash equivalents		262,237,462	415,434,897
Bank overdrafts	42	(135,010,020)	(98,094,193)
		127,227,442	317,340,704

33. STATED CAPITAL

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

As at	31.12.2025		31.12.2024	
	No. of shares	Rs.	No. of shares	Rs.
Balance as at 01 January	203,632,478	1,435,000,000	200,000,000	1,350,000,000
Scrip dividend during the year	-	-	3,632,478	85,000,000
Balance as at 31 December	203,632,478	1,435,000,000	203,632,478	1,435,000,000

33.1 Rights of Ordinary Shareholders

All issued shares are fully paid and shares of the Company are listed on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at General Meetings of the Company.

34. RETAINED EARNINGS

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance as at 01 January	4,197,059,403	3,867,637,996
Profit for the year	355,248,159	429,421,407
Share issued	-	(100,000,000)
Balance as at 31 December	4,552,307,562	4,197,059,403

35. FAIR VALUE RESERVE

Accounting policy

Fair value reserve comprises the cumulative net change in the fair value of debt instruments at FVOCI and is carried forward until the respective assets are de-recognised or impaired.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance as at 01 January	16,333,747	34,801,412
Other comprehensive income for the year	(17,699,377)	(18,467,665)
Balance as at 31 December	(1,365,630)	16,333,747

36. OTHER RESERVES

Other reserves comprises the actuarial gains/(losses) arising from valuation of gratuity liability as required by LKAS 19 - Employee Benefits.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance as at 01 January	(10,446,860)	(3,887,725)
Other comprehensive income for the year	(5,362,225)	(6,559,135)
Balance as at 31 December	(15,809,085)	(10,446,860)

37. INSURANCE CONTRACT LIABILITIES

Accounting policy

Provision for Net Unearned Premium

Provision for unearned premium represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognised as premium income. At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed 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 is inadequate, the deficiency is recognised in the statement of profit or loss by setting up a provision for liability adequacy.

As required by SLFRS 4 - Insurance Contracts, the Company performs a Liability Adequacy Test (LAT) in respect of Non-Life contract liabilities with the assistance of an external actuary.

Provision for Gross Outstanding Claims

Non-life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are known as the outstanding claims provision which are 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.

The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are de-recognised when the contract expires, is discharged or is cancelled.

Provision for Gross Incurred but Not Reported Claims

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.

For Non-Life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method, Bornheutter-Ferguson method and Frequency/Severity method.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order

to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in future (for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium.

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.
Provision for net unearned premium	37.2	3,456,844,157	2,580,576,098
Provision for gross outstanding claims	37.3	2,679,357,761	1,439,871,149
Provision for gross incurred but not reported (IBNR) claims	37.4	982,883,864	831,578,309
		7,119,085,782	4,852,025,556

37.1 Insurance Contract Liabilities

As at	31.12.2025			31.12.2024		
	Gross liabilities Rs.	Reinsurance Rs.	Net liabilities Rs.	Gross Liabilities Rs.	Reinsurance Rs.	Net liabilities Rs.
Provision for unearned premium	4,859,132,619	(1,402,288,462)	3,456,844,157	3,671,058,443	(1,090,482,345)	2,580,576,098
Provision for outstanding claims	2,679,357,761	(1,505,013,566)	1,174,344,195	1,439,871,149	(358,407,653)	1,081,463,496
Provision for IBNR claims	982,883,864	(277,725,979)	705,157,885	831,578,309	(92,936,646)	738,641,663
	8,521,374,244	(3,185,028,007)	5,336,346,237	5,942,507,901	(1,541,826,644)	4,400,681,257

37.2 Provision for Net Unearned Premium

As at	31.12.2025			31.12.2024		
	Gross liabilities Rs.	Reinsurance Rs.	Net liabilities Rs.	Gross Liabilities Rs.	Reinsurance Rs.	Net liabilities Rs.
As at 01 January	3,671,058,443	(1,090,482,345)	2,580,576,098	3,213,892,363	(923,453,351)	2,290,439,012
Premium written during the year	8,367,388,710	(2,875,254,412)	5,492,134,298	6,249,295,112	(1,245,930,708)	5,003,364,404
Premium earned during the year	(7,179,314,534)	2,563,448,295	(4,615,866,239)	(5,792,129,032)	1,078,901,714	(4,713,227,318)
As at 31 December	4,859,132,619	(1,402,288,462)	3,456,844,157	3,671,058,443	(1,090,482,345)	2,580,576,098

37.3 Provision for Gross Outstanding Claims

As at	31.12.2025			31.12.2024		
	Gross liabilities	Reinsurance	Net liabilities	Gross Liabilities	Reinsurance	Net liabilities
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 January	1,439,871,149	(358,407,653)	1,081,463,496	1,120,209,854	(436,824,246)	683,385,608
Claims incurred during the year	4,743,040,419	(1,393,447,568)	3,349,592,851	3,320,414,001	(185,309,430)	3,135,104,571
Claims paid during the year	(3,503,553,807)	246,841,655	(3,256,712,152)	(3,000,752,706)	263,726,023	(2,737,026,683)
As at 31 December	2,679,357,761	(1,505,013,566)	1,174,344,195	1,439,871,149	(358,407,653)	1,081,463,496

37.4 Provision for Gross IBNR Claims

As at	31.12.2025			31.12.2024		
	Gross liabilities	Reinsurance	Net liabilities	Gross Liabilities	Reinsurance	Net liabilities
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 January	831,578,309	(92,936,646)	738,641,663	848,173,790	(102,153,056)	746,020,734
Provision charged/(reversed) during the year	151,305,555	(184,789,333)	(33,483,778)	(16,595,481)	9,216,410	(7,379,071)
As at 31 December	982,883,864	(277,725,979)	705,157,885	831,578,309	(92,936,646)	738,641,663

37.5 Liability Adequacy Test

A liability adequacy test (LAT) was performed by NMG Financial Services Consulting Pte Limited, a firm of professional actuaries as at 31 December 2025 as required by SLFRS 4 - Insurance Contracts in order to assess the adequacy of the carrying amount of the provision for unearned premiums. The valuation is based on internationally accepted actuarial methods and is performed on a quarterly basis. According to the report issued by NMG Financial Services Consulting Pte Limited, the liability carried forward by the Company was adequate. Hence, no provision was made for premium deficiency for the year ended 31 December 2025 (2024 - Nil).

37.6 Valuation of IBNR and IBNER

The incurred but not reported claims reserve has been actuarially computed by NMG Financial Services Consulting Pte Limited as at 31 December 2025.

This valuation exercise was carried out to determine the required claim liability reserve (in particular the IBNR reserve) in respect of Company's Non-Life Insurance operations, net of reinsurance.

The central estimate of the net claim liability has been determined based upon the net analysis performed for People's Insurance as at 31 December 2025. This is a full review of the loss development factors, such that the value of the insurance liabilities is reflective of People's Insurance general insurance portfolio at 31 December 2025.

The volatility of the central estimate of net claim liability is then projected to secure an overall level of sufficiency of not less than 75% confidence. In assessing the claim liability at a 75% confidence level, the provision of risk margin for adverse deviation (PRAD) loading provided by the Insurance Regulatory Commission of Sri Lanka (IRCSL) is adopted. The 75th percentile is calculated for each line of business independently using the risk margin highlighted in Table 5 of the Regulation of Insurance Industry Act, No. 43 of 2000, revised on 15 December 2015. During the analysis, classes of business in the Company portfolio were closely matched with the IRCSL prescribed business categories.

37.7 Changes in Assumptions

There were no material estimation changes from the previous valuation done for the balance as at 31 December 2025.

37.8 Reconciliation Between Insurance Provision and Technical Reserves

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance contract liabilities	7,119,085,782	4,852,025,556
Reinsurance on case reserves	(1,505,013,566)	(358,407,653)
Reinsurance on IBNR provision	(277,725,979)	(92,936,646)
Deferred expenses	(21,109,899)	9,364,218
Technical reserves	5,315,236,338	4,410,045,475

38. EMPLOYEE DEFINED BENEFIT OBLIGATIONS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The value of defined benefit obligations is calculated by a qualified actuary as at the reporting date, using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - Employee Benefits. The actuarial valuation involves making assumptions about discount rate, salary increment rate and balance service period of employees. Due to the long-term nature of the plans, such estimates are subject to significant uncertainty.

The re-measurement of the net defined benefit liability which comprises actuarial gains and losses are charged or credited to the statement of comprehensive income in the period in which they arise. The assumptions based on which the results of the actuarial valuation was determined, are included in Note 38.1.4 to the financial statements.

However, according to the Payment of Gratuity Act No.12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

The provision of the Company is not externally funded.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

38.1 Defined Benefit Plans - Provision for Employee Benefits

	31.12.2025 Rs.	31.12.2024 Rs.
Present value of unfunded obligation	117,118,707	94,123,807

Movement in the Present Value of the Employee Benefits

	Note	31.12.2025 Rs.	31.12.2024 Rs.
As at 01 January		94,123,807	68,709,878
Expenses recognised in statement of profit or loss	38.1.1	22,311,116	20,418,443
Payments during the year		(6,976,538)	(4,374,708)
Actuarial loss recognised in statement of comprehensive income	38.1.2	7,660,322	9,370,194
As at 31 December		117,118,707	94,123,807

38.1.1 Expenses Recognised In Statement of Profit or Loss

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Interest cost	9,412,381	9,481,963
Current service cost	12,898,735	10,936,480
	22,311,116	20,418,443

38.1.2 Expenses recognised in Statement of Comprehensive Income

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Actuarial loss	7,660,322	9,370,194

38.1.3 Valuation of Employee Benefit Obligations

As at 31 December 2025, gratuity liability was actuarially valued under the Projected Unit Credit method by Smiles Global (Private) Limited, a firm with actuarial expertise as required by LKAS 19 - Employee Benefits.

38.1.4 Principal Actuarial Assumptions used

	31.12.2025	31.12.2024
Actuarial information		
(a) Discount rate	9.20%	10.00%
(b) Salary increase	8.00%	8.00%
(c) Incidence of withdrawal	34.00%	32.00%
(e) Mortality rates	A67/70	A67/70
(g) Disability rates	Standard RI rates	Standard RI rates
Employee information		
(a) Average age	32	32
(b) Average service period (years)	4.67	4.18
(c) Expected future working life time (years)	2.90	3.08
(d) Number of employees	649	655

38.2 Analysis of Present Value of Employee Defined Benefit Obligation by Maturity Profile

Future expected working life	No of employees	Average future expected working life	Defined benefit obligation Rs.
Within the next 12 months	3	0.44	-
Between 1 - 2 years	2	1.64	14,167,792
Between 2 - 5 years	637	2.92	102,950,915
Between 5 - 10 years	-	-	-
Beyond 10 years	-	-	-
	639	2.9	117,118,707

38.3 Sensitivity Analysis

The sensitivity analysis below has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment liability measurement.

As at	31.12.2025		31.12.2024	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Discount rate 1%	(2,881,446)	3,053,026	(2,409,158)	2,556,392
Future salary growth 1%	3,208,385	(3,080,824)	2,698,654	(2,586,220)

39. OTHER LIABILITIES

Accounting policy

Recognition - Financial Liabilities

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the statement of profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in the statement of profit or loss. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to the initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of Other Liabilities

Other liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

As at	Note	31.12.2025		31.12.2024	
		Carrying value Rs.	Fair value Rs.	Carrying value Rs.	Fair value Rs.
Other creditors including accrued expenses	39.1	894,458,622	894,458,622	773,665,836	773,665,836
Commission payable		298,102,432	298,102,432	166,300,215	166,300,215
Amounts due to related parties	39.2	22,870,725	22,870,725	38,942,078	38,942,078
Other liabilities	39.3	123,603,841	123,603,841	94,645,588	94,645,588
		1,339,035,620	1,339,035,620	1,073,553,717	1,073,553,717

39.1 Other Creditors Including Accrued Expenses

As at	31.12.2025 Rs.	31.12.2024 Rs.
Other creditors	695,693,084	518,422,756
Accrued expenses	198,765,538	255,243,080
	894,458,622	773,665,836

39.2 Amounts Due to Related Parties

As at	31.12.2025 Rs.	31.12.2024 Rs.
People's Leasing & Finance PLC	21,520,725	37,817,078
People's Leasing Fleet Management Limited	1,350,000	1,125,000
	22,870,725	38,942,078

39.3 Other Liabilities

Other liabilities include government levies payable other than income tax payable. These liabilities are recorded at amounts expected to be payable as at the reporting date.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Value Added Tax (VAT) payable	90,706,906	66,321,049
CESS payable	5,220,714	5,209,434
Other government levies payable	27,676,221	23,115,105
	123,603,841	94,645,588

40. REINSURANCE PAYABLES

Accounting policy

Recognition and Measurement of Reinsurance Payables

Reinsurance liabilities represent balances due to insurance companies. Reinsurance assets or liabilities are de-recognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance as at 01 January	387,360,941	838,517,286
Arose during the year	1,974,088,481	911,551,201
Utilised during the year	(1,786,494,776)	(1,362,707,546)
Balance as at 31 December	574,954,646	387,360,941

Payee-wise

As at	31.12.2025 Rs.	31.12.2024 Rs.
Domestic reinsurer		
- National Insurance Trust Fund (NITF)	355,309,727	243,563,888
- Others	42,044,739	23,318,871
Foreign reinsurers	177,600,180	120,478,182
	574,954,646	387,360,941

The carrying amount disclosed above approximates the fair value at the reporting date.

All amounts payable on reinsurance business are payable within one year.

41. INCOME TAX PAYABLE

Current income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the statement of profit or loss. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

As at	31.12.2025 Rs.	31.12.2024 Rs.
Balance as at 01 January	272,603,145	264,349,105
Provision for the year	147,574,758	239,175,482
Under/(over) provision of taxes in respect of prior years	(20,734,010)	18,232,107
Self-assessment payments	(176,833,541)	(209,630,548)
Tax credits	(20,842,461)	(39,523,001)
Balance as at 31 December	201,767,891	272,603,145

42. BANK OVERDRAFT

As at	31.12.2025 Rs.	31.12.2024 Rs.
Bank overdraft	135,010,020	98,094,193

The bank overdraft facility amounting to Rs. 75,000,000 is subject to variable overdraft interest rate of People's Bank. The overdraft facility is secured by a fixed deposit of Rs. 75,000,000 and unused overdraft facility amounted to Rs. 75,000,000 as at the reporting date (2024 - Rs. 75,000,000).

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES BASED ON THE REMAINING MATURITIES AT THE REPORTING DATE

As at	31.12.2025			31.12.2024		
	Carrying amount	Less than 12 months	More than 12 months	Carrying amount	Less than 12 months	More than 12 months
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets						
Intangible assets	18,991,591	-	18,991,591	15,783,718	-	15,783,718
Property, plant and equipment	134,700,210	-	134,700,210	122,447,874	-	122,447,874
Right of use assets	160,803,923	87,629,913	73,174,010	217,153,747	82,207,217	134,946,530
Deferred tax asset	26,804,939	-	26,804,939	7,552,011	-	7,552,011
Financial investments	11,496,065,492	9,041,253,891	2,454,811,601	10,085,833,841	7,423,439,179	2,662,394,662
Reinsurance receivables	1,782,739,544	1,782,739,544	-	451,344,298	451,344,298	-
Insurance receivables	1,759,981,784	1,759,981,784	-	1,364,271,636	1,364,271,636	-
Deferred expenses	21,109,899	21,109,899	-	-	-	-
Other assets	181,790,229	181,790,229	-	269,990,052	269,990,052	-
Cash and cash equivalents	82,025,892	82,025,892	-	155,077,825	155,077,825	-
	15,665,013,503	12,956,531,152	2,708,482,351	12,689,455,002	9,746,330,207	2,943,124,795
Liabilities						
Insurance contract liabilities	7,119,085,782	7,025,869,590	93,216,192	4,852,025,556	4,817,176,810	34,848,746
Employee defined benefit obligations	117,118,707	-	117,118,707	94,123,807	-	94,123,807
Other liabilities	1,339,035,620	1,339,035,620	-	1,073,553,717	1,073,553,717	-
Lease liability	207,907,990	108,055,988	99,852,002	264,383,135	84,108,900	180,274,235
Reinsurance payables	574,954,646	574,954,646	-	387,360,941	387,360,941	-
Deferred income	-	-	-	9,364,218	9,364,218	-
Income tax payable	201,767,891	201,767,891	-	272,603,145	272,603,145	-
Bank overdrafts	135,010,020	135,010,020	-	98,094,193	98,094,193	-
	9,694,880,656	9,384,693,755	310,186,901	7,051,508,712	6,742,261,924	309,246,788

44. ACCOUNTING CLASSIFICATION AND FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability or ;
- In the absence of the principal market, in the most advantageous market for the asset or liability.

Fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. For units in unit trusts, fair value is determined by reference to published bid-values. If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique.

Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as

little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price and is consistent with. accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument i.e. without modification or re-packaging, or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in the statement of profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable is not recognised in the statement of profit or loss immediately, but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counter party where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Company believes a third-party market participant would take them into accounting pricing a transaction.

As at	Note	31.12.2025				
		Equity instruments through profit or loss	Debt instruments at amortised cost	Debt instruments through FVOCI	Total carrying amount	Fair value
		Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Financial investments	27					
- Measured at FVTPL		968,938,743	-	-	968,938,743	968,938,743
- Measured at amortised cost		-	10,527,126,749	-	10,527,126,749	10,815,547,592
Reinsurance receivables	28	-	1,782,739,544	-	1,782,739,544	1,782,739,544
Insurance receivables	29	-	1,759,981,784	-	1,759,981,784	1,759,981,784
Cash and cash equivalents	32	-	82,025,892	-	82,025,892	82,025,892
		968,938,743	14,151,873,969	-	15,120,812,712	15,409,233,555
Financial liabilities						
Other liabilities (excluding government levies)	39	-	1,215,431,779	-	1,215,431,779	1,215,431,779
Reinsurance payables	40	-	574,954,646	-	574,954,646	574,954,646
Bank overdraft	42	-	135,010,020	-	135,010,020	135,010,020
		-	1,925,396,445	-	1,925,396,445	1,925,396,445

As at	Note	31.12.2024				
		Equity instruments through profit or loss	Debt instruments at amortised cost	Debt instruments through FVOCI	Total carrying amount	Fair value
		Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Financial investments	27					
- Measured at FVTPL		389,064,535	-	-	389,064,535	389,064,535
- Measured at FVOCI		-	-	522,471,501	522,471,501	515,886,000
- Measured at amortised cost		-	9,174,297,805	-	9,174,297,805	9,644,334,621
Reinsurance receivables	28	-	451,344,298	-	451,344,298	451,344,298
Insurance receivables	29	-	1,364,271,636	-	1,364,271,636	1,364,271,636
Cash and cash equivalents	32	-	155,077,825	-	155,077,825	155,077,825
		389,064,535	11,144,991,564	522,471,501	12,056,527,600	12,519,978,915
Financial liabilities						
Other liabilities (excluding government levies)	39	-	978,908,129	-	978,908,129	978,908,129
Reinsurance payables	40	-	387,360,941	-	387,360,941	387,360,941
Bank overdrafts	42	-	98,094,193	-	98,094,193	98,094,193
		-	1,464,363,263	-	1,464,363,263	1,464,363,263

44.1 Determination of Fair Value and Fair Value Hierarchy

Valuation of Fair Value of Financial Instruments

Determination of fair values of financial assets and financial liabilities recorded in the statement of financial position for which there is no observable market price are determined using a variety of valuation techniques that include the use of mathematical techniques. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- **Level 1:** Listed/quoted (adjusted) prices in active markets for identical instruments are available. The Company measures the fair value of a financial instrument using active listed/quoted prices or dealer price quotations and managers buying price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. Non-market observable input means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data.

44.2 Fair Value Measurement

The following table analyses financial investment measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Instrument category	Fair value basis	Fair value hierarchy
Investment in units		
Unit Trusts (FVTPL)	Published Net Asset Value (NAV)	Level 2
Government securities		
Treasury Bills	Closing market price / Market yield (quoted price in active market)	Level 1
Corporate debt		
Debentures	Last traded market price / Market observable yield	Level 1
Money market instruments		
Repurchase Agreements	Discounted Cash Flow using observable market interest rates	Level 2
Loans and receivables		
Staff Loans	Discounted Cash Flow using prevailing market lending rates	Level 2
Deposits		
Fixed Deposits	Discounted Cash Flow using market deposit rates for similar maturities	Level 2
Savings Accounts	Carrying value approximates fair value due to short-term repricing	Level 2
Other financial assets		
Rent Deposits	Discounted Cash Flow using market borrowing rate	Level 2

As at 31 December	2025			
	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
Assets measured at fair value; *				
Equity instruments at FVTPL				
- Unit trusts	-	968,938,743	-	968,938,743
Assets measured at amortised cost				
Debt instruments at amortised cost				
- Repurchase agreements	-	989,129,905	-	989,129,905
- Staff loans	-	262,886,315	-	262,886,315
- Rent deposits	-	62,967,430	-	62,967,430
- Fixed deposits	-	6,413,912,595	-	6,413,912,595
- Savings accounts	-	180,211,570	-	180,211,570
- Treasury bills	2,159,429,777	-	-	2,159,429,777
- Debentures	747,010,000	-	-	747,010,000
	2,906,439,777	8,878,046,558	-	11,784,486,335

As at 31 December	2024			
	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
Assets measured at fair value; *				
Equity instruments at FVTPL				
- Unit trusts	-	389,064,535	-	389,064,535
Debt instruments at FVOCI				
- Treasury bonds	515,886,000	-	-	515,886,000
Assets measured at amortised cost				
Debt instruments at amortised cost				
- Staff loans	-	162,630,560	-	162,630,560
- Rent deposits	-	48,005,414	-	48,005,414
- Fixed deposits	-	3,207,155,569	-	3,207,155,569
- Savings accounts	-	260,357,072	-	260,357,072
- Treasury bills	5,090,786,042	-	-	5,090,786,042
- Debentures	875,399,964	-	-	875,399,964
	6,482,072,006	4,067,213,150	-	10,549,285,156

* Fair values are determined based on the assumptions given in Note 44.1.

Financial instruments 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.

Assets for which Fair Value Approximates Carrying Value

For financial assets/liabilities that have a short term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. The following table lists those financial instruments for which their carrying amounts are a reasonable approximation of fair value due to their short term nature. This assumption is also applied to savings accounts without a specific maturity.

Assets	Liabilities
Cash in hand and balances at bank	Bank overdraft
Repurchase agreements	Outstanding commission payable
Fixed deposits with less than three months remaining maturity	Amounts due to related parties
Savings accounts	Other liabilities
Insurance receivables	Reinsurance payables
Reinsurance receivables	

Fixed Deposits with More than Three Months Remaining Maturity

The fair values are estimated based on discounted cash flows using rates currently available for similar instruments on similar term, credit risk and remaining maturities.

Debentures

The fair values of debentures are determined based on the last traded market price of the instrument published at the Colombo Stock Exchange.

Staff Loans

Fair values are computed based on the interest rate that prevailed at reporting date.

45. RISK MANAGEMENT FRAMEWORK

The Company is exposed to various types of risks in carrying out its business activities. Thus, the Company has implemented a proper system of risk and financial management framework to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The main types of risks to which the Company is exposed are given below.

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A. Risk Management Framework

The Board of Directors has the overall responsibility and the oversight of the risk management framework of the Company. The Board oversees risk management process through the Board Audit Committee and Internal Audit department. The Board has delegated its authorities and responsibilities to the management to establish the Company's risk management policy and to manage overall risk framework of the Company.

At the group level, Enterprises Risk Management Committee operates to strengthen the Group's risk Management process. members from the management are invited to the Group Risk Management Committee and the Company's risk management framework and the risks are monitored by this Group Committee.

Risk governance, risk management framework and risk management strategies are described in detail on pages 248 to 266 in the risk management report.

B. Capital Management Framework

The Company's capital management framework forms the basis for activity managing capital within the Company and seeks to optimise the structure and source of capital to ensure that it consistently maximises returns to the shareholders and policyholders while complying with the regulatory requirements.

The Company has established the following capital management objectives, policies and approaches in managing the risks that affect its capital position.

- To maintain the robust level of stability of the Company thereby providing a degree of security to policyholders.
- 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 requirement of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

Operations of the Company are also subject to regulatory requirements of the Insurance Regulatory Commission of Sri Lanka (IRCSL). The regulations imposed, not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy under the risk based capital regime) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise.

The Company has complied with all these regulatory requirements during the financial year.

The primary source of capital used by the Company is equity which includes stated capital and the retained earnings.

Capital requirements are measured on the risk based capital regime which is calculated in a periodic basis and assessed against the available capital and determined by the capital adequacy ratio. The process is ultimately subject to the approval of the Board.

The Company has made no significant changes from previous years to its policies and processes of its capital structure.

Available capital resources based on risk based capital as follows;

As at	31.12.2025 Rs.	31.12.2024 Rs.
Total shareholders' funds as per financial statements	5,970,132,847	5,637,946,290
Adjustments based on regulatory requirements	(494,842,505)	(262,372,645)
Deductions based on regulatory requirements	687,966,816	717,145,095
Total available capital	5,777,008,536	5,183,173,840

C. Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs to provide policyholders' benefits.

The Insurance Regulatory Commission of Sri Lanka (IRCSL) safeguards policyholders through supervisory control of insurance companies in line with the Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments. The Company has adopted the Risk Based Capital (RBC) framework on solvency margin as required by the IRCSL. The Company was able to maintain the Total Available Capital (TAC) and Risk Based Capital Adequacy Ratio (CAR) as at 31 December 2025 at Rs. 5,777,008,536 (2024 - Rs. 5,183,173,840) and 246% in 2025 (2024 - 389%) respectively. The regulatory minimum capital requirement is Rs. 500,000,000 and regulatory minimum Capital Adequacy Ratio (CAR) ratio is 120%.

In addition to the IRCSL monitoring, the Company is also subject to control by various regulators such as the Colombo Stock Exchange (CSE), Security and Exchange Commission of Sri Lanka (SEC), Central Bank of Sri Lanka (CBSL), Department of Inland Revenue (DIR) and Company Registrar.

D. Credit Risk

Credit risk is the risk that associates with a loss or potential loss from customer or counter-party failing to meet its contractual obligation in accordance with agreed terms.

The Company's credit risk exposure analysis is provided in Note 45.D.

Types of credit risk	Risk respond
Insurance receivables	
Risk of customers failing to settle their outstanding dues.	- Regular and rigorous follow ups for premium outstanding. - Periodic policy cancellation for not settling within the given credit period. - Check the status of outstanding premium before settling claims. - Periodic review of the premium receivables to provide adequate impairment provisions.
Reinsurance receivables	
Risk of not receiving reinsurance receivables.	- Assessment of credit worthiness of reinsurers in selection and periodic review of their ratings. - Review of outstanding balances on a monthly basis and ensure that all dues are collected or set-off against payables.

List of reinsurers and the ratings with the issuing agency as at 31 December 2025

Reinsurer	Reinsuer's country of origin	Financial strength rating	Name of the rating agency
PT Asuransi Umum Mega	Indonesia	A+(idn)	Fitch Rating
Cica Re	Togo	B+(Good)	A.M. Best
Best Meridian Insurance Company	USA	A-(Excellent)	A.M. Best
PVI Insurance Corporation	Vietnam	A- (Excellent)	A.M. Best
AXA XL Insurance Company UK Limited	United Kingdom	A+ (Superior)	A.M. Best
Swiss Reinsurance Company Ltd	Switzerland	A+ (superior)	A.M. Best
Sirius Point International Insurance Corporation	USA	A- (Excellent)	A.M. Best
General Insurance Corporation of India	India	A- (Excellent)	A.M. Best
Sukoon Insurance PJSC - Dubai	Dubai	A (Stable)	S & P
AIG MEA Limited	UAE	A (Stable)	S & P
AIG UK Limited	United Kingdom	A (Excellent)	A.M. Best
HDI Global Specialty SE	Germany	A+ (Stable)	S & P
Aviva Insurance Limited	United Kingdom	A+ (Superior)	A.M. Best
Llyods of London	United Kingdom	A+ (Superior)	A.M. Best
National Insurance Trust Fund	Sri Lanka		Fitch

Types of credit risk	Risk respond			
	Reinsurer	Reinsuer's country of origin	Financial strength rating	Name of the rating agency
	Allied World Managing Agency Limited	United Kingdom	A+ (Stable)	A.M. Best
	Munich Re syndicate	United Kingdom	A+ (Superior)	A.M. Best
	Lloyds (Liberty speciality markets singapore Pte Ltd)	Singapore	A	S & P
	Ocean International Reinsurance Company Limited	Barbados	A-(Excellent)	A.M. Best
	Asian Reinsurance Corporation	Thailand	B++ (Good)	A.M. Best
	The New India Assurance Company Limited	India	B++ (Good)	A.M. Best
	MISR Insurance Company	Egypt	B++ (Good)	A.M. Best
	Arch Re Limited	Bermuda	A+ (Superior)	A.M. Best
	Lloyds (Lancashire Syndicates)	London (United Kingdom)	A+ (Superior)	A.M. Best
	Lloyds (Everest Syndicate)	London (United Kingdom)	A+ (Superior)	A.M. Best
Financial investments				
Risk of borrowers failing to repay or meet contractual obligation.	- Assess the credit worthiness of the financial institute/instruments using credit ratings before investing. - Assess on tolerable levels, concentration risk and portfolio monitoring in line with the Company's risk appetite level documented in the investment operations manual. - Obtain adequate collateral to secure the investment where necessary. Regularly review its market value to ensure the adequacy of such collateral and request additional collateral in accordance with the underlying agreement.			

Credit Quality Analysis

The table below sets out information about the credit quality of financial assets held by the Company net allowances for impairment/expected credit losses against those assets.

D.i. Expected Credit Losses

According to the SLFRS 9 - Financial Instruments, the Company manages credit quality using a three stage approach which is in line with the standard requirements.

Stage 1 (performing) : 12-month expected credit losses

Stage 2 (under-performing) : Lifetime expected credit losses - Not-credit impaired

Stage 3 (non-performing): Lifetime expected credit losses - Credit impaired

Table below shows the classification of assets based on the above-mentioned three stage model.

As at	12-month ECL	Life time ECL-Not credit impaired	Life time ECL - credit impaired	Unclassified	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 December 2025					
Cash and cash equivalents	82,025,892	-	-	-	82,025,892
Financial investments	11,468,633,397	-	27,432,095	-	11,496,065,492
Reinsurance receivables	1,782,739,544	-	-	-	1,782,739,544
Insurance receivables	1,694,894,176	52,588,948	12,498,660	-	1,759,981,784
Other non-financial assets	-	-	-	544,200,791	544,200,791
	15,028,293,009	52,588,948	39,930,755	544,200,791	15,665,013,503
As at 31 December 2024					
Cash and cash equivalents	155,077,825	-	-	-	155,077,825
Financial investments	10,058,401,746	-	27,432,095	-	10,085,833,841
Reinsurance receivables	451,344,298	-	-	-	451,344,298
Insurance receivables	1,298,462,575	50,170,280	15,638,781	-	1,364,271,636
Other non-financial assets	-	-	-	632,927,402	632,927,402
	11,963,286,444	50,170,280	43,070,876	632,927,402	12,689,455,002

D.ii. Amount arising from Expected Credit Losses

This note highlights inputs, assumptions, and techniques used for estimating expected credit losses (ECL) as per SLFRS 9 – Financial Instruments.

a) Significant increase in Credit Risk

When determining whether the risk of default on a financial assets has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company historical experience and expert credit assessment and including forward-looking information.

b) Credit Risk

Assessment of credit risk is based on a variety of data by applying experienced credit judgement. Credit risk is evaluated using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of financial assets.

Each exposure is assessed at initial recognition based on available information about the financial assets. Exposures are subject to ongoing monitoring which may result in an exposure being moved to a different credit risk grade based on 3 stage model. The monitoring typically involves change in investment credit ratings of counter parties and instruments and number of days over due in terms of insurance and reinsurance receivables.

c) Generating the term structure of Probability of Default (PD)

Date past due has been taken as the primary input into the determination of the term structure of PD for insurance receivables. The Company collects performance and default information about its credit risk exposures analysed by customer segments. For investment portfolio, information gathered from external credit agencies is used (debt instruments).

The Company employs statistical models to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macroeconomic factors.

Using variety of external actual and forecasted information, the Company formulates a base case view of the future direction of relevant economic variables (GDP growth and effect) as well as a representative range (best case and worst case) of other possible forecast scenarios. The Company then uses these forecasts to adjust its estimates of PDs.

d) Incorporation of Forward-Looking Information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Using variety of external actual and forecasted information, the Company formulates a base case view of the future direction of relevant economic variables as well as a representative range (best case and worst case) of other possible forecast scenarios.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by both local and international sources.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

e) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables. These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

Probability of Default (PD)

PD estimates are estimates at a certain date which are calculated based on statistical models and assessed using various categories based on homogenous characteristics of exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties.

Loss Given Default (LGD)

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive.

Exposure at Default (EAD)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.

f) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in 47.D.i.

Reconciliation from the opening balance to closing balance of the Gross Carrying Amounts by Class of Financial Instrument

The Company has not considered financial investments classified as FVTPL and FVOCI, since this class consists of risk-free government securities. Therefore, following note presents the reconciliation of financial investment at amortised cost. ECL movement of Insurance receivable disclosed in Note 29.2.

Company	31.12.2025			
	Stage 1	Stage 2	Stage 3	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at the beginning of the year	9,146,655,926	-	27,641,879	9,174,297,805
New assets originated or purchased	26,893,344,020	-	-	26,893,344,020
Foreign exchange adjustments	(16,540,610)	-	-	(16,540,610)
Assets derecognised	(25,523,974,466)	-	-	(25,523,974,466)
Balance as at the end of the year	10,499,484,870	-	27,641,879	10,527,126,749

Company	31.12.2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at the beginning of the year	9,115,490,939	-	27,641,879	9,143,132,818
New assets originated or purchased	19,378,692,905	-	-	19,378,692,905
Foreign exchange adjustments	(16,328,674)	-	-	(16,328,674)
Assets derecognised	(19,331,199,244)	-	-	(19,331,199,244)
Balance as at the end of the year	9,146,655,926	-	27,641,879	9,174,297,805

Credit Ratings of Financial Instruments

Table below sets out the credit quality of financial investments based on the instruments' credit ratings.

	Risk Free	AAA to AA-	A+ to A-	BBB+ to BB-	Non-rated	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial investments						
Equity instruments FVTPL						
- Unit trust	-	-	27,966,977	940,971,766	-	968,938,743
Debt instruments at amortised cost						-
- Repurchase agreements	989,129,905	-	-	-	-	989,129,905
- Staff loans	-	-	-	-	263,942,007	263,942,007
- Rent deposits	-	-	-	-	62,967,430	62,967,430
- Fixed deposits	-	2,507,599,215	3,523,394,664	-	-	6,030,993,879
- Savings accounts	-	-	180,211,570	-	-	180,211,570
- Treasury bills	2,156,648,663	-	-	-	-	2,156,648,663
- Listed debentures	-	-	843,233,295	-	-	843,233,295
Reinsurance receivables	-	628,414,152	617,576,188	536,749,204	-	1,782,739,544
Insurance receivables	-	-	-	-	1,759,981,784	1,759,981,784
Cash and cash equivalents	-	-	-	-	82,025,892	82,025,892
	3,145,778,568	3,136,013,367	5,192,382,694	1,477,720,970	2,168,917,113	15,120,812,712

E. Liquidity Risk

Generally, liquidity risk is the risk that a Company may not be able to meet short term financial demands. This occurs when financial resources are insufficient to meet the Company's obligation when they fall due and the timing difference between gross claim cash out flows and expected reinsurance recoveries.

Risk Response

- Regular review of cash flow projections and ensure sufficient funds are available to meet claims and operational payments.
- Maintain a portfolio of readily marketable securities to strengthen the liquidity position.
- Maintain diversified durations of investments and regular review of maturity periods based on the cash flow requirements.
- Agreements with the reinsurers to immediate draw funds to meet claim payments which exceed the certain agreed level.
- Availability of a stand-by overdraft facility to use in the event of an emergency.
- Determining the maturity profiles of insurance contract liabilities and reinsurance assets based on the estimated timing of net cash flows from recognised insurance liabilities.
- Planning for all large cash outflows in advance and making necessary arrangements to ensure the availability of funds to meet such outflows.

Maturity Profile

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access when meeting liquidity needs.

Following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities. Unearned premiums have been excluded from the analysis as they are not considered as contractual obligations.

Contractual maturities of undiscounted cash flows of financial assets and liabilities are provided below.

As at 31 December 2025	0-6 Months	7-12 Months	1-2 Years	Over 2 Years	No stated Maturity	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets						
Equity instruments through profit or loss						
- Unit trust	-	-	-	-	968,938,743	968,938,743
Debt instruments at amortised cost						
- Repurchase agreements	989,129,905	-	-	-	-	989,129,905
- Fixed deposits	2,761,476,807	1,189,342,860	1,553,866,552	526,307,660	-	6,030,993,879
- Staff loans and rent deposits	23,042,010	20,662,009	38,456,584	244,748,834	-	326,909,437
- Savings accounts	-	-	-	-	180,211,570	180,211,570
- Treasury bills	1,837,858,805	318,789,858	-	-	-	2,156,648,663
- Listed debentures	751,801,324	-	-	91,431,971	-	843,233,295
Insurance receivables	1,759,981,784	-	-	-	-	1,759,981,784
Reinsurance receivables	1,782,739,544	-	-	-	-	1,782,739,544
Cash and cash equivalents	82,025,892	-	-	-	-	82,025,892
	9,988,056,071	1,528,794,727	1,592,323,136	862,488,465	1,149,150,313	15,120,812,712
Financial liabilities						
Insurance contract liabilities	3,639,484,222	3,386,385,368	26,454,447	66,761,745	-	7,119,085,782
Reinsurance payables	574,954,646	-	-	-	-	574,954,646
Other liabilities	1,339,035,620	-	-	-	-	1,339,035,620
Lease liabilities	51,663,693	56,392,295	70,303,359	29,548,643	-	207,907,990
Bank overdrafts	135,010,020	-	-	-	-	135,010,020
	5,740,148,201	3,442,777,663	96,757,806	96,310,388	-	9,375,994,058

F. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market variables. Market risk comprises of three types risks: market interest rates (interest rate risk), foreign exchange rate (currency risk) and market prices (price risk). The Company has imposed following policies and procedures to manage the market risks.

Market Risk mitigating Strategies

- Overall market risk impact is closely monitored by the management, Investment Committee and the Integrated Risk Committee at group level on a regular basis.
- Investment portfolio and the fluctuation of macro-economic indicators are reviewed by the top management regularly.
- Set limits for investments and portfolio allocations in the investment operation manual to ensure that risk exposure is at the desired risk tolerance limit of the Company.

F.i. Interest Rate Risk

Interest rate risk is the risk of fluctuation of value of the future cash flows of financial instrument due to changes in market interest rates. Floating rate instruments typically expose the Company to cash flow interest risk whereas fixed interest rate instruments expose the Company to fair value interest rate risk.

Interest Rate Risk mitigating Strategies

- The management follows the guidelines set out in the investment policy and investment operations manual which are regularly reviewed by the Investment Committee.
- Preferred investment horizon for the investment portfolio is limited to a maximum of ten years from the time of the investment.
- Forecasting and monitoring future cash flows when formulating investment strategies.
- Relative amount of each portfolio is determined by the Company's liquidity position, availability of market value and individual securities' risk/return profiles.

The Company has no significant concentration of interest rate risk.

Following table describes the Company's sensitivity to interest rate risks. The sensitivity of reported fair value of financial instruments is monitored by assessing the projected changes in the fair value of financial instrument held by the portfolios in response to assumed parallel shift in the yield curve by +/- 100 basis points and +/- 200 basis points.

Change in Variables	31.12.2025		31.12.2024	
	Impact on fund inflow	Impact on equity	Impact on fund inflow	Impact on equity
	Rs.	Rs.	Rs.	Rs.
.+ 100 basis Points	-	-	(2,092,500)	(2,092,500)
.- 100 basis Points	-	-	2,109,500	2,109,500
.+ 200 basis Points	-	-	(4,169,000)	(4,169,000)
.- 200 basis Points	-	-	4,236,500	4,236,500

* PBT - Profit before tax

Following table summarises the exposure to the interest rate risks by the Company.

As at 31 December 2025	Variable interest	Fixed interest	Non-interest bearing	Total
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Financial assets at FVTPL				
- Unit trust	968,938,743	-	-	968,938,743
Debt instruments at amortised cost				
- Repurchase agreements	-	989,129,905	-	989,129,905
- Staff loans	-	251,253,353	12,688,654	263,942,007
- Rent deposits	-	-	62,967,430	62,967,430
- Fixed deposits	-	6,030,993,879	-	6,030,993,879
- Savings accounts	-	180,211,570	-	180,211,570
- Treasury bills	-	2,156,648,663	-	2,156,648,663
- Listed debentures	-	843,233,295	-	843,233,295
	968,938,743	10,451,470,665	75,656,084	11,496,065,492

As at 31 December 2024	Variable interest Rs.	Fixed interest Rs.	Non-interest bearing Rs.	Total Rs.
Financial assets				
Financial assets at FVTPL				
- Unit trust	389,064,535	-	-	389,064,535
Debt instruments at FVOCI				
- Treasury bond	-	522,471,501	-	522,471,501
Debt instruments at amortised cost				-
- Staff loans	-	149,693,745	13,651,269	163,345,014
- Rent deposits	-	-	48,005,414	48,005,414
- Fixed deposits	-	2,633,592,286	-	2,633,592,286
- Savings accounts	-	260,357,072	-	260,357,072
- Treasury Bills	-	5,098,323,815	-	5,098,323,815
- Listed debentures	-	844,529,898	-	844,529,898
- Unlisted debentures	-	126,144,306	-	126,144,306
	389,064,535	9,635,112,623	61,656,683	10,085,833,841

F.ii. Currency Risk

Interest rate risk is the risk of fluctuation of value of the future cash flows of financial instruments due to changes in foreign exchange rates.

The Company's principal transactions are carried out in Sri Lankan Rupees (Rs.). The Company's exposure to foreign exchange risk arises primarily with respect to US Dollar denominated assets maintained in order to honor liabilities of foreign currency denominated reinsurance policies.

However, no material foreign currency denominated liability was reported during the financial year ended 31 December 2025.

	2025		2024	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
Fixed deposits	1,181,312	361,997,917	617,731	216,825,251
Savings accounts	31,641	9,695,848	433,302	110,071,750
	1,212,953	371,693,765	1,051,033	326,897,001

	2025		2024	
	Impact on PBT Rs.	Impact on equity Rs.	Impact on PBT Rs.	Impact on equity Rs.
5% strengthening of rupee	(18,584,397)	(18,584,397)	(16,344,850)	(16,344,850)
5% weakening of rupee	18,585,010	18,585,010	16,344,850	16,344,850

F.iii. Equity Price Risk

Equity price risk arises due to fair value or future cash flows of a financial instrument fluctuates due to changes in equity prices other than those arising from interest rate or foreign exchange rate risk.

The Company's investment policy and investment operation manual guides the management on setting and monitoring objectives and constrains on investments, diversification plans as well as limits on each investment under each investment instrument. This policy is regularly reviewed to ensure that it suits with the prevailing market and risk environment. Further, the Company manages its equity price risk by investing in relatively less volatile sectors and in spreading the risk in different sectors.

The Company has no significant concentration of equity price risk since the Company did not have any equity investments as at 31 December 2025.

Concentration of Other Financial Investments

The Company manages its credit exposure to a single investment security by regularly reviewing the investment portfolio. This analysis includes all the financial investments classified under financial assets measured at FVTPL, debt instruments at amortised cost and FVOCI.

As at 31 December	2025		2024	
	Rs.	%	Rs.	%
Treasury bonds	-	-	522,471,501	5.4
Treasury bills	2,156,648,663	19.6	5,098,323,815	53.0
Repurchase agreements	989,129,905	9.0	-	-
Listed corporate debentures	843,233,295	7.7	844,529,898	8.8
Unquoted corporate debentures	-	-	126,144,306	1.3
Unit trusts	968,938,743	8.8	389,064,535	4.0
Fixed deposits	6,030,993,879	54.9	2,633,592,286	27.5
	10,988,944,485	100	9,614,126,341	100

G. Strategic Risk

Strategic risk addressing business risk and regulatory risk is described in detail along with risk mitigation strategies on page 265 in the risk management report.

H. Operational Risk

Operational risk comprise socio/economic/political risk, environmental risk, technology risk, human resources risk, reputational risk and fraud risk is described in detail along with risk mitigation strategies on page 264 in the risk management report.

I. General Insurance Business Risk

General insurance business risk arising from product design, underwriting, claims settlement, reserving, reinsurance and credit risk is described in detail along with risk mitigation strategies on pages 248 to 366 in the risk management report.

The table below sets out the concentration of insurance claim liabilities by type of the contract.

As at 31 December	31.12.2025			31.12.2024		
	Gross liability	Reinsurance receivables	Net liabilities	Gross liability	Reinsurance receivable	Net liabilities
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Class wise						
Motor	1,147,150,468	333,608,849	813,541,619	905,575,982	96,873,767	808,702,215
Marine	25,305,876	20,045,296	5,260,580	38,257,149	21,124,824	17,132,325
Fire	1,132,532,512	1,004,484,748	128,047,764	347,113,336	103,094,085	244,019,251
Miscellaneous	374,368,905	146,874,673	227,494,232	148,924,682	137,314,977	11,609,705
	2,679,357,761	1,505,013,566	1,174,344,195	1,439,871,149	358,407,653	1,081,463,496

Claims Development Table

The following tables show the estimate of cumulative incurred claims for each year together with cumulative payments to date.

Gross Non-Life Insurance Outstanding Claims Provision for 2025

(All figures are in Rupees thousands unless otherwise stated)

Accident period	Current estimate of cumulative claims incurred																Total
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2025	-	729	1,477	15,114	18,417	32,682	15,902	15,106	19,323	1,782	3,732	(16,966)	(34,670)	1,570	(171,249)	4,840,120	-
2024	(150)	-	7,311	4,318	820	11,724	2,640	3,847	3,470	740	(15,380)	24,124	58,364	206,422	3,012,137	-	-
2023	(650)	(23,893)	(10,190)	(4,891)	(14,099)	(8,967)	(21,790)	(19,128)	(15,073)	(10,124)	4,504	76,409	316,981	3,013,747	-	-	-
2022	(1,253)	(5,240)	(4,004)	560	8,045	(7,319)	(9,297)	(2,855)	(11,824)	(5,845)	53,369	347,744	3,517,983	-	-	-	-
2021	-	558	(1,319)	(600)	(7)	(907)	2,629	6,465	4,197	47,351	67,214	3,014,295	-	-	-	-	-
2020	193	10,771	2,942	1,485	705	2,602	7,258	7,573	32,132	(27,248)	2,738,130	-	-	-	-	-	-
2019	-	42,085	5,515	1,591	1,014	2,662	4,183	31,282	92,881	3,803,005	-	-	-	-	-	-	-
2018	(120)	11,385	51	(8,584)	4,918	(9,647)	21,099	73,912	3,165,480	-	-	-	-	-	-	-	-
2017	(844)	4,738	(608)	8,298	5,704	21,071	33,255	2,792,805	-	-	-	-	-	-	-	-	-
2016	(945)	(113)	(17,006)	(8,555)	5,397	50,267	2,635,203	-	-	-	-	-	-	-	-	-	-
2015	1,703	6,377	(5,165)	35,874	31,044	2,182,704	-	-	-	-	-	-	-	-	-	-	-
2014	1,465	1,577	28,391	(15,126)	2,040,473	-	-	-	-	-	-	-	-	-	-	-	-
2013	3,148	50,297	(167,837)	2,042,094	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	4,224	(58,704)	2,042,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	2,762	1,396,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	213,654	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current estimated of cumulative claims incurred	223,187	1,437,505	1,882,492	2,071,578	2,102,431	2,276,872	2,691,082	2,909,007	3,290,586	3,809,661	2,851,569	3,445,606	3,858,658	3,221,739	2,840,888	4,840,120	43,752,981

Accident period	Current estimate of cumulative claims incurred																Total
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2025	-	12,168	(2,000)	(9,423)	(1,467)	(5,572)	(8,707)	(10,183)	(9,277)	(2,473)	(12,812)	(9,197)	(39,400)	(53,614)	(675,364)	(2,676,232)	-
2024	-	-	(8,289)	(8,488)	(2,133)	(13,731)	(3,620)	(6,495)	(4,505)	(17,053)	(6,718)	(26,411)	(98,326)	(705,229)	(2,099,760)	-	-
2023	-	(4,357)	(300)	(2,194)	(1,450)	(1,832)	(3,414)	(10,694)	(9,915)	(13,410)	(17,166)	(114,455)	(824,727)	(2,396,800)	-	-	-
2022	(650)	(387)	(10,807)	(11,439)	(10,011)	6,738	10,175	(3,340)	1,316	(7,386)	(24,130)	(846,549)	(2,831,414)	-	-	-	-
2021	-	(58)	(2,569)	(2,428)	(5,012)	(3,402)	(8,644)	(12,075)	(10,880)	(41,866)	(534,897)	(2,397,109)	-	-	-	-	-
2020	(193)	(3,154)	(7,835)	(4,584)	(6,434)	(10,697)	(11,924)	(12,594)	(29,128)	(737,058)	(2,214,578)	-	-	-	-	-	-
2019	-	(84,791)	(9,222)	(4,101)	(13,820)	(21,259)	(15,975)	(39,809)	(551,787)	(2,956,804)	-	-	-	-	-	-	-
2018	-	(16,329)	(5,532)	(14,079)	(15,396)	(26,780)	(26,927)	(515,478)	(2,646,682)	-	-	-	-	-	-	-	-
2017	(2,129)	(8,627)	(10,057)	(10,447)	(13,186)	(30,768)	(468,923)	(2,267,584)	-	-	-	-	-	-	-	-	-
2016	(390)	(8,262)	(16,478)	(12,958)	(23,979)	(389,878)	(2,129,944)	-	-	-	-	-	-	-	-	-	-
2015	(1,718)	(16,664)	(53,691)	(28,525)	(395,617)	(1,743,315)	-	-	-	-	-	-	-	-	-	-	-
2014	(2,329)	(19,215)	(29,760)	(329,993)	(1,586,379)	-	-	-	-	-	-	-	-	-	-	-	-
2013	(3,495)	(57,574)	(252,384)	(1,621,312)	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	(5,154)	(311,763)	(1,465,582)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	(72,227)	(893,615)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	(134,902)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative payments to date	(223,187)	(1,412,628)	(1,874,506)	(2,059,971)	(2,074,884)	(2,240,496)	(2,667,903)	(2,878,252)	(3,260,858)	(3,776,050)	(2,810,301)	(3,393,721)	(3,793,867)	(3,155,643)	(2,775,124)	(2,676,232)	(41,073,623)
Total Gross claims outstanding	-	24,877	7,986	11,607	27,547	36,375	23,179	30,755	29,728	33,611	41,268	51,885	64,791	66,096	65,764	2,163,888	2,679,358

Net Non-Life Insurance Outstanding Claims Provision for 2025

(All figures are in Rupees thousands unless otherwise stated)

Accident period	Current estimate of cumulative claims incurred																Total
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2025	-	729	1,477	15,114	18,417	32,682	15,902	15,106	19,323	2,768	7,593	(714)	102,849	18,573	(197,498)	3,297,272	-
2024	(150)	14,803	13,051	5,421	5,521	11,724	5,362	14,738	7,939	24,086	29,886	48,515	143,965	72,818	2,737,425	-	-
2023	(650)	(21,398)	(9,190)	(4,644)	(13,495)	(8,812)	(13,169)	(9,527)	(5,143)	327	13,362	81,006	246,771	2,860,159	-	-	-
2022	(2,589)	(16,234)	(37,642)	(24,812)	(10,677)	72,430	(12,733)	(3,403)	(17,256)	(9,480)	(1,385)	420,682	3,067,091	-	-	-	-
2021	-	58	(1,387)	428	718	2,126	4,019	7,482	8,701	50,064	121,616	2,719,396	-	-	-	-	-
2020	193	10,793	2,942	1,485	705	2,602	6,735	8,961	33,117	58,000	2,601,103	-	-	-	-	-	-
2019	-	321	5,515	1,591	1,014	2,667	4,325	37,666	79,873	3,398,413	-	-	-	-	-	-	-
2018	(120)	11,400	51	(11,575)	5,037	(3,500)	24,501	77,270	3,106,289	-	-	-	-	-	-	-	-
2017	(844)	9,001	(608)	14,290	5,742	15,721	37,716	2,692,279	-	-	-	-	-	-	-	-	-
2016	(945)	(128)	(16,949)	(10,511)	6,864	59,287	2,549,666	-	-	-	-	-	-	-	-	-	-
2015	1,599	6,454	(3,982)	34,203	16,076	2,100,737	-	-	-	-	-	-	-	-	-	-	-
2014	1,465	2,382	28,151	(15,127)	2,023,094	-	-	-	-	-	-	-	-	-	-	-	-
2013	3,157	51,344	(158,485)	2,034,121	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	4,239	(15,515)	1,976,422	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	4,621	1,224,086	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	209,133	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current estimated of cumulative claims incurred	219,109	1,278,096	1,799,366	2,039,984	2,059,016	2,287,664	2,622,324	2,840,572	3,232,843	3,524,178	2,772,175	3,268,885	3,560,676	2,951,550	2,539,927	3,297,272	40,293,637

Accident period	Current estimate of cumulative claims incurred																Total
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2025	-	12,168	(2,000)	(9,423)	(1,467)	(5,572)	(8,707)	(10,183)	(9,277)	(2,459)	(10,283)	(9,096)	(37,343)	(49,150)	(588,426)	(2,525,494)	-
2024	-	-	(8,289)	(8,488)	(2,133)	(13,731)	(3,620)	(6,495)	(4,505)	(17,053)	(6,599)	(24,512)	(63,360)	(651,816)	(1,926,426)	-	-
2023	-	(4,357)	(300)	(2,194)	(1,450)	(1,832)	(3,414)	(10,694)	(9,915)	(13,410)	(15,402)	(94,330)	(774,098)	(2,309,670)	-	-	-
2022	(650)	(387)	(10,807)	(11,439)	(10,011)	6,738	10,190	(3,340)	1,316	(3,707)	(23,120)	(774,441)	(2,666,268)	-	-	-	-
2021	-	(58)	(2,569)	(2,428)	(5,012)	(3,402)	(8,644)	(12,075)	(10,872)	(37,663)	(505,153)	(2,331,752)	-	-	-	-	-
2020	(193)	(3,154)	(7,835)	(4,584)	(6,434)	(10,697)	(11,371)	(12,311)	(15,045)	(487,549)	(2,149,086)	-	-	-	-	-	-
2019	-	(13,201)	(9,222)	(4,101)	(13,820)	(21,259)	(15,969)	(32,630)	(521,977)	(2,902,120)	-	-	-	-	-	-	-
2018	-	(16,329)	(5,532)	(11,079)	(15,396)	(26,799)	(25,385)	(492,761)	(2,619,040)	-	-	-	-	-	-	-	-
2017	(2,129)	(8,627)	(10,057)	(10,432)	(13,132)	(30,608)	(446,918)	(2,209,836)	-	-	-	-	-	-	-	-	-
2016	(390)	(8,244)	(16,282)	(12,833)	(23,866)	(387,579)	(2,075,965)	-	-	-	-	-	-	-	-	-	-
2015	(1,614)	(16,664)	(31,860)	(27,883)	(369,486)	(1,756,890)	-	-	-	-	-	-	-	-	-	-	-
2014	(2,329)	(17,417)	(29,152)	(329,883)	(1,564,956)	-	-	-	-	-	-	-	-	-	-	-	-
2013	(3,495)	(32,280)	(226,969)	(1,593,260)	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	(5,123)	(248,760)	(1,424,239)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	(71,904)	(881,711)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	(131,282)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative payments to date	(219,109)	(1,239,021)	(1,785,113)	(2,028,027)	(2,027,163)	(2,251,631)	(2,589,803)	(2,790,325)	(3,189,315)	(3,463,961)	(2,709,643)	(3,234,131)	(3,541,069)	(3,010,636)	(2,514,852)	(2,525,494)	(39,119,293)
Total net claims outstanding	-	39,075	14,253	11,957	31,853	36,033	32,521	50,247	43,528	60,217	62,532	34,754	19,607	(59,086)	25,075	771,778	1,174,344

Sensitivity analysis on claim handling expenses, loss development factors and provision for adverse deviation is provided below.

Table 1: Impact on Claim Liability to changes in Key Variables

Variable	Change in variable	75% claim liabilities	Change in 75% claim liabilities
		Rs.	Rs.
Original		1,728,213	-
Claim handling expenses (CHE)	10%	1,736,005	7,792
Claim handling expenses (CHE)	-10%	1,720,421	(7,792)
Accident year-2025 ultimate loss ratio (ULR)	10%	2,122,206	393,993
Accident year-2025 ultimate loss ratio (ULR)	-10%	1,334,220	(393,993)
Provision for adverse deviation (PRAD)	100%	1,892,659	164,446
Provision for adverse deviation (PRAD)	-50%	1,645,990	(82,223)

Table 2: Impact on Premium Liability to changes in Key Variables

Variable	Change in variable	URR at 75% confidence level	Premium liabilities (PL)	Change in premium liabilities
		Rs.	Rs.	Rs.
Original		3,163,546	3,163,546	-
Unexpired risk reserves (URR)	10%	3,422,341	3,422,341	258,795
Unexpired risk reserves (URR)	-10%	2,904,751	3,088,344	(75,202)
Expenses	10%	3,232,774	3,232,774	69,228
Expenses	-10%	3,094,318	3,094,318	(69,228)
Provision for adverse deviation (PRAD)	100%	3,567,609	3,567,609	404,063
Provision for adverse deviation (PRAD)	-50%	2,961,514	3,088,344	(75,202)

46. RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of it's business on an arm's length with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 - Related Party Disclosures.

46.1 Terms and Conditions of Transactions with Related Parties

The transactions with the related parties are carried out in the ordinary course of business. The outstanding balances at end of the reporting period is interest free and unsecured. The settlements are made in cash and not subject to any settlement scheme.

46.2 Guarantees

No Guarantees received during the year however we have given guarantees to People's bank with regard to motor insurance tenders.

46.3 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 December 2025 audited financial statements, which required additional disclosures in the 2025 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

46.4 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the gross revenue of the Company as per 31 December 2025 audited financial Statements, which required additional disclosures in the 2025 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Details of the related party transactions are reported below.

46.5 Transactions and Outstanding Balances with the Ultimate Parent - People's Bank

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	368,496,352	343,955,404
Insurance premium in respect of customers introduced	134,300,385	115,621,915
Service charge expense	15,968,897	13,893,934
Claims expense	63,678,755	33,211,223
Investment in repurchase agreements (including reinvestments made during the year)	14,297,000,000	600,000,000
Investment income from overnight repurchase agreements	9,271,542	857,534
Treasury bills purchased	3,573,995,890	7,382,321,533
Treasury bills matured	6,831,570,500	5,617,668,484
Interest income from fixed deposits	112,876,387	140,727,790
Interest income from special foreign currency savings account	373,761	1,155,857

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	1,355,038	523,230
Insurance premium receivable in respect of customers introduced	29,963,663	33,460,450
Service charge expense payable	15,796,023	1,315,067
Claims payable	451,980,959	222,789,358
Fixed deposits	1,027,699,970	787,289,613
Special foreign currency savings account	9,566,550	93,927,460
Cash at bank	73,804,173	219,221,422
Bank overdraft	135,859,196	98,094,193
	1,746,025,572	1,456,620,793

46.6 Transactions and Outstanding Balances with the Immediate Parent - Peoples' Leasing & Finance PLC

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	384,255,786	257,605,752
Insurance premium in respect of customers introduced	3,376,294,319	2,389,450,326
Service charges*	442,444,562	355,282,986
Computer maintenance expense	107,862,628	102,530,403
Interest income from savings accounts	1,193,188	1,487,112
Interest income from fixed deposits	191,666,990	168,437,613
Building rent expenses	8,049,231	11,855,938
Claims expenses	170,403,976	152,491,768
Accomadation expenses	89,525,511	74,101,848

Outstanding balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	58,419,526	18,919,308
Insurance premium receivable in respect of customers introduced	755,460,071	567,366,651
Service charges payable	157,847,976	95,889,183
Claims outstanding	53,574,457	19,535,016
Accommodation expenses payable	17,359,300	18,443,585
Computer maintenance expense payable	9,028,948	17,088,401
Savings accounts	15,732,906	16,976,151
Fixed deposits	2,038,463,335	1,004,063,735
Building rent expenses payable	9,037,426	987,995
Compensation & benefit payable for seconded staff	12,268,726	17,659,524
	3,127,192,671	1,776,929,549

* Support service expenses mainly include amounts payable in respect of information and communication technology and management services provided to the Company.

46.7 Transactions and Outstanding Balances with the Key Management Personnel

According to the LKAS 24 - Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

People's Insurance PLC considers its Board of Directors, Chief Executive Officer and persons having authority and responsibility for planning, directing and controlling the activities of the entity as the KMPs of the Company.

a) Key Management Personnel Compensation

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Short-term employment benefits	85,996,543	76,158,201
Fees paid	12,212,700	17,201,115
	98,209,243	93,359,316

b) Other Transactions with Key Management Personnel

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium	508,023	521,468

46.8 Transactions and Outstanding Balances with Other Related Companies

People's Leasing Fleet Management Limited

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	3,979,318	3,437,507
Claims expenses	862,823	2,496,173
Assessor's fees	5,752,298	6,434,777

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	184,536	5,502
Compensation & benefit payable for seconded staff	1,350,000	1,125,000
Claims outstanding	165,000	65,000
	1,699,536	1,195,502

People's Leasing Property Development Limited

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	3,125,773	793,014
Claims expense	369,413	132,010

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	524,593	-
Claims outstanding	50,000	100,000
	574,593	100,000

People's Micro-commerce Limited

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	30,536,618	12,286,897
Insurance premium in respect of customers introduced	257,838,970	123,820,353
Service charges	37,710,128	18,061,566
Claims expense	5,486,000	6,300,443
Rent income on Galle branch	1,892,755	1,892,755

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	4,489,476	252,494
Insurance premium receivable in respect of customers introduced	78,384,385	33,282,724
Service charges payable	13,371,952	4,073,508
Claims outstanding	350,000	95,000
Rent receivable on Galle branch	3,312,322	1,419,566
	99,908,135	39,123,292

People's Leasing Havelock Properties Limited

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	2,845,145	2,570,069
Building rent expenses	122,331,545	122,331,545
Claims expense	66,290	40,700

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	226,420	70,956
Rent paid in advance	84,090,000	84,090,000
Rent payable	10,194,295	-
Claims outstanding	196,500	15,000
	94,707,215	84,175,956

People's Travel Private Limited

Transactions

For the year ended	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium in respect of their own policies	132,910	79,384
Insurance premium in respect of customers introduced	649,967	745,150
Service charges	151,993	177,620

Outstanding Balances

As at	31.12.2025 Rs.	31.12.2024 Rs.
Insurance premium receivable in respect of their own policies	-	24,837
Insurance premium receivable in respect of customers introduced	39,161	368,255
Service charges payable	47,188	-
	86,349	393,092

46.9 Transactions with Other Related Parties

Other related entities are those which are controlled or significantly influenced, directly or indirectly by key management personnel of the Company.

There are no balances with other related entities which are controlled or significantly influenced, directly or indirectly by key management personnel of the Company.

46.10 Transactions with the Government of Sri Lanka and Its Related Entities

Transactions with the Government of Sri Lanka and entities controlled and jointly controlled, significantly influenced by the Government of Sri Lanka are provided below.

The Government of Sri Lanka has the right to directly control the ultimate parent Company People's Bank at 31 December 2025 and thereby holds an indirect control over the Company. Accordingly, the Company has considered the Government of Sri Lanka and other entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka (Government related entities) as related parties according to LKAS 24 - Related Party Disclosures.

Nature of transaction	31.12.2025 Rs.	31.12.2024 Rs.
Government of Sri Lanka		
Investment balance	5,222,811,969	5,620,795,316
Investment income	620,442,835	584,897,038
Other Government related banks		
Investment balance	328,405,653	1,065,656,185
Investment income	50,039,081	207,316,410

Apart from the transactions listed above, the Company has carried out transactions with other Government related entities in the form of premium income, reinsurance premium, claims, taxes, utility bills, regulatory charges, etc. The total of such payments made in the year ended 31 December 2025 are as follows:

Nature of transaction	31.12.2025 Rs.	31.12.2024 Rs.
Premium income from the Government and other Government related entities	434,425,519	500,207,761
Claims paid to the Government and other Government related entities	313,606,293	292,829,316
Reinsurance premium (net of commission)	1,442,059,946	532,013,176
Taxes paid	1,577,738,028	1,306,576,637
Regulatory charges	11,911,312	8,712,516
Utility expenses	15,970,679	5,368,580

47. ASSETS PLEDGED

The following assets have been pledged as a security for liabilities.

Nature of asset	Nature of liability	Carrying value		Classification
		2025 Rs.	2024 Rs.	
Fixed deposit at People's Bank	Bank overdraft facility	75,000,000	75,000,000	Loans and receivables
Fixed deposit at People's Bank	Bank guarantee	274,976,388	158,500,000	Loans and receivables
Fixed deposit at National Development Bank	Bank guarantee	1,176,414	1,000,000	Loans and receivables

48. EVENTS AFTER THE REPORTING DATE

Accounting policy

Events after the reporting period are those events, favourable and unfavourable that occur between the reporting date and the date when the financial statements are authorised for issue.

All material post reporting date events have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

49. CAPITAL COMMITMENTS AND CONTINGENCIES

Accounting policy

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless they are remote.

49.1 Capital Commitments

There were no significant capital commitments as at the reporting date (2024 - Nil).

49.2 Contingencies

In the opinion of the Directors and the Company's lawyers, pending litigation against the Company will not have a material impact on the reported financial results or future operations of the Company.

All pending litigation for claims have been evaluated and adequate provisions have been made in the financial statements.

49.3 Assessment on VAT and NBT on Financial Services

The Company received an assessments on VAT and NBT on Financial Services for the taxable period from 01.01.2016 to 31.12.2021 except for the year 2020 from the Department of Inland Revenue (DIR). The Company received determination on VAT and NBT on Financial Services for the taxable period 01.01.2016 to 31.12.2017 from Department of Inland Revenue for which Company has made an appeal to the to the Tax Appeals Commission (TAC) against the determination as the Company's stance is that it is in the business of insurance hence is not liable for VAT or NBT on FS. Other insurers have also received similar assessments and have appealed against them. The status of assessments is provided in the table below.

49.4 Assessment on Income Tax

Company has received an income tax assessment for the year of assessment 2019/20, which is in the process of hearing by the Tax Appeals Commission (TAC).

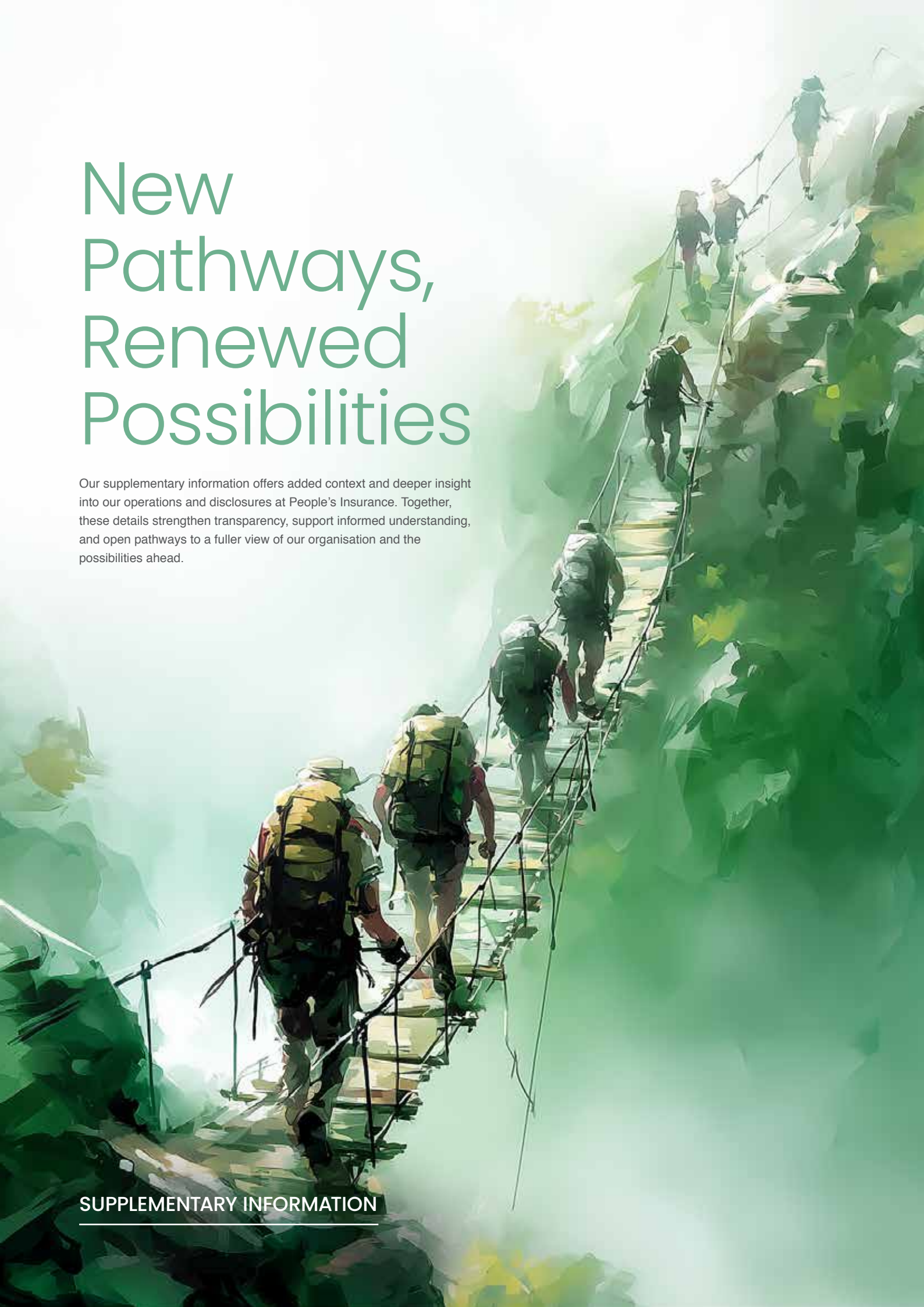
Tax period	Status of assessment	Tax type	Measurement of contingent impact to the Company		
			Tax in default Rs.	Penalty Rs.	Total Rs.
01.01.2016 - 31.12.2016	TAC decision given infavour of PI, IRD had given their intention to appeal in CA. Ongoing hearing in CA	VAT on FS	9,928,843	5,560,152	15,488,995
01.01.2017 - 31.12.2017	TAC decision given infavour of PI, IRD had given their intention to appeal in CA. Ongoing hearing in CA	VAT on FS	17,352,632	8,676,316	26,028,948
01.01.2018 - 31.12.2018	Pending decision from CGIR	VAT on FS	16,983,144	8,491,572	25,474,716
01.01.2019 - 31.12.2019	Pending decision from CGIR	VAT on FS	22,103,995	11,051,998	33,155,993
01.01.2021 - 31.12.2021	Pending decision from CGIR	VAT on FS	26,007,130	13,003,565	39,010,695
01.01.2022 - 31.12.2022	Pending decision from CGIR	VAT on FS	48,922,003	24,461,002	73,383,005
01.01.2016 - 31.12.2016	TAC decision given infavour of IRD.PI has given the intention to appeal in CA. Ongoing hearing in CA	NBT on FS	1,600,048	800,024	2,400,072
01.01.2017 - 31.03.2017	TAC decision given infavour of PI, IRD had given their intention to appeal in CA	NBT on FS	578,421	289,210	867,631
01.04.2017 - 30.06.2017	TAC decision given infavour of PI, IRD had given their intention to appeal in CA. Ongoing hearing in CA	NBT on FS	578,421	289,210	867,631
01.07.2017 - 30.09.2017	Pending determination by TAC	NBT on FS	578,421	289,210	867,631
01.10.2017 - 31.12.2017	TAC decision given infavour of IRD.PI has given the intention to appeal in CA. Ongoing hearing in CA	NBT on FS	578,421	289,210	867,631
01.01.2019 - 31.12.2019	In the process of hearing by TAC	Income Tax	19,623,280	14,843,724	34,467,004
01.01.2022 - 31.12.2022	In the process of review by CGIR	VAT	2,130,935	1,647,506	3,778,441
01.10.2022 - 31.12.2022	In the process of review by CGIR	SSCL	3,002,418	574,003	3,576,421
			169,968,112	90,266,702	260,234,814

50. COMPARATIVE INFORMATION

The presentation and classification in the financial statements have been amended where appropriate to ensure comparability with the current year.

New Pathways, Renewed Possibilities

Our supplementary information offers added context and deeper insight into our operations and disclosures at People's Insurance. Together, these details strengthen transparency, support informed understanding, and open pathways to a fuller view of our organisation and the possibilities ahead.



SUPPLEMENTARY INFORMATION

Quarterly Analysis 2025 Statement of Profit or Loss

For the year ended	1st Quarter Jan - Mar Rs.	2nd Quarter Apr - Jun Rs.	3rd Quarter Jul - Sep Rs.	4th Quarter Oct - Dec Rs.	Total Rs.
Revenue	1,333,812,316	1,413,897,823	1,515,871,683	1,458,888,443	5,722,470,265
Gross written premium	2,126,845,875	1,625,958,052	2,500,036,763	2,114,548,017	8,367,388,707
Change in reserve for unearned insurance premium	(532,482,224)	76,947,233	(644,549,793)	(87,989,389)	(1,188,074,173)
Gross earned premium	1,594,363,651	1,702,905,285	1,855,486,970	2,026,558,628	7,179,314,534
Premium ceded to reinsurers	(795,904,461)	(550,470,052)	(719,510,512)	(809,369,387)	(2,875,254,412)
Change in reserve for unearned reinsurance premium	259,572,835	(16,225,124)	110,975,852	(42,517,446)	311,806,117
Net earned premium	1,058,032,025	1,136,210,109	1,246,952,310	1,174,671,795	4,615,866,239
Fee income	35,531,033	31,337,774	40,708,712	40,759,738	148,337,257
Claims and expenses					
Net claims	(619,458,293)	(753,882,220)	(821,908,390)	(969,646,074)	(3,164,894,977)
Underwriting and net acquisition costs	(45,915,744)	(43,334,518)	(48,981,053)	(70,361,431)	(208,592,746)
Other operating and administrative expenses	(500,520,587)	(493,719,490)	(517,803,487)	(447,540,734)	(1,959,584,298)
Finance cost	(15,779,852)	(20,402,776)	(16,814,507)	(12,018,843)	(65,015,978)
	(1,181,674,476)	(1,311,339,004)	(1,405,507,437)	(1,499,567,082)	(5,398,087,999)
Underwriting results	(88,111,418)	(143,791,121)	(117,846,415)	(284,135,549)	(633,884,503)
Other revenue					
Net interest and dividend income	257,614,647	257,250,991	251,525,933	265,885,913	1,032,277,484
Net realised gains/(losses)	17,328,390	18,891,334	19,431,748	19,222,737	74,874,209
Other income	837,254	1,545,389	(2,038,308)	(892,002)	(547,667)
	275,780,291	277,687,714	268,919,373	284,216,648	1,106,604,026
Profit before tax	187,668,873	133,896,593	151,072,958	81,099	472,719,523
Income tax expense	(55,647,501)	(44,333,319)	(48,016,038)	30,525,494	(117,471,364)
Profit for the year	132,021,372	89,563,274	103,056,920	30,606,593	355,248,159

	Rs.	Rs.	Rs.	Rs.
Share performance				
Net asset value per share as at end of the quarter	28.29	28.69	29.19	29.32
Highest price per share for the interim period	36.00	34.10	43.00	45.50
Lowest price per share for the interim period	28.00	26.60	31.40	29.70
Last traded price per share as at end of the quarter	28.50	33.50	39.80	32.50

Quarterly Analysis 2024 Statement of Profit or Loss

For the year ended	1st Quarter Jan - Mar Rs.	2nd Quarter Apr - Jun Rs.	3rd Quarter Jul - Sep Rs.	4th Quarter Oct - Dec Rs.	Total Rs.
Revenue	1,263,761,310	1,601,092,786	1,645,497,216	1,417,850,672	5,928,201,984
Gross written premium	1,768,513,049	1,061,379,505	1,864,352,640	1,555,049,919	6,249,295,113
Change in reserve for unearned insurance premium	(376,557,702)	331,315,630	(375,971,145)	(35,952,864)	(457,166,081)
Gross earned premium	1,391,955,347	1,392,695,135	1,488,381,495	1,519,097,055	5,792,129,032
Premium ceded to reinsurers	(651,213,403)	(411,790,252)	69,764,340	(252,691,393)	(1,245,930,708)
Change in reserve for unearned reinsurance premium	197,069,406	301,824,552	(197,531,144)	(134,333,827)	167,028,987
Net earned premium	937,811,350	1,282,729,435	1,360,614,691	1,132,071,835	4,713,227,311
Fee income	25,781,187	16,913,005	27,204,200	28,989,468	98,887,860
Claims and expenses					
Net claims	(724,602,095)	(813,017,658)	(802,992,974)	(789,095,064)	(3,129,707,791)
Underwriting and net acquisition costs	(23,336,731)	(151,020,395)	(218,793,225)	(97,395,962)	(490,546,313)
Other operating and administrative expenses	(367,319,002)	(365,077,129)	(449,613,752)	(459,582,033)	(1,641,591,916)
Finance cost	(18,454,490)	(15,594,147)	(14,754,220)	(14,825,422)	(63,628,279)
	(1,133,712,318)	(1,344,709,329)	(1,486,154,171)	(1,360,898,481)	(5,325,474,299)
Underwriting results	(170,119,781)	(45,066,889)	(98,335,280)	(199,837,178)	(513,359,128)
Other revenue					
Net interest and dividend income	310,095,910	316,164,218	276,172,634	276,352,151	1,178,784,913
Net realised gains/(losses)	-	1,648,777	7,490,891	8,924,867	18,064,535
Other income	15,854,050	550,356	1,219,000	501,819	18,125,225
	325,949,960	318,363,351	284,882,525	285,778,837	1,214,974,673
Profit before tax	155,830,179	273,296,462	186,547,245	85,941,659	701,615,545
Income tax expense	(39,900,477)	(96,153,338)	(80,858,128)	(55,282,195)	(272,194,138)
Profit for the year	115,929,702	177,143,124	105,689,117	30,659,464	429,421,407

	Rs.	Rs.	Rs.	Rs.
Share performance				
Net asset value per share as at end of the quarter	26.85	27.13	27.61	27.69
Highest price per share for the interim period	23.30	25.60	23.00	32.20
Lowest price per share for the interim period	20.70	21.80	20.50	20.40
Last traded price per share as at end of the quarter	23.00	22.40	22.50	32.00

Ten Year Summary

All figures are in Rupees thousand unless otherwise stated

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statement of Profit or Loss										
Revenue	5,722,470	5,928,202	5,629,835	6,320,143	5,851,422	6,109,650	6,054,532	5,383,275	4,749,609	4,210,330
Gross written premium	8,367,389	6,249,295	5,762,722	6,132,057	5,967,950	6,011,568	6,029,973	5,591,815	4,781,919	4,339,580
Net earned premium	4,615,866	4,713,227	4,170,199	4,991,770	5,120,626	5,303,392	5,261,736	4,709,486	4,097,182	3,723,233
Fee income	148,337	98,888	86,896	74,522	54,300	53,086	53,994	49,393	41,805	39,778
Net claims	(3,164,895)	(3,129,708)	(3,125,705)	(3,638,292)	(2,994,319)	(2,699,553)	(3,552,575)	(3,237,226)	(2,840,950)	(2,628,295)
Underwriting and net acquisition costs	(208,593)	(490,546)	(259,174)	(477,368)	(527,064)	(559,530)	(517,151)	(461,796)	(407,022)	(380,484)
Other operating and administrative expenses	(1,959,584)	(1,641,592)	(1,466,117)	(1,233,809)	(1,203,691)	(1,216,196)	(1,100,692)	(886,630)	(676,750)	(508,319)
Finance Cost	(65,016)	(63,628)	(81,259)	(44,918)	(11,560)	(19,935)	(26,078)	-	-	-
Underwriting results	(633,885)	(513,359)	(675,160)	(328,097)	438,293	861,264	119,233	173,226	214,265	245,913
Other revenue	1,106,604	1,214,975	1,459,636	1,328,372	730,796	806,257	792,796	673,790	652,427	487,097
Profit before tax	472,720	701,616	784,476	1,000,276	1,169,088	1,667,521	912,030	847,016	866,691	733,010
Income tax expense	(117,471)	(272,194)	(262,898)	(364,317)	(189,419)	(472,207)	(264,376)	(117,954)	(93,606)	(75,013)
Profit for the year	355,248	429,421	521,578	635,959	979,669	1,195,314	647,654	729,062	773,085	657,997
Statement of Financial Position										
Assets										
Intangible assets	18,992	15,784	11,748	5,426	8,198	10,970	1,876	2,388	11,000	23,388
Property, plant and equipment	295,504	339,602	324,764	381,714	123,150	185,479	238,215	82,009	84,393	21,388
Deferred tax asset	26,805	7,552	11,613	57,014	50,730	40,202	11,528	3,006	28	1,872
Financial investments	11,496,065	10,085,834	9,671,185	8,694,380	9,038,785	8,574,329	7,349,839	6,658,264	6,136,594	5,469,881
Reinsurance and insurance receivables	3,542,721	1,815,616	1,811,451	1,607,336	1,453,809	1,343,888	1,485,495	1,116,395	1,088,634	828,696
Deferred expenses	21,110	-	-	187,434	244,282	276,219	289,575	264,162	238,257	220,580
Other assets	181,790	269,990	204,812	129,086	67,444	113,805	75,200	69,953	69,549	16,003
Cash and cash equivalents	82,026	155,078	108,657	154,225	68,316	50,972	128,771	221,391	116,660	138,336
Total assets	15,665,014	12,689,455	12,144,229	11,216,616	11,054,714	10,595,863	9,580,499	8,417,568	7,745,115	6,720,144
Equity and liabilities										
Equity										
Stated capital	1,435,000	1,435,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Reserves	4,535,133	4,202,946	3,898,552	3,303,483	3,643,096	3,269,185	2,292,649	2,025,147	1,707,240	1,279,457
Total equity	5,970,133	5,637,946	5,248,552	4,653,483	4,993,096	4,619,185	3,642,649	3,375,147	3,057,240	2,629,457
Liabilities										
Insurance contract liabilities	7,119,086	4,852,026	4,258,823	4,831,702	4,831,514	4,623,435	4,923,642	4,367,566	4,073,555	3,557,794
Retirement benefit obligations	117,119	94,124	68,710	54,075	50,648	42,734	37,238	27,490	17,882	12,920
Financial and other liabilities	1,748,712	1,610,540	1,619,247	1,297,796	865,750	1,226,385	818,826	499,503	491,885	404,296
Reinsurance payable	574,955	387,361	838,517	180,791	244,382	65,498	7,527	61,808	35,716	41,432
Deferred Income	-	9,364	35,045	-	-	-	-	-	-	-
Bank overdraft	135,010	98,094	75,335	198,769	69,324	18,626	150,617	86,054	68,837	74,244
Total liabilities	9,694,881	7,051,509	6,895,677	6,563,133	6,061,618	5,976,678	5,937,850	5,042,421	4,687,875	4,090,687
Total equity and liabilities	15,665,014	12,689,455	12,144,229	11,216,616	11,054,714	10,595,863	9,580,499	8,417,568	7,745,115	6,720,144
Investor Information										
Return on net assets (%)	6%	8%	10%	14%	20%	26%	18%	22%	25%	25%
Earnings per share (Rs.)	1.74	2.11	2.61	3.18	4.90	5.98	3.24	3.65	3.87	3.29
Dividend per share (Rs.)	-	0.50	-	2.50	1.50	3.00	1.85	1.85	2.00	1.75
Net assets per share (Rs.)	29.32	27.69	26.24	23.27	24.97	23.10	18.21	16.88	15.29	13.15
Last traded price per share as at end of the year (Rs.)	32.50	32.00	22.60	20.20	34.30	28.20	21.70	19.10	23.00	19.00
Return on Equity (%)	6%	8%	11%	13%	20%	29%	18%	23%	27%	27%
Other Information										
Number of employees	649	655	568	620	620	622	607	554	385	330
Number of shares	203,632	203,632	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Horizontal Analysis of Statement of Profit or Loss

(Rs. Mn)

For the year ended 31 December	2025	2025 Vs 2024	2024	2024 Vs 2023	2023	2023 Vs 2022	2022	2022 Vs 2021	2021	2021 Vs 2020
Revenue	5,722	-3%	5,928	5%	5,630	-11%	6,320	8%	5,851	-4%
Gross written premium	8,367	34%	6,249	8%	5,763	-6%	6,132	3%	5,968	-1%
Net earned premium	4,616	-2%	4,713	13%	4,170	-16%	4,992	-3%	5,121	-3%
Fee income	148	50%	99	14%	87	17%	75	37%	54	2%
Net claims	(3,165)	1%	(3,130)	0%	(3,126)	-14%	(3,638)	22%	(2,994)	11%
Underwriting and net acquisition costs	(209)	-57%	(491)	89%	(259)	-46%	(477)	-9%	(527)	-6%
Other operating and administrative expenses	(1,960)	19%	(1,642)	12%	(1,466)	19%	(1,234)	3%	(1,204)	-1%
Finance Cost	(65)	2%	(64)	-22%	(81)	81%	(45)	289%	(12)	-42%
Underwriting results	(634)	23%	(513)	-24%	(675)	106%	(328)	-175%	438	-49%
Other revenue	1,107	-9%	1,215	-17%	1,460	10%	1,328	82%	731	-9%
Profit before tax	473	-33%	702	-11%	784	-22%	1,000	-14%	1,169	-30%
Income tax expense	(117)	-57%	(272)	4%	(263)	-28%	(364)	92%	(189)	-60%
Profit for the year	355	-17%	429	-18%	522	-18%	636	-35%	980	-18%

Horizontal Analysis of Statement of Financial Position

(Rs. Mn)

As at 31 December	2025	2025 Vs 2024	2024	2024 Vs 2023	2023	2023 Vs 2022	2022	2022 Vs 2021	2021	2021 Vs 2020
Assets										
Intangible assets	19	20%	16	34%	12	117%	5	-34%	8	-25%
Property, plant and equipment	296	-13%	340	5%	325	-15%	382	210%	123	-34%
Deferred tax asset	27	255%	8	-35%	12	-80%	57	12%	51	26%
Financial investments	11,496	14%	10,086	4%	9,671	11%	8,694	-4%	9,039	5%
Reinsurance and insurance receivables	3,543	95%	1,816	0%	1,811	13%	1,607	11%	1,454	8%
Deferred expenses	21	-	-	-	-	-100%	187	-23%	244	-12%
Other assets	182	-33%	270	32%	205	59%	129	91%	67	-41%
Cash and cash equivalents	82	-47%	155	43%	109	-30%	154	126%	68	34%
Total assets	15,665	23%	12,689	4%	12,144	8%	11,217	1%	11,055	4%
Equity and liabilities										
Equity										
Stated capital	1,435	-	1,435	6%	1,350	-	1,350	-	1,350	-
Reserves	4,535	8%	4,203	8%	3,899	18%	3,303	-9%	3,643	11%
Total equity	5,970	6%	5,638	7%	5,249	13%	4,653	-7%	4,993	8%
Liabilities										
Insurance contract liabilities	7,119	47%	4,852	14%	4,259	-12%	4,832	0%	4,832	5%
Retirement benefit obligations	117	24%	94	37%	69	27%	54	7%	51	19%
Financial and other liabilities	1,749	9%	1,611	-1%	1,619	25%	1,298	50%	866	-29%
Reinsurance payable	575	48%	387	-54%	839	364%	181	-26%	244	273%
Deferred Income	-	-100%	9	-73%	35	-	-	-	-	-
Bank overdraft	135	38%	98	30%	75	-62%	199	187%	69	272%
Total liabilities	9,695	37%	7,052	2%	6,896	5%	6,563	8%	6,062	1%
Total equity and liabilities	15,665	23%	12,689	4%	12,144	8%	11,217	1%	11,055	4%

Vertical Analysis of Statement of Profit or Loss

(Gross Written Premium has been considered as the base figure)

(Rs. Mn)

For the year ended 31 December	2025	%	2024	%	2023	%	2022	%	2021	%
Revenue	5,722	68%	5,928	95%	5,630	98%	6,320	103%	5,851	98%
Gross written premium	8,367	100%	6,249	100%	5,763	100%	6,132	100%	5,968	100%
Net earned premium	4,616	55%	4,713	75%	4,170	72%	4,992	81%	5,121	86%
Fee income	148	2%	99	2%	87	2%	75	1%	54	1%
Net claims	(3,165)	-38%	(3,130)	-50%	(3,126)	-54%	(3,638)	-59%	(2,994)	-50%
Underwriting and net acquisition costs	(209)	-2%	(491)	-8%	(259)	-4%	(477)	-8%	(527)	-9%
Other operating and administrative expenses	(1,960)	-23%	(1,642)	-26%	(1,466)	-25%	(1,234)	-20%	(1,204)	-20%
Finance Cost	(65)	-1%	(64)	-1%	(81)	-1%	(45)	-1%	(12)	0%
Underwriting results	(634)	-8%	(513)	-8%	(675)	-12%	(328)	-5%	438	7%
Other revenue	1,107	13%	1,215	19%	1,460	25%	1,328	22%	731	12%
Profit before tax	473	6%	702	11%	784	14%	1,000	16%	1,169	20%
Income tax expense	(117)	-1%	(272)	-4%	(263)	-5%	(364)	-6%	(189)	-3%
Profit for the year	355	4%	429	7%	522	9%	636	10%	980	16%

Vertical Analysis of Statement of Financial Position

(Total Assets has been considered as the base figure)

(Rs. Mn)

As at 31 December	2025	%	2024	%	2023	%	2022	%	2021	%
Assets										
Intangible assets	19	0%	16	0%	12	0%	5	0%	8	0%
Property, plant and equipment	296	2%	340	3%	325	3%	382	3%	123	1%
Deferred tax asset	27	0%	8	0%	12	0%	57	1%	51	0%
Financial investments	11,496	73%	10,086	79%	9,671	80%	8,694	78%	9,039	82%
Reinsurance and insurance receivables	3,543	23%	1,816	14%	1,811	15%	1,607	14%	1,454	13%
Deferred expenses	21	0.00	-	-	-	-	187	2%	244	2%
Other assets	182	1%	270	2%	205	2%	129	1%	67	1%
Cash and cash equivalents	82	1%	155	1%	109	1%	154	1%	68	1%
Total assets	15,665	100%	12,689	100%	12,144	100%	11,217	100%	11,055	100%
Equity and liabilities										
Equity										
Stated capital	1,435	9%	1,435	11%	1,350	11%	1,350	12%	1,350	12%
Reserves	4,535	29%	4,203	33%	3,899	32%	3,303	29%	3,643	33%
Total equity	5,970	38%	5,638	44%	5,249	43%	4,653	41%	4,993	45%
Liabilities										
Insurance contract liabilities	7,119	45%	4,852	38%	4,259	35%	4,832	43%	4,832	44%
Retirement benefit obligations	117	1%	94	1%	69	1%	54	0%	51	0%
Financial and other liabilities	1,749	11%	1,611	13%	1,619	13%	1,298	12%	866	8%
Reinsurance payable	575	4%	387	3%	839	7%	181	2%	244	2%
Deferred Income	-	0%	9	0%	35	0%	-	-	-	-
Bank overdraft	135	1%	98	1%	75	1%	199	2%	69	1%
Total liabilities	9,695	62%	7,052	56%	6,896	57%	6,563	59%	6,062	55%
Total equity and liabilities	15,665	100%	12,689	100%	12,144	100%	11,217	100%	11,055	100%

GRI Content Index

Statement of use	People's Insurance PLC has reported in accordance with the GRI Standards for the period 01 January 2025 to 31 December
	GRI 1: Foundation 2021

GRI standard	Disclosure	Location	Omission		
			Requirement (S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	389			
	2-2 Entities included in the organization's sustainability reporting	7			
	2-3 Reporting period, frequency and contact point	7,9			
	2-4 Restatements of information	9			
	2-5 External assurance	8, 165-166			
	2-6 Activities, value chain and other business relationships	32-33,140,147-148			
	2-7 Employees	112,114,115, 124-125			
	2-8 Workers who are not employees	114-115			
	2-9 Governance structure and composition	70,188, 192			
	2-10 Nomination and selection of the highest governance body	194-195, 239-242			
	2-11 Chair of the highest governance body	170			
	2-12 Role of the highest governance body in overseeing the management of impacts	189,197			
	2-13 Delegation of responsibility for managing impacts	197,199			
	2-14 Role of the highest governance body in sustainability reporting	9,206			
	2-15 Conflicts of interest	195			
	2-16 Communication of critical concerns	133,205			

GRI Content Index

GRI standard	Disclosure	Location	Omission		
			Requirement (S) Omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	196			
	2-18 Evaluation of the performance of the highest governance body	202			
	2-19 Remuneration policies	196,236-238			
	2-20 Process to determine remuneration	196,236-238			
	2-21 Annual total compensation ratio	-	2-21	Confidentiality	Due to confidentiality data can not be disclosed
	2-22 Statement on sustainable development strategy	22-25			
	2-23 Policy commitments	189,212,230-233			
	2-24 Embedding policy commitments	189,212,230-233			
	2-25 Processes to remediate negative impacts	122			
	2-26 Mechanisms for seeking advice and raising concerns	122			
	2-27 Compliance with laws and regulations	209			
	2-28 Membership associations	133			
	2-29 Approach to stakeholder engagement	34-41			
	2-30 Collective bargaining agreements	116-117,122			
GRI 3: Material topics 2021	3-1 Process to determine material topics	42-43			
	3-2 List of material topics	42-49			

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Economic performance						
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	21			
	201-2	Financial implications and other risks and opportunities due to climate change	64-69			
	201-3	Defined benefit plan obligations and other retirement plans	111,309			
	201-4	Financial assistance received from government				No financial assistance was received
Market presence						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	117			
	202-2	Proportion of senior management hired from the local community	114			
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	150-152			
	203-2	Significant indirect economic impacts	150-152			

GRI Content Index

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Procurement practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	148			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	126			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	133			
	205-3	Confirmed incidents of corruption and actions taken	133			
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	141			
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	154			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	160-161			
	302-3	Energy intensity	160			
	302-4	Reduction of energy consumption	160-161			

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Water and effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics	154			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	162			
	303-2	Management of water discharge-related impacts			Not Applicable	
	303-3	Water withdrawal			Not Applicable	
	303-5	Water consumption	162			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	154			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	160-161			
	305-2	Energy indirect (Scope 2) GHG emissions	160-161			
	305-3	Other indirect (Scope 3) GHG emissions	160-161			
	305-4	GHG emissions intensity	160-161			
	305-5	Reduction of GHG emissions	160-161			
	305-6	Emissions of ozone-depleting substances (ODS)			Not Applicable	Business model does not generate these types of pollution.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not Applicable	Business model does not generate these types of pollution.

GRI Content Index

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	154			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	162-163			
	306-2	Management of significant waste-related impacts	162-163			
	306-3	Waste generated	162-163			
	306-4	Waste diverted from disposal	162-163			
	306-5	Waste directed to disposal	162-163			
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	150			
	308-2	Negative environmental impacts in the supply chain and actions taken	150			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	115,124-125			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	117			
	401-3	Parental leave	118			

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Labor/management relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	122			
Occupational health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system			Not Applicable	
	403-2	Hazard identification, risk assessment, and incident investigation	123			
	403-3	Occupational health services	123			
	403-4	Worker participation, consultation, and communication on occupational health and safety	123			
	403-5	Worker training on occupational health and safety	123			
	403-6	Promotion of worker health	123			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	123			
	403-9	Work-related injuries	124			
	403-10	Work-related ill health	124			

GRI Content Index

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
	404-2	Programs for upgrading employee skills and transition assistance programs	121			
	404-3	Percentage of employees receiving regular performance and career development reviews	118			
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	124,192			
	405-2	Ratio of basic salary and remuneration of women to men	116			
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	116-117			
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	122			

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Child labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	110			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	116-117			
Local communities						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	150-152			
	413-2	Operations with significant actual and potential negative impacts on local communities	150			
Supplier social assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	150			
	414-2	Negative social impacts in the supply chain and actions taken	150			
Customer health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics		Not Applicable		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories		Not Applicable		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not Applicable		

GRI Content Index

GRI standard	Disclosure		Location	Omission		
				Requirement (S) Omitted	Reason	Explanation
Marketing and labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	141			
	417-2	Incidents of non-compliance concerning product and service information and labeling	141			
	417-3	Incidents of non-compliance concerning marketing communications	141			
Customer privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	138			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	146			

Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of measure	Code	PI Disclosure reference
Transparent information & fair advice for customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers 1	Quantitative	Presentation currency	FN-IN-270a.1	No monetary losses as a result of legal proceedings
	Complaints-to-claims ratio	Quantitative	Rate	FN-IN-270a.2	PI does not specifically track this metric
	Customer retention rate	Quantitative	Rate	FN-IN-270a.3	Social and relationship capital on page 37
	Description of approach to informing customers about products	Discussion and Analysis	n/a	FN-IN-270a.4	Social and relationship capital on page 140
Incorporation of environmental, social and governance Factors in investment management	Environmental, Social and Governance Factors in Investment Management Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	Discussion and Analysis	n/a	FN-IN-410a.2	Natural Capital on page 167
Policies designed to incentivise responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	Quantitative	Presentation currency	FN-IN-410b.1	PI does not specifically track this matric
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	Discussion and Analysis	n/a	FN-IN-410b.2	Social and relationship capital on page 140
Financed emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	Metric tonnes (t) CO x-e	FN-IN-410c.1	Natural capital on page 161
	Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-IN-410c.2	PI does not specifically track this metric
	Percentage of gross exposure included in the financed emissions calculation	Quantitative	Percentage %	FN-IN-410c.3	PI does not specifically track this metric
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	n/a	FN-IN-410c.4	PI does not specifically track this metric
Physical risk exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes 2	Quantitative	Presentation currency	FN-IN-450a.1	PI does not track this metric

Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of measure	Code	PI Disclosure reference
	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance) 3	Quantitative	Presentation currency	FN-IN-450a.2	PI does not track this metric
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	Discussion and Analysis	n/a	FN-IN-450a.3	Risk management section on page 266
Systemic risk management	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	Quantitative	Presentation currency	FN-IN-550a.1	PI does not track this metric
	Total fair value of securities lending collateral assets	Quantitative	Presentation currency	FN-IN-550a.2	PI does not have securities lending collateral assets
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Discussion and Analysis	n/a	FN-IN-550a.3	Risk management section on page 260

Activity metric	Category	Unit of measure	Code	PI Disclosure reference
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	Quantitative	Number	FN-IN-000.A	Social and relationship capital on page 157

Glossary of Insurance Terms

A

Accumulation
The total combined risks that could be involved in a single loss event (involving one or more insured perils).

Acquisition expenses
Direct costs an insurer incurs to 'acquire' the premium such as commissions paid to a broker. These costs are required to be expensed in the same ratio as the premiums to which they relate are earned. The amount to be expensed in future periods recorded as deferred acquisition costs (an asset) in the statement of financial position.

Actuary
A specialist in the mathematics of insurance who calculates rates, reserves, dividends and other statistics.

Administrative expenses
Costs of an administrative nature including those arising from premium collection, portfolio administration and inward and outward reinsurance, including staff costs and depreciation provisions in respect of property, plant and equipment.

Admissible assets
Assets that may be included in determining an insurer's statutory solvency position. Such assets are specified under the rules made by the Insurance Regulatory Commission of Sri Lanka under the Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto.

Agent
An individual who is an independent contractor authorised to carry out transactions on behalf of another, such as the sale of insurance policies. Insurance agents usually earn commission or a fee on the sale of a policy. In Sri Lanka they are tied to a particular insurance Company and offer a limited selection of products.

All risks
A property insurance which covers any accidental loss or damage that is not specifically excluded under the policy.

Annual basis of accounting
A basis of accounting for Non-Life insurance business whereby a result is determined at the end of the accounting period reflecting the profit or loss from providing insurance cover during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

Automobile liability insurance
Coverage for bodily injury and property damage incurred through ownership or operation of a vehicle.

B

Broker
A firm that acts as an intermediary between a buyer and seller usually charging commission or a fee. Insurance brokers arrange cover on behalf of their clients and represent the interests of the policyholder.

Burglary and theft
Coverage for property taken or destroyed by breaking and entering the insured's premises, burglary or theft, forgery or counterfeiting, fraud, kidnap and ransom and off-premises exposure.

Bodily injury liability coverage
Coverage for damages resulting in bodily injury or death sustained by others, including covered medical costs, that you become legally responsible for because of a covered auto accident.

C

Capital adequacy ratio
A risk based Capital Adequacy Ratio (CAR) measures the relative adequacy of an insurer's capital. The CAR value reports on the adequacy of the Total Available Capital (TAC) in insurance and shareholder's funds collectively, to support the Risk based Capital Required (RCR).

Captive agent
An individual who sells or services insurance contracts for a specific insurer or fleet of insurers.

Casualty insurance
A form of liability insurance providing coverage for negligent acts and omissions such as workers compensation, errors and omissions, fidelity, crime, glass, boiler and various malpractices coverage.

Cedent
A ceding insurer. A ceding insurer is an insurer that underwrites and issues an original, primary policy to an insured and contractually transfers (cedes) a portion of the risk to a reinsurer.

Cession
A particular risk exposure that is transferred under a reinsurance treaty.

Claim handling expenses (CHE)
Expenses incurred while investigating and settling an insurance claim, over and above the cost of the claim itself. Can include legal and other professional fees. Also known as loss adjustment expenses.

Claims incurred
Claims incurred include paid claims and movements in outstanding claims.

Glossary of Insurance Terms

Claims notification clause
A clause in an insurance or reinsurance contract which sets out the procedure that the insured or reassured must follow in order to make a claim under the contract Such clauses frequently provide for prompt notification of claims and events which may give to claims in the future.

Claims outstanding
The amount provided to cover the estimated ultimate cost of settling claims arising out of events which have occurred by the balance sheet date, including Incurred But Not Reported (IBNR) claims and claims handling expenses, less amounts already paid in respect of those claims.

Co-insurance
An arrangement whereby two or more insurers enter into a single contract with the insured to cover a risk in agreed proportions at a specified premium.

Combined ratio
The claims and expenses of an insurer for a given period divided by its net earned premium for the same period. It is normally expressed as a percentage with any figure in excess of 100%, signifying a technical underwriting loss.

Commercial package policy
A broad package of property and liability coverage for commercial ventures other than those provided insurance through a business owner's policy.

Cover note
A document issued by an insurer/ broker, pending the issue of a policy which confirms the arrangement of cover for the named insured/reassured. Motor insurance cover notes that are issued in Sri Lanka are usually of short duration.

D

Deductible
Loss retention of the reinsured in non-proportional reinsurance. Limit above which the reinsurer becomes liable for losses up to the amount of the agreed cover limit.

Deferred acquisition costs
Under the annual basis of accounting, acquisition costs relating to the unexpired period of risk of contracts in force at the balance sheet date which are carried forward from one accounting period to subsequent accounting periods.

E

Earned premium
The proportion of premium that relates to a used period of cover.

Excess
The amount or proportion of some or all losses arising under an insurance or reinsurance contract that is the insured or reassured must bear. If the loss is less than the amount of the excess then the insured/ reassured must meet the cost of it (unless there is other insurance in place to cover the excess). Excesses may either be compulsory or voluntary. An insured who accepts an increased excess in the form of a voluntary excess will usually receive a reduction in premium.

Excess of loss
A type of reinsurance that covers specified losses incurred by the reassured in excess of a stated amount (the excess) up to a higher amount. An excess of loss reinsurance is a form of non-proportional reinsurance.

Exclusion
A term in an insurance or reinsurance contract that excludes the insurer or reinsurer from liability for specified types of loss. An exclusion may apply throughout a policy or it may be limited to specific sections of it. In certain circumstances, an exclusion may be limited or removed altogether following the payment of an additional premium.

Ex-gratia payment
A payment made by underwriters 'as a favour' or 'out of kindness' without an admission of liability so as to maintain goodwill.

F

Facultative reinsurance
Reinsurance for a single risk or a defined package of risks. The ceding Company (the primary issuer) is not compelled to submit these risks to the reinsurer, but neither is the reinsurer compelled to provide reinsurance protection.

G

General average
A loss that arises from the reasonable sacrifice at a time of peril of any part of a ship or its cargo for the purpose of preserving the ship and the remainder of its cargo together with any expenditure made for the same purpose. An example of a general average loss would include jettisoning cargo to keep a ship afloat and an example of general average expenditure would include towing a stricken vessel into port. An average adjuster calculates the value of each saved interest to each interested party which is then obliged to contribute towards the general average loss or

expenditure proportionately. Subject to the terms of the policy, insurance will generally only apply if the loss was incurred to avoid or in connection with the avoidance of an insured peril.

Gross written premium

Original and additional inward premiums, plus any amount in respect of administration fees or policy expenses remitted with a premium but before the deduction of outward reinsurance premiums.

I

Incurred but not reported (IBNR) losses

Estimated losses which an insurer or reinsurer, based on its knowledge or experience of underwriting similar contracts, believes have arisen or will arise under one or more contracts of insurance or reinsurance, but which have not been notified to an insurer or reinsurer at the time of their estimation.

Indemnity

The principle according to which a person who has suffered a loss is restored (so far as possible) to the same financial position that he was in immediately prior to the loss, subject in the case of insurance to any contractual limitation as to the amount payable (the loss may be greater than the policy limit). The application of this principle is called indemnification. Most contracts of insurance are contracts of indemnity. Life insurances and personal accident insurances are not contracts of indemnity as the payments due under those contracts for loss of life or bodily injury are not based on the principle of indemnity.

Insurance contract

A contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if specified uncertain future events adversely affect the policyholder.

Insurance provision

Usually relates to the proportion of net written premiums relating to periods of risk after the accounting date, which are deferred to subsequent accounting periods, as well as the gross claims outstanding.

Insurance risk

Uncertainty over the likelihood of an insured event occurring, the quantum of the claim or the time when claims payments will fall due.

L

Layer

Section of cover in a non-proportional reinsurance programme in which total coverage is divided into number of consecutive layers. Individual layers may be placed with different reinsurers.

Liability adequacy test (LAT)

A test that needs to be performed by an insurer to determine whether its recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts as per the Sri Lanka Accounting Standards.

Loss adjuster

A person who is appointed to investigate the circumstances of a claim under an insurance policy and to advice on the amount that is payable to the policyholder in order to settle that claim.

Loss development factors (LDF)

There is a general upward trend in claim totals after the initial reporting period called 'loss development'. A common method of adjusting losses for the growth in claims and Incurred But Not Reported (IBNR) losses is to apply loss development factors.

N

Net expense ratio

Expenses associated with running an insurance business, such as commission, professional fees and other administrative costs, expressed as a percentage of net earned premiums.

P

Premium

The payment a policyholder makes in return for insurance cover. Usually paid annually.

Premium liability

The amount required to be held in respect of the unexpired period of exposure and considers the unearned premium reserves held and estimate of unexpired risk reserves.

Provision of risk margin for adverse deviation (PRAD)

The provision of risk margin for adverse deviation that relates to the inherent uncertainty in the central estimate value of both the premium and claim liabilities at a 75% level of sufficiency.

Glossary of Insurance Terms

R

Reinsurance
A form of insurance bought by insurance companies to protect themselves from the risk of large losses. One insurer pays to place part of an insured risk or an entire book of business with one or more other insurance companies, known as the reinsurers.

Reinsurance commission
Commission received or receivable in respect of premiums paid or payable to a reinsurer.

Reinsurance inwards
The acceptance of risks under a contract of reinsurance.

Reinsurance outwards
The placing of risks under a contract of reinsurance.

Reinsurance premium
The premium payable to the reinsurer. Reinsurance is an arrangement whereby one party (the reinsurer), in consideration for a premium, agrees to indemnify another party (the cedent) against part or all of the liability assumed by the cedent under a policy or policies of insurance.

Reinsurance profit commission
Commission received or receivable by the cedent (reinsured) from the reinsurer based on the net profit (as defined in the treaty) made by the reinsurer on the reinsurance treaty.

Related party
A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.
- An entity is related to a Reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Retention
The amount of any loss or combination of losses that would otherwise be payable under an insurance/reinsurance contract which the insured/reassured must bear itself before the insurer or reinsurer becomes liable to make any payment under that contract. An insured or reassured may be able to insure its retention with another insurer/reinsurer.

Risk based capital
Capital to be allocated by a Company to cover risks arising from the nature of its business and the markets in which it operates, based on an assessment of those risks and the likelihood of adverse developments.

S

Short-period cancellation
When an insurance contract is terminated prior to its expiry date by the insured any return premium that is payable will usually be calculated on a time on risk basis. The result is that the insured will receive less return premium than would be the case if the return premium was calculated on a pro-rata basis.

Solvency margin
The difference between the value of assets and value of liabilities, required to be maintained by the insurer who carries on general insurance business as defined in Solvency Margin (General Insurance) Rules, 2004 and subsequent amendments thereto made under section 26 of the Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto.

Subrogation

The right of an insurer which has paid a claim under a policy to step into the shoes of the insured so as to exercise in his name all lights he might have with regard to the recovery of the loss which was the subject of the relevant claim paid under the policy up to the amount of that paid claim. The insurer's subrogation rights may be qualified in the policy. In the context of insurance, subrogation is a feature of the principle of indemnity and therefore only applies to contracts of indemnity so that it does not apply to life assurance or personal accident policies. It is intended to prevent an insured recovering more than the indemnity he receives under his insurance (where that represents the full amount of his loss) and enables his insurer to recover or reduce its loss.

Sum insured
The maximum amount that an insurer will pay under a contract of insurance. The expression is usually used in the context of property and life insurance where (subject to the premium cost) the insured determines the amount of cover to be purchased.

Surplus treaty or surplus lines treaty
A type of reinsurance under which bands of cover known as lines are granted above a given retention which is referred to as the cedant's line. Each line is of equivalent size and the capacity of the treaty is expressed as a multiple of the cedant's line. The reinsurer receives an equivalent proportion of the full risk premium. A surplus treaty is a form of proportional reinsurance.

T

Technical reserve
This comprises the claims reserve net of reinsurance, unearned premium reserve net of reinsurance and the deferred acquisition expenses.

Total available capital
Measures the actual available capital held by an insurer eligible to calculate capital adequacy.

Treaty reinsurance
A reinsurance contract under which the reassured agrees to offer and the reinsurer agrees to accept all risks of certain size within a defined class.

U

Underinsurance
Insurance where the sum insured is less than the full value at risk and would not be adequate to meet a total loss.

Underwriting
The process of selecting which risks an insurance Company can cover and deciding the premiums and terms of acceptance.

Underwriting profit
The underwriting result generated by transacting Non-Life insurance business, without taking into account the investment income.

Unearned premium
The proportion of premium that relates to the unused period of cover.

Unexpired risk reserve (URR)
The excess of the estimated value of claims and expenses likely to arise after the end of the financial year from contracts concluded before the date, insofar as their estimated value exceeds the provision for unearned premiums (after deduction of any acquisition costs deferred).

Distribution Network

Head Office
No. 07, Havelock Road, Colombo 05.
Tel : 011-2126126
Fax : 011-2126109

Anuradhapura
No. 488/ 8F, Maithripala Senanayaka Mawatha, Anuradhapura.
Tel : 025-2226060

Badulla
No. 226/ 4/ 1/ 13, 1st floor, Modern Complex, Coco Watta Road, Badulla.
Tel : 055-2051195

Batticaloa
No. 88, Bar Road, Batticaloa.
Tel : 065-2050937

Embilipitiya
No. 123 / B, New Town Road, Embilipitiya.
Tel : 047-2230337

Galle
No. 118, New Matara Road, Galle.
Tel : 091-2235617

Gampaha
No. 350, Colombo Road, Gampaha.
Tel : 033-2321309

Jaffna
No. 12, Stanley Road, Jaffna.
Tel : 021-2212301

Kaluthara
No. 314 1/1, Main Street, Kaluthara South, Kaluthara.
Tel: 034-2223882

Kandy
No. 483/ B, William Gopallawa Mawatha, Kandy
Tel : 081-2238051

Kegalle
No. 281, Main Street, Kegalle.
Tel : 035-2050337

Kurunegala
No. 183B, Colombo Road, Kurunegala.
Tel : 037-2226990

Matara
No. 45/ A, Anagarika Dharmapala Mawatha, Matara.
Tel: 041-2222850

Negombo
No. 314, Colombo Road, Negambo.
Tel : 031-2235517

Nugegoda
No. 155, High Level Road, Gongodavila, Nugegoda
Tel : 011-2266540

Polonnaruwa
No. 388 / B, Hospital Junction, Polonnaruwa.
Tel : 027-2057510

Rathnapura
1st floor, No.173, Main Street, Rathnapura.
Tel : 045-2018230

Trincomalee
No. 275, Main Street, Trincomalee.
Tel : 026-2220168

Vavuniya
No. 42,46, 1st Cross Street, Vavuniya.
Tel : 024-2225861

Window Offices at People's Leasing & Finance PLC Branch Network

Central Province			
Branch	Address	Telephone Number	Contact Person
Dambulla	No. 632, Anuradhapura Road, Dambulla.	066 - 2285232	Mr. Kasun Chathuranga
Digana	No. 118 /E, Rajawella 2, Digana.	081 - 2376923	Mr. Viraj Thushara
Gampola	No. 31, Nawalapitiya Road, Gampola.	081 - 2354159	Mr. Sandaruwan Herath
Hatton	No. 199 / B-1, Dimbulla Road, Hatton.	051 - 2222683	Ms. Madhushani Karthikeshan
Kandy	No. 177, D. S. Senanayaka Veediya, Kandy.	081 - 2205419	Mr. Susantha Herath
Kandy (Islamic)	No. 45, Katugasthota Road, Kandy.	081 - 2205043	Mr. Bathiya Bandara
Katugasthota	No. 431, Katugasthota Road, Kandy.	081 - 2205947	Mr. Kasun Kulasekara
Matale	No. 568, Trincomalee Street, Matale.	066 - 2226401	Mr. Ravindu Madhushan
Nawalapitiya	No. 65, Ambagamuwa Road, Nawalapitiya.	054 - 2224481	Mr. Tharindu Dilshan
Nuwara Eliya	No. 36, K. Ramanathan Complex, Park Road, Nuwara Eliya.	052 - 2224119	Mr. Sameera Janaruwan
Pilimathalawa	No. 174, Kandy Road, Pilimathalawa.	081 - 2056337	Mr. Chamara Sampath

Eastern Province			
Branch	Address	Telephone Number	Contact Person
Ampara	No. 149, Kumarasiri Building, Nidahas Mawatha, Ampara.	063 - 2223395	Mr. Ashen Thiwanka
Batticaloa	No. 26, New Kalmunai Road, Batticaloa.	065 - 2226537	Ms. Tharaha Priyandren
Kalawanchchikudy	No. 251, Main street ,Kalawanchikudi.	065 - 2251661	Mr. Kunanayakam Tishikanth
Kalmunai	No.82, Main Street, Kalmunai	067 - 2225485	Mr. Mohomad Hakmal
Kanthale	No. 72 / 1, Agrabodhi Mawatha, Kanthale.	026 - 2234935	Mr. Dilshan Sandaruwan
Kattankudy	No. 187, Main Street, Kattankudy.	065 - 2248341	Mr. Thurairajasingam Sajeev
Muthur	No. 257, Batticaloa Road, Muthur 2.	026 - 2238074	Ms. Sashikala Udayangani
Trincomalee	No. 275, Mainstreet, Trincomalee.	026 - 2225285	Mr. Nadeeth Prithikumara

North Central Province			
Branch	Address	Telephone Number	Contact Person
Anuradhapura	No. 387 , Harischandra Mawatha , Anuradhapura	025 - 2224902	Mr. Mahesh Lakmal
Galenbindunuwewa Service Center	No. 87 / 61, Near the Peoples Bank, Galenbindunuwewa.	025 - 2258008	Mr. Nilan Chathuranga
Hingurakgoda Service Center	No. 15, Govi mawatha, Hingurakgoda.	027 - 2055054	Mr. Nuwan Sanjeewa
Jaffna	No. 12, Stanley road, Jaffna	021 - 2212301	Mr. Yogarajah Athithan
Kekirawa	No. 12 / A, Thalawa Road, Kekirawa.	025 - 2264820	Mr. Lakshitha Madusanka
Medawachchiya	No. 76 / D, Jaffna Road, Medawachchiya.	025 - 2245209	Mr. Pramod Deshanjaya
Polonnaruwa	No. 407, Main Street, Kaduruwela, Polonnaruwa.	027 - 2225793	Ms. Hasani Kaumadi
Thambuttegama	No. 326, Queen Junction, Kurunagala Road, Thambuttegama.	025 - 2221401	Mr. Shehan Sandeepa

Northern Province			
Branch	Address	Telephone Number	Contact Person
Chunnakam	No. 115, K. K. S. Road, Chunnakam.	021 - 2241105	Mr. Sivapalan Sivakajan
Kilinochchi	No. A 9 Road, Karadipokai, Kilinochchi.	021 - 2283867	Mr. Kobythas Kinoshan
Kodikamam Service Center	Near the post office, Kandy road, Kodikamam.	021 - 2050233	Mr. Sathinthan Sudarshan
Mannar	No. 110, St. Sebasthian Street, Mannar.	023 - 2251342	Mr. R. R. W. Arun
Nelliady Service Center	Jaffna Point Pedro Road, Nellyadi.	021 - 2261825	Mr. Ravindran Ajithram
Pudukudirippu	Ward 10 , Mullaitivu road, Pudukudirippu.	021 - 2290058	Mr. Kangatharan Kanojan

Distribution Network

North Western Province			
Branch	Address	Telephone Number	Contact Person
Anamaduwa Service Center	No. 57, Kurunegala Road, Anamaduwa.	032 - 2263487	Mr. Saliya Sujeewa
Chilaw	No. 10, Colombo Road, Chilaw.	032 - 2224101	Mr. Chinthana Janidu
Giriulla	Saman Fashion Building, Colombo Rd, Giriiulla.	037 - 2288801	Mr. M. T. Roshan
Kuliyapitiya	No. 21, Madampe Road, Meegahakotuwa, Kuliyapitiya.	037 - 2282585	Mr. Sithija Sankalpa
Kurunegala	No. 183B, Colombo Road, Kurunegala.	037 - 2226990	Mr. Sujith Dammika
Melsiripura	No. 237, Dambulla Road, Melsiripura.	037 - 2250884	Mr. Lahiru Maduranga
Narammala	No. 105, Kuliyapitiya Road, Narammala.	037 - 2249651	Mr. Madhushan Bandara
Puttalam	No. 106, Kurunegala Road, Puttalam.	032 - 2266894	Mr. Mohamed Ikram
Wariyapola	No. 119, Kurunegala Road, Wariyapola.	037 - 2268311	Mr. Janitha Rajith
Wennappuwa	No. 327 1/ 1, Colombo Road, Wennappuwa.	031 - 2245663	Mr. Sahan Devinda

Sabaragamuwa Province			
Branch	Address	Telephone Number	Contact Person
Balangoda	No. 118 / 1, Barns Rathwaththa Mawatha, Balangoda.	045 - 2289200	Mr. Chathuranga Umesh
Embilipitiya	No. 122, New Town Road, Embilipitiya.	047 - 2261970	Mr. Asanka Madulal
Godakawela	No. 52, Main Street, Godakawela.	045 - 2240608	Mr. Buddika Rathnayake
Kalawana	No. 43, Mathugama Road, Kalawana.	045 - 2256002	Mr. Divyanjala Diyashan
Kegalle	No. 453, Main Street , Kegalle.	035 - 2230101	Mr. Gayashan Tharuka
Mawanella	No. 37, New Kandy Road, Mawanella.	035 - 2249367	Mr. Janaka Bandara
Pelmadulla	No. 118 / 1, Rathnapura Road, Pelmadulla.	045 - 2276082	Mr. Gihantha Chamal
Rathnapura	No. 244/ A, Colombo road, Moragahayata, Rathnapura.	045 - 2226668	Mr. Dilshan Dulanjaya
Warakapola	No. 177, Kandy Road, Warakapola.	035 - 2268114	Mr. Gayan Wijesooriya

Southern Province			
Branch	Address	Telephone Number	Contact Person
Akuressa	No. 77, Matara Road, Akuressa.	041 - 2284711	Mr. Sahan Hansamal
Ambalangoda	No. 9, New Galle Road, Ambalangoda.	091 - 2255647	Ms. Warsha Lakmali
Ambalanthota	No. 31 1/ 1, Tissa Road, Ambalanthota.	047 - 2225265	Mr. Amila Isanka
Benthota	No. 415, Galle Road, Aluthgama.	034 - 2271630	Mr. Rajith Priyankara
Deniyaya	No. 28/ 30, Main street , Deniyaya.	041 - 2273241	Mr. Madhura Chathuranga
Elpitiya	No. 15, Ambalangoda Road, Elpitiya.	091 - 2290827	Mr. Vishan Devith
Galle	No. 118, New Matara Road, Galle.	091 - 2235617	Mr. Ashan Geeganage
Hambanthota	No. 102K, Main Street , Hambanthota.	047 - 2221775	Mr. Anil Geeganage
Kamburupitiya	No. 217, Matara Road, Kamburupitiya.	041 - 2294621	Mr. Sachith Buddhika
Matara	No. 45/A, Anagarika Dharmapala Mawatha, Matara.	041 - 2222850	Mr. Sharadha Nilanka
Neluwa	1st Floor, Manuka Building, Dellawa Road, Neluwa.	091 - 2285451	Mr. Lahiru Kavinda
Tangalle	No. 05, 5A, Annapitiya Road, Tangalle.	047 - 2242502	Mr. Ashan Dinuka
Thissamaharama	No. 171, Main Street, Tissamaharamaya.	047 - 2239672	Mr. Nimesh Indika
Udugama Service Center	Bar Juntion, Udugama.	091 - 2285446	Mr. Hashan Dananjaya
Urubokka	No. 466D, Main Street, Urubokka.	041 - 2272570	Mr. Dinesh Chathuranga
Walasmulla	No. 74, Beliaththa Road, Walasmulla.	047 - 2245652	Mr. Lahiru Kanchana

Uva Province			
Branch	Address	Telephone Number	Contact Person
Badulla	No. 33/ 9, Modern Complex, Cocowatta Road, Badulla.	055 - 2225990	Mr. Aruna Kumara
Bandarawela	No. 35/ 2D, Welimada Road, Bandarawela.	057 - 2221145	Mr. Sajitha Vitharana
Mahiyanganaya	No. 03, Sri Jayasanka Building, Kandy Road, Mahiyanganaya.	055 - 2257739	Mr. Thushara Namal
Monaragala	No. 32, Pothuvil Road, Monaragala.	055 - 2055317	Mr. Pramuditha Madubasha
Welimada	No. 11A, Boralanda Road, Welimada.	057 - 2244995	Mr. Imal Saranga
Wellawaya	No. 128, Monaragala Road, Wellawaya.	055 - 2274025	Mr. Sineth Sathsara

Distribution Network

Western Province			
Branch	Address	Telephone Number	Contact Person
Awissawella	No. 15, Kudagama Road, Awissawella.	036 - 2235222	Mr. Lahiru Suranjith
Battaramulla	No. 261, Main Street, Battaramulla.	011 - 2886821	Mr. Kasun Melaka
Divulapitiya Service Center	No. 73, Meerigama Road, Divulapitiya.	031 - 2270440	Mr. Shanuka Upeksha
Gampaha	No. 65, Yakkala Road, Gampaha.	033 - 2232732	Mr. Harshan Fernando
GrandPass	No. 507, Sirimavo Bandaranayake Mawatha, Colombo 14.	011 - 2340014	Mr. Ramanathan Kishan
Hanwella	No. 132/ 3, Colombo Road, Hanwella.	036 - 2251331	Mr. Chanaka Rathnayake
Havelock	No. 07, Havelock Road, Colombo 05.	011 - 2592424	Mr. Sasmitha Rathnayaka
Homagama	No. 121/ 3, Highlevel Road, Homagama.	011 - 2098142	Mr. Aruna Sankalpa
Horana	No. 171/ A, Rathnapura Road, Horana.	034 - 2267658	Mr. Ayesh Madhuranga
Ja-Ela	No. 112 / A, Negambo Road, Ja-Ela.	011 - 2228074	Mr. Milan Thakshila
Kadawatha	No. 657A, Kandy Road, Bandarawatta, Kadawatha.	011 - 2926910	Mr. Thoshan Indika
Kaduwela	No. 349 /A /1, New Kandy Road, Kothalawala, Kaduwela.	011 - 2548579	Mr. Rinosh Dilshan
Kalutara	No. 314 / 1 / 1, Main Street, Kaluthara South, Kalutara.	034 - 2235404	Mr. Ishan Udayanga
Kelaniya	No. 950, Kandy Road, Himbutuwelgoda, Dalugama, Kelaniya.	011 - 2914114	Mr. Sanjeewa Mendis
Kiribathgoda Service Center	No. 157/ 2 / 2, Makola Road, Kiribathgoda.	011 - 2911766	Mr. Hasindu Chathuranaga
Kirindiwela	No. 153, Sujaya Building, Gampaha Road, Kirindiwela.	033 - 2247581	Mr. Lahiru Peiris
Maharagama	No. 215, Highlevel Road, Maharagama.	011 - 2851896	Mr. Vidusha Perera
Mathugama	No. 98/ 3, Agalawaththa Road, Mathugama.	034 - 2240086	Mr. Gayan Kalhara
Metropolitant	No. 86, Vauxhall Street, Colombo 02.	011 - 2481000	Mr. Sahan Nidarshana
Minuwangoda	No. 67C, Colombo Road, Minuwangoda.	011 - 2298642	Mr. Chathuranga Lahiru
Mirigama	No. 69/ A, Giriulla Road, Mirigama.	033 - 2275527	Mr. Chanaka Pradeep
Moratuwa	No. 553/ 1 / 1, Galle Road, Rawathawaththa, Moratuwa.	011 - 2648471	Mr. Tharanga Madumal
Mount Lavinia	No. 271, Galle Road, Mount Lavinia.	011 - 2720720	Mr. Chanaka Prasad
Negombo	No. 29/ 1, Colombo Road, Negombo.	031 - 2227776	Mr. Dinesh Fernando
Negombo City Service Centre	No. 209, Main Street, Negombo.	031 - 2121005	Mr. Charith Heshan
Nittambuwa	No. 83, Batadole Walauwa Junction, Kandy Road, Nittambuwa.	033 - 2298111	Mr. Janith Randika
Nugegoda	No. 290, Highlevel Road, Nugegoda.	011 - 2813990	Mr. Sachithra Ferdinando
Panadura	No. 482, Arther V. Dias Mawatha, Panadura.	038 - 2237331	Mr. Dhanushka Harshana
Pettah	No. 319, Main Street, Colombo 11.	011 - 2437709	Mr. Arokkiyanathar Vinoshan
Piliyandala	No. 24/A, Vidyala Mawatha, Piliyandala.	011 - 2609838	Mr. Charith Yasantha
Union Place - Alsafa	No. 33, Parkland, Park Street, Colombo 02.	011 - 2377877	Mr. Mohomad Sharaff
Wattala	No. 540A, Negombo Road, Wattala.	011 - 2981835	Mr. Hasith Chamara
Wellawatte	No. 44, W. A. Silva Mawatha, Colombo 06.	011 - 2361564	Mr. Kavindu Manuththara
Ward Place Classic Center (Premier Center)	No. 02, Wijerama Mawatha, Colombo 07.	011 - 2122122	Mr. Nadarasa Arun

Corporate Information

GRI: 2 -1

Name of Company
People's Insurance PLC
(Subsidiary of People's Leasing & Finance PLC)

Legal Form
Public Limited Liability Company (Incorporated and domiciled in Sri Lanka)

Date of Incorporation
22 July 2009

Company Registration Number
PB 3754 PQ

Stock Exchange Listing
Ordinary shares of the Company are listed on the Main Board of the Colombo Stock Exchange.

Tax Payer Identification Number
134037547

VAT Registration Number
134037547- 7000

SVAT Registration Number
SVAT004235

Principal Activities
General Insurance Business

Accounting Year-End
31 December

Head Office (Registered Office) and Principle Place of Business
People's Insurance PLC
No. 07,
Havelock Road,
Colombo 05.

Telephone : +94 11 2126126
Fax : +94 11 2126322
E-Mail: pilassist@plc.lk
Web: www.peoplesinsurance.lk

Board of Directors
Mr. Chandana Guniyangoda
Mr. Johnson Fernando
Prof. Kasun Wijetilleke
Ms. Nayanganie Wickramasingha
Mr. Sanjeewa Bandaranayake
Mr. Dulinda Perera
Ms. Thushari Hewawasam

Principal Officer
Ms. Jeevani Kariyawasam

Acting Company Secretary
Mr. Sumudu Wickramarachchi

Registrars
SSP Corporate Services (Pvt) Ltd
No. 101,
Inner Flower Road,
Colombo 03.

Auditors
Auditor General
Auditor General's Department,
No. 306/72, Polduwa Road,
Battaramulla.

Consultant Actuaries
NMG Financial Services Consulting Pte Limited
30, Hill Street,
03-02A,
Singapore.

Gratuity Valuers
Smiles Global (Pvt) Limited
14A, Boyd Place,
Colombo 03.

Bankers
People's Bank
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
HDFC Bank
National Development Bank PLC
National Savings Bank
Nations Trust Bank PLC
Pan Asia Banking Corporation
Regional Development Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC

Reinsurance Panel
Best Meridian Insurance Company
Ocean International Reinsurance Company Limited
Asian Reinsurance Corporation
The New India Assurance Company Limited
MISR Insurance Company
General Insurance Corporation of India
CICA Reinsurance Company
National Insurance Trust Fund
Arch Re Limited
Lloyds (Lancashire Syndicates)
Lloyds (Everest Syndicate)

Insurer Financial Strength Rating
A(lka)'/Stable by Fitch

People's Insurance PLC is a General Insurance Company licensed by the Insurance Regulatory Commission of Sri Lanka (IRCSL)

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT the Seventeenth (17th) Annual General Meeting of People's Insurance PLC (the Company) will be held on 30 March 2026 at 10:30 a.m. as a virtual meeting.

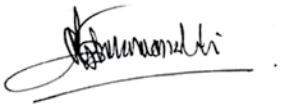
The said Annual General Meeting will be held for the following purposes:

1. To receive, consider and adopt the Annual Report of the Board of Directors with the Financial Statements of the Company for the year ended 31 December 2025 together with the Report of the Auditors thereon.
2. To re-elect Director, Mr. Johnson Fernando, who retires by rotation in terms of Article 27 (8) of the Articles of Association of the Company.
3. To re-elect Director, Prof. Kasun Wijetilleke, who retires by rotation in terms of Article 27 (8) of the Articles of Association of the Company.
4. To re-elect Director Mr. Chandana Guniyangoda who was appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.
5. To re-elect Director, Ms. Thushari Hewawasam who was appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.
6. To authorize the Board of Directors to determine contributions to charities and other donations for the ensuing financial year.

Auditors of the Company

According to Section 55 of the National Audit Act No. 19 of 2018, People's Insurance PLC falls under the definition of "Auditee Entity" and the Auditor General or any other person authorized by the Auditor General shall carry out the audit of the Company.

By order of the Board of People's Insurance PLC,



Sumudu Wickramarachchi
Acting Company Secretary

06 March 2026

Notes

Notice of the meeting, Guidelines and Registration process for the AGM via online meeting platform are available on the corporate website of the Company.

Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

The completed Form of Proxy must be deposited at the office of the Company Secretary, People's Insurance PLC at No. 07, Havelock Road Colombo 05 not less than Forty Eight (48) hours before the time appointed for the holding of the meeting.

Form of Proxy

I/we……

…….....of……

……..……being a member/s of People's Insurance PLC, hereby appoint Mr. /Mrs./Miss……..

…….....…… (holder of N.I.C No.

…….....……) failing him/her;

Mr. Chandana Guniyangoda	failing him
Mr. Johnson Fernando	failing him
Prof. Kasun Wijetilleke	failing him
Mr. Sanjeewa Bandaranayake	failing him
Ms. Nayanganie Wickramasingha	failing her
Mr. Dulinda Perera	failing him
Ms. Thushari Hewawasam	

As my/our proxy to represent me/us and vote on my/our behalf at the Seventeenth(17th) Annual General Meeting of the Company to be held on 30 March 2026 at 10:30 a.m. virtually and at any adjournment thereof and at every poll which may be taken in consequence thereof to vote.

Please indicate your preference by placing a "x" against the Resolution No.

		For	Against
1.	To receive, consider and adopt the Annual Report of the Directors and the Financial Statements for the year ended 31 December 2025 and the Report of the Auditors thereon.		
2.	To re-elect Director, Mr. Johnson Fernando, who retires by rotation in terms of Article 27 (8) of the Articles of Association of the Company.		
3.	To re-elect Director, Prof. Kasun Wijetilleke who retires by rotation in terms of Article 27 (8) of the Articles of Association of the Company.		
4.	To re-elect Director Mr. Chandana Guniyangoda who was appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.		
5.	To re-elect Director, Ms. Thushari Hewawasam who was appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.		
6.	To authorize the Board of Directors to determine contributions to charities and other donations for the ensuing financial year.		

Auditors of the Company

According to Section 55 of the National Audit Act No. 19 of 2018, People's Insurance PLC falls under the definition of "Auditee Entity "and the Auditor General or any other person authorized by the Auditor General shall carry out the audit of the Company.

Signed this ……..day of ……2026

…….....
Signature

…….....
Shareholders N.I.C. / P.P/Co. Reg No.

Notes:

1. Proxy need not be a member of the Company.
2. Instructions as to the completion of this form of proxy are given below.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. As provided for in Article 19(3) of the Articles of Association of the Company an instrument appointing a proxy should be in writing
2. The full name and address of the shareholder appointing the proxy should be legibly entered in the Form of Proxy and duly signed and dated.
3. The Proxy shall-
    a. In case of an individual, be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the complete Proxy if it has not already been registered with the Company.
    b. In case of a Company or corporate body, either be under its common seal or signed by its attorney or by an officer on behalf of that Company or corporate body in accordance with the Articles of Association or the Constitution of that Company or corporate body.
    c. In the case of joint holder, be signed by the joint holder whose name appears first in the Register of Members.
4. The completed Form of Proxy, Virtual Meeting Online Registration Form and the Power of Attorney or other authority, if any, under which it is signed or a Notarially certified Copy of that power of attorney or other authority if any must be deposited at the officer of the Company Secretary, People's Insurance PLC at No. 07, Havelock Road, Colombo 05, not less than (48) hours before the time appointed for the holding of the meeting.
5. Every alteration or addition to the Proxy must be duly authenticated by the full signature of the shareholder's, signing the Proxy.

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