



HEALTHIER, LONGER  
BETTER LIVES

# BORN TO LEAD. BUILT TO GROW.

AIA Insurance Lanka Limited  
Annual Report 2024





# BORN TO LEAD, BUILT TO GROW

Leadership is in our DNA, and growth is our unwavering ambition. With an undisputed foundation of strength and stability, we stand strong in the face of any adversity and continue to elevate Sri Lanka's life insurance industry through innovation, attractive propositions and steadfast commitment to the community. Backed by a legacy of global excellence, we fuse international expertise with deep-rooted local insights to offer holistic protection and wellness solutions. Built on trust and resilience, we empower individuals, safeguard families, and drive sustainable growth—forging ahead as a world-class Sri Lankan that ensures peace of mind and financial security for all.

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# OUR VISION, PURPOSE AND HISTORY

## OUR VISION

Being the pre-eminent life insurance provider in Sri Lanka.

## OUR PURPOSE

To play a leadership role in driving economic and social development in Sri Lanka, while helping Sri Lankans live a healthier, longer, better life.

## OUR HISTORY

In December 2012, AIA Group Limited ("AIA Group") Hong Kong, through its wholly owned subsidiary, AIA Company Limited ("AIA CO") Hong Kong, acquired an indirect controlling equity stake of 87.28 per cent in AIA Insurance Lanka Limited ("AIA Insurance Lanka"). This was achieved via AIA CO's direct purchase of the entire shareholding of AIA Holdings Lanka (Private) Limited ("AIA Holdings Lanka"), the majority shareholder of AIA Insurance Lanka. Subsequently, AIA Group's consolidated indirect equity holding in AIA Insurance Lanka increased to 92.28 per cent, with the remainder held by the public, following AIA CO's additional acquisition of a further direct five per cent equity holding in AIA Insurance Lanka.

On 13 October 2020, pursuant to a series of corporate re-structures within the prevailing legal and regulatory regime, AIA Holdings Lanka became the sole shareholder of AIA Insurance Lanka, holding 100 per cent of AIA Insurance Lanka's issued and fully paid ordinary (voting) shares ("Shares"). In 2022, AIA Insurance Lanka ceased to be a single shareholder company. AIA CO was registered as a new shareholder, holding a direct 15.12 per cent minority equity holding in AIA Insurance Lanka, while AIA Holdings Lanka retained the 84.88 per cent majority equity holding.

As at the current date, AIA Group continues to hold a consolidated indirect equity holding of 100 per cent in AIA Insurance Lanka, via its fully owned direct and indirect subsidiaries, AIA CO and AIA Holdings Lanka, respectively. This aligns with AIA Group's target operating model, which aims to hold its insurance operating units as wholly owned subsidiaries wherever possible and permissible, with AIA Group being the sole publicly listed entity.



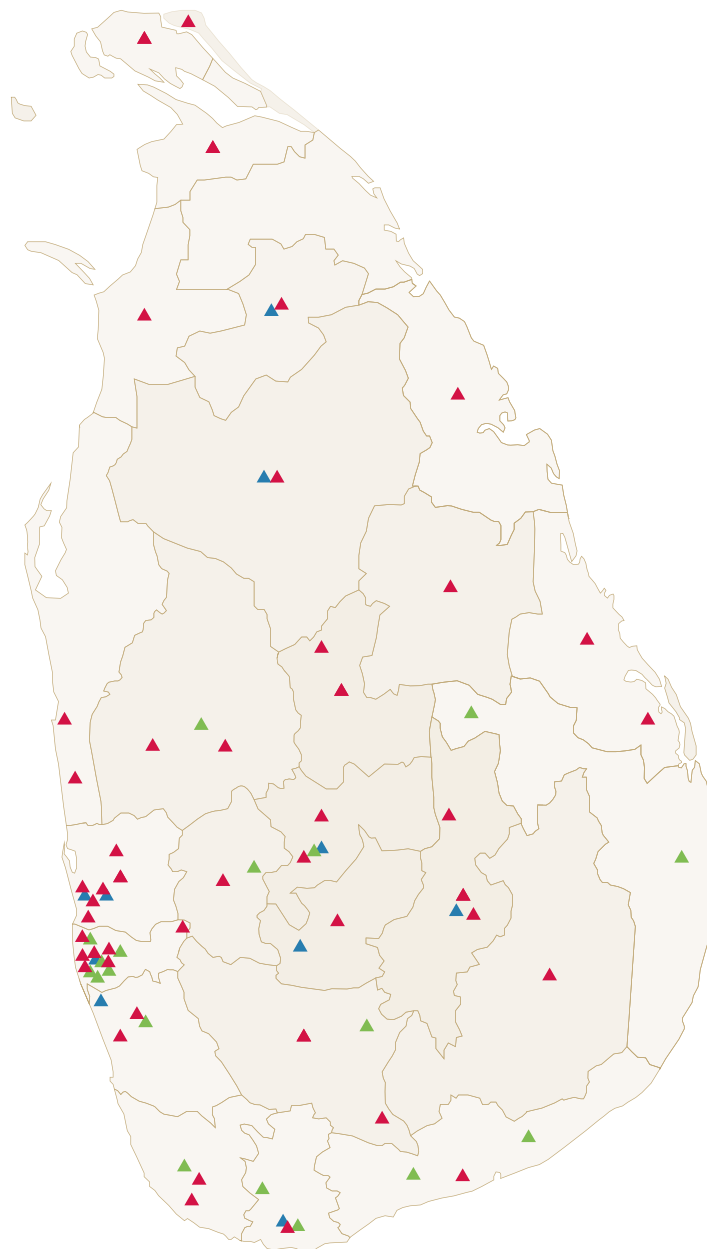
## OUR LOCAL AND REGIONAL PRESENCE

### BRANCH OFFICES

- |                  |                 |
|------------------|-----------------|
| ▲ Ambalantota    | ▲ Kilinochchi   |
| ▲ Anuradhapura   | ▲ Kiribathgoda  |
| ▲ Avissawella    | ▲ Kuliyaipitiya |
| ▲ Badulla        | ▲ Kurunegala    |
| ▲ Bandarawela    | ▲ Maharagama    |
| ▲ Battaramulla   | ▲ Mahiyanganaya |
| ▲ Batticaloa     | ▲ Mannar        |
| ▲ Chilaw         | ▲ Matale        |
| ▲ Colombo        | ▲ Matara        |
| ▲ Dambulla       | ▲ Mirigama      |
| ▲ Embilipitiya   | ▲ Monaragala    |
| ▲ Galle          | ▲ Moratuwa      |
| ▲ Gampaha        | ▲ Negombo       |
| ▲ Gampola        | ▲ Nelliady      |
| ▲ Horana         | ▲ Nugegoda      |
| ▲ Ja-Ela         | ▲ Nuwara Eliya  |
| ▲ Jaffna         | ▲ Polonnaruwa   |
| ▲ Kalawanchikudi | ▲ Ragama        |
| ▲ Kalutara       | ▲ Ratnapura     |
| ▲ Kandana        | ▲ Trincomalee   |
| ▲ Kandy          | ▲ Vavuniya      |
| ▲ Karapitiya     | ▲ Wennappuwa    |
| ▲ Kegalle        |                 |

### AREA DEVELOPMENT OFFICES

- |                   |                  |
|-------------------|------------------|
| ▲ Akuressa        | ▲ Kandy          |
| ▲ Ampara          | ▲ Mathugama      |
| ▲ Baddegama       | ▲ Matara         |
| ▲ Balangoda       | ▲ Mawanella      |
| ▲ Battaramulla    | ▲ Moratuwa       |
| ▲ Beliatte        | ▲ Panadura       |
| ▲ Colombo         | ▲ Piliyandala    |
| ▲ Dehiattakandiya | ▲ Thissamaharama |
| ▲ Homagama        | ▲ Wariyapola     |



### REGIONAL DEVELOPMENT OFFICES

- |                |               |
|----------------|---------------|
| ▲ Anuradhapura | ▲ Marawila    |
| ▲ Bandarawela  | ▲ Matara      |
| ▲ Hatton       | ▲ Minuwangoda |
| ▲ Kadawatha    | ▲ Panadura    |
| ▲ Kandy        | ▲ Vavuniya    |
| ▲ Malabe       |               |



## PRESENT IN 18 MARKETS AND 100% FOCUSED ON ASIA

- ▼ 1919 China
- ▼ 1931 Hong Kong
- ▼ 1931 Singapore
- ▼ 1938 Thailand
- ▼ 1947 Philippines
- ▼ 1948 Malaysia
- ▼ 1957 Brunei
- ▼ 1972 Australia
- ▼ 1981 New Zealand
- ▼ 1982 Macau
- ▼ 1984 Indonesia
- ▼ 1987 Korea
- ▼ 1990 Taiwan
- ▼ 2000 Vietnam
- ▼ 2001 India
- ▼ 2012 Sri Lanka
- ▼ 2013 Myanmar
- ▼ 2015 Cambodia

# AIA AT A GLANCE

AIA Group is a leading life insurer in the world by market capitalisation<sup>(1)</sup>

**HKEX**  
香港交易所

The largest listed company on the Hong Kong Stock Exchange, which is incorporated and headquartered in Hong Kong<sup>(1)</sup>



No. 1 worldwide for MDRT members and the only multinational company to top the table for ten consecutive years

- Provides protection to people across the Asia Pacific region with total sum assured of USD 2 trillion<sup>(2)</sup>
- Total assets of USD 289 billion<sup>(1)</sup>
- Over USD 21 billion benefits and claims were paid during 2023
- Serving the holders of more than 42 million individual policies and over 16 million participating members of group insurance schemes

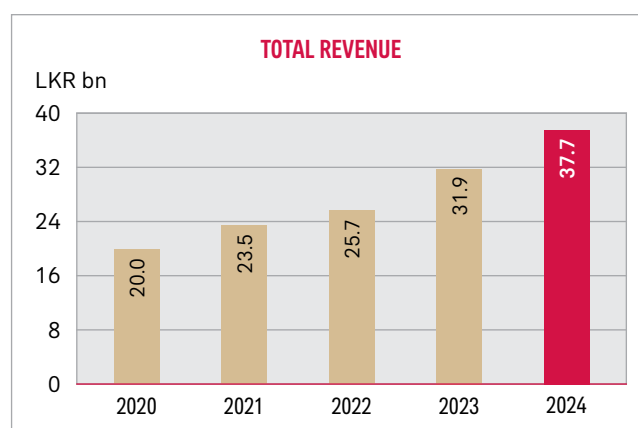
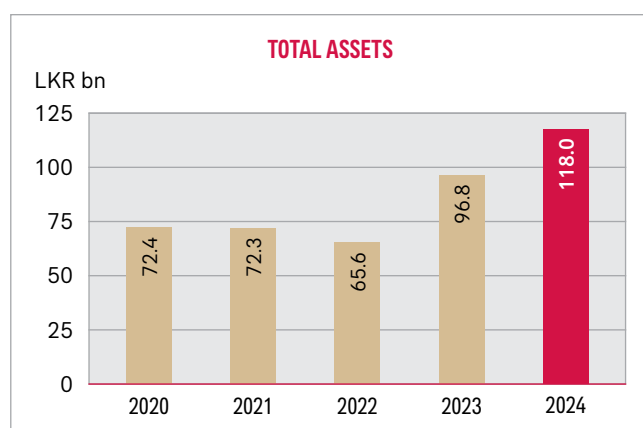
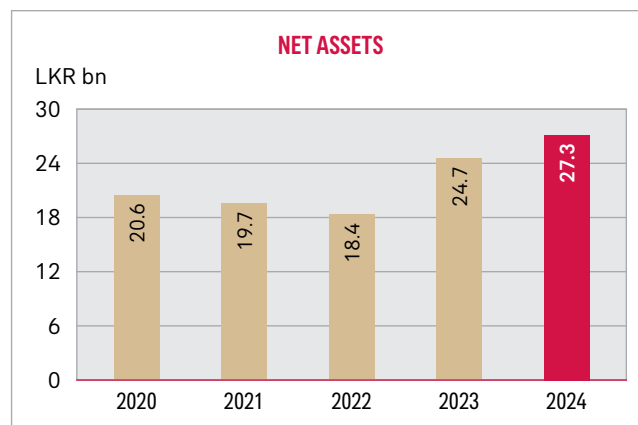
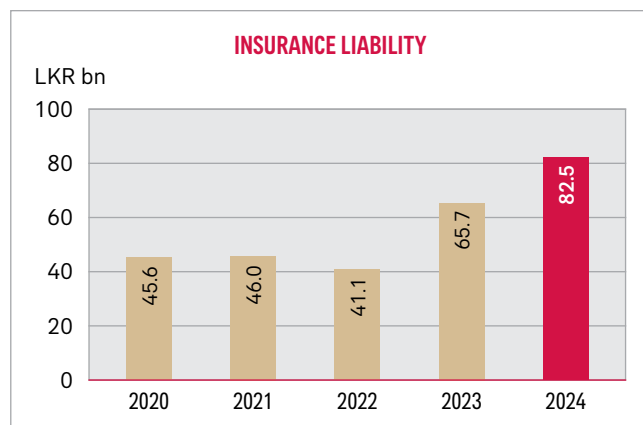
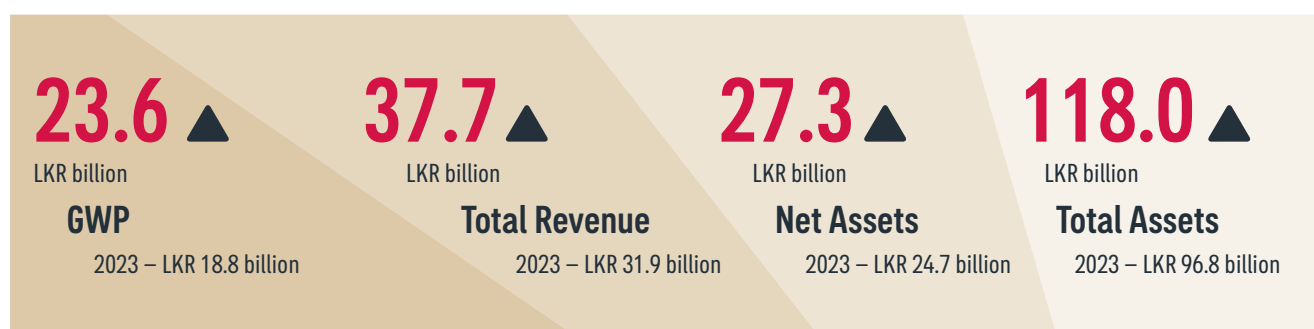
#### Notes:

(1) As of 30 June 2024

(2) As of 31 December 2023

# FINANCIAL INSIGHTS

Financial Highlights - Group		2024	2023	%
Total revenue	(LKR mn)	37,750	31,923	18.25
Profit before tax	(LKR mn)	3,890	3,596	8.18
Gross written premium	(LKR mn)	23,574	18,799	25.40
Net assets	(LKR mn)	27,296	24,683	10.59
Total assets	(LKR mn)	117,968	96,838	21.82
Insurance liabilities	(LKR mn)	82,494	65,678	25.60
Basic earnings per share	(LKR)	75.47	68.10	10.82
Dividend per share	(LKR)	28.00	–	100.00



# RESPONSIBLE GOVERNANCE OVERVIEW

## AIA SRI LANKA LEADS THE WAY IN ENVIRONMENT SOCIAL GOVERNANCE (ESG)

### OUR ESG STRATEGY AND BEYOND

#### OUR PURPOSE

Helping people live **healthier, longer, better lives**

#### OUR WHAT

Taking responsibility for ESG impacts – internal, value chain, wider society – set and refine targets and actions

#### OUR HOW

Integrating ESG in our business strategy, operations and culture

- AIA Sri Lanka was awarded the ISO 14064-1: 2018 greenhouse gas (GHG) emission verification certification for the second consecutive year in 2024. This certification reaffirms the Company's adherence to internationally recognised principles and requirements, for quantifying and reporting of greenhouse gas emissions and removal. The Company is the first in Sri Lanka's insurance industry to achieve this certification consecutively.



- AIA Sri Lanka's Go Green concept was revitalised in celebration of World Environment Day 2024, where all employees actively participated in celebrations, attired in green while being provided with environmentally friendly, healthy meals throughout the day. The Executive Committee further reiterated their commitment to environmental sustainability by planting bio-diverse plants on the rooftop model garden of AIA Tower.



- In its efforts to integrate digital solutions across day-to-day operations, AIA Sri Lanka has implemented workplace strategies that minimises the use of physical paper in favour of digital documentation and processes. This includes customer related communications being shifted to digital modes, with ongoing efforts to further enhance efficiency.
- The rooftop model garden that was brought to life in 2022 has been further expanded in 2024 to include biodiverse flower plants in addition to the organic and herbal plants. This model garden was an industry-first initiative and AIA Sri Lanka intends to upkeep the ongoing commitment towards the environment and combating climate change.





- For over a decade, AIA Sri Lanka has been advocating waste recycling programmes – particularly paper and e-waste. Partnering with Neptune Recyclers, the Company has ensured disposal of paper waste in an environmentally friendly and sustainable manner. In 2024 alone, AIA Sri Lanka recycled 8,596 kilograms of paper.
- The continued digitalisation efforts of the Company helps to further reduce the paper usage into the coming years.

A year-on-year comparison on the environmental impact figures (savings);

	Unit	2024	2023
Fully grown trees	Number of trees	146	83
Oil	Litres	15,086	8,557
Electricity	Kilowatt hour (kWh)	34,384	19,504
Water	Liters (ltrs)	273,181	154,959
Landfill	Cubic metre (m <sup>3</sup> )	26	15
GHG emission	Kilogram (kg)	8,596	4,876

#### Energy consumption within the Company

	Unit	2024	2023
AIA Tower	Kilowatt hour (kWh)	890,135	867,061
Branches	Kilowatt hour (kWh)	808,623	673,718

#### Water consumption within the Company

Location	Unit	2024	2023
AIA Tower	Cubic metre (m <sup>3</sup> )	8,516	6,963
Branches	Cubic metre (m <sup>3</sup> )	11,126	9,112

AIA Sri Lanka is committed to the Group's expanding ESG initiatives. One such notable initiative includes creating an eco-office movement and pledging towards upholding best practices in key areas such as energy, water, transportation, environmental wellness, and sustainable procurement. This project, known as the AIA CAN, focuses on promoting sustainability in the office space.





## OUR FOCUS AREAS

The six focus areas address critical aspects of sustainability within a workplace.



**WASTE  
MANAGEMENT**



**ENERGY  
USAGE**



**ENVIRONMENTAL  
WELLNESS**



**WATER  
USAGE**



**TRAVEL &  
TRANSPORTATION**



**SUSTAINABLE  
PROCUREMENT**

## HOW IT WORKS

A structured programme designed to equip employees with the knowledge and tools to nurture eco-friendly behaviours in the workplace.

**01**

### COMPREHENSIVE GUIDEBOOK

Empower employees to effectively navigate and implement sustainability practices in the workplace.



**02**

### TRAININGS & WORKSHOPS

Foster an engaging ESG learning environment with continuous training and impactful workshops.



**03**

### ASSESSMENT TOOLS & DASHBOARDS

Assess environmental performance, track progress in a digital dashboard, and share best practices across AIA.



**04**

### AWARDS & RATING SYSTEM

Recognise and reward progress and achievements in nurturing sustainable workplaces across 18 markets.



AIA Sri Lanka is dedicated to driving positive environmental impact through its continued commitment.

'Our kids are our future' was the theme of the competition launched in celebration of the World Environment Day in 2024, where we had employees sharing their kids' pledges towards nature and the future they envision.



## MESSAGE FROM THE CHAIRMAN

It is with great honour and a deep sense of responsibility that I assume the role of Chairman of AIA Sri Lanka in January 2025.

In 2024, both Agency and Partnership Distribution channels demonstrated a significant growth in Annualised New Premium (ANP), strongly supported by both organic growth and inorganic growth. Strategic direction to expand our distribution capacity in both channels has paid off in 2024.

Being recognised as Sri Lanka's Most Loved Insurer in the Corporate Brands category (By LMD and PepperCube Consultants) is a powerful testament to the trust we have earned and the lasting difference we continue to make in the lives of those we serve.

As we move forward towards our ambitions, we remain steadfast in our commitment to delivering innovative solutions that empower our customers to lead more secure and fulfilling lives.



It is with great honour and a deep sense of responsibility that I assume the role of Chairman of AIA Sri Lanka from January 2025. I would like to express my sincere gratitude to my predecessor for his invaluable leadership and contributions in steering AIA Sri Lanka to its strong position today. It is a privilege to lead such an esteemed organisation, one that has consistently upheld its commitment to protecting and enriching the lives of Sri Lankans. As we embark on this next chapter, I look forward to building on our strong foundation, driving sustainable growth, and continuing to deliver value to our customers, employees, and stakeholders.

In 2024, both Agency and Partnership Distribution channels demonstrated a significant growth in Annualised New Premium (ANP), strongly supported by both organic growth and inorganic growth. Strategic direction to expand our distribution capacity in both channels has paid off in 2024. The Agency Distribution channel is strengthened by the Agency Alternate channel which was initiated in 4Q 2023 whilst the Partnership Distribution channel performance is amplified by the exclusive bancassurance partnership with Commercial Bank of Ceylon PLC\*, the largest private bank in the country. We remain one of the largest Agency Distribution channels in the Country and lead the Sri Lankan market in terms of bancassurance.

In 2024, the Company delivered a robust Gross Written Premium (GWP) of LKR 23.6 billion which translates to a notable growth of 25.4 per cent compared to the prior year. This is strongly supported by the 63.0 per cent growth in the First Year Premiums (FYP). Renewal Premium Growth is recorded at a healthy rate of 12.7 per cent. The consolidated Profit After Tax (PAT) for 2024 is recorded at LKR 2.7 billion which is a remarkable 10.8 per cent growth over the prior year and is a testament towards constant value creation to our shareholders. Our financial strength is exemplified by the Capital Adequacy Ratio (CAR) of 554.2 per cent which is 4.6 times the stipulated regulatory threshold and continues to be one of the highest in the industry. This balance sheet strength remains evident even after the considerable financial investments in expanding our distribution capabilities over the last couple of years.

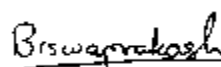
Our impact extends far beyond financial performance, having carved out a distinctive position in the Country's life insurance landscape through our unwavering commitment to our customers' well-being. Being recognised as Sri Lanka's Most Loved Insurer in the Corporate Brands category (By LMD and PepperCube Consultants) is a powerful testament to the trust we have earned and the lasting difference we continue to make in the lives of those we serve.

Sri Lanka has officially moved out of the Sovereign default status and has maintained substantial improvement across all key macro indicators. Monetary policy has further stabilised with inflation remaining at record low levels at the start of 2025 whilst interest rates as represented by the 1-year Treasury bill rate is in single digits. This stability is well complimented by the fiscal performance where a primary surplus is expected to be maintained in 2025 as well. GDP growth in the first nine months was recorded at 5.2 per cent which although continues to be supported by a lower base, is in the right direction. Steadiness in the external sector is demonstrated by the USD 6.1 billion external reserves and elimination of import restrictions. These improvements together with the observed political stability paves way for enhancing financial inclusion in the country. The positivity in the demographic environment also helps Sri Lanka to increase the life insurance penetration over the coming years to the level of regional peers.

As we reflect on the remarkable performance of 2024, I extend my heartfelt appreciation to our dedicated staff of AIA Sri Lanka, Wealth Planners and Partners whose passion and commitment have been instrumental in our success. Their unwavering efforts, combined with the trust and support of our valued customers, have reinforced our position as a leading life insurer in Sri Lanka. As we move forward towards our ambitions, we remain steadfast in our commitment to delivering innovative solutions that empower our customers to lead more secure and fulfilling lives.

AIA Group is a leading life insurer in the world and is the largest listed company in the Hong Kong Stock Exchange by market capitalisation. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 42 million individual policies and 16 million participating members of group insurance schemes. In addition, for ten consecutive years, from 2015 to 2024, AIA Group has been ranked the #1 Million Dollar Round Table (MDRT) Multinational Company with the highest number of MDRT members. This is a testament to the undisputed market positioning of AIA in Asia. We remain strongly committed to all markets that we serve.

Together, we will continue to drive our purpose of helping people live healthier, longer, better lives.



**Biswa Prakash Misra**  
Chairman

\* Largest private bank in the Country in terms of Total Assets as of 31 December 2024

## CHIEF EXECUTIVE OFFICER'S REVIEW

2024 was a year of extraordinary growth, driven by the strong expansion of new business through both our Agency and Partnership Distribution channels. We achieved a monumental milestone, reaching LKR 10 billion in ANP, a testament to the tireless efforts and unwavering passion of our sales force and employees.

Over the last five years, we have achieved an annualised ANP growth of 19.2 per cent reflecting the consistent financial strength and business expansion.

Our CAR for FY 2024 stood at 554.2 per cent underscoring the value of shareholder capital and our prudent investment strategy.

Our commitment to excellence and customer-centricity was recognised when we were voted as Sri Lanka's Most Loved Insurer in the Corporate Brands category (By LMD and PepperCube Consultants). With our enhanced distribution capabilities, and customer focused approach, we are now closer than ever in achieving our ambition of becoming the leader in the Regular Premium market.





## AIA SRI LANKA, LEADING THE CHARGE IN GROWTH, INNOVATION AND CUSTOMER CENTRICITY

2024 was a year of extraordinary growth, driven by the strong expansion of new business through both our Agency and Partnership Distribution channels. We achieved a monumental milestone, reaching LKR 10 billion in ANP, a testament to the tireless efforts and unwavering passion of our sales force and employees.

Our strategic direction over the last two years; to expand distribution capacity across both channels and establish a market leading position, is starting to yield results from 2024. This success is further supported by the improvements in the macroeconomic environment with Sri Lanka emerging from the credit default status and achieving better economic stability. The fiscal consolidation and the accommodative monetary policy were broadly in line with the desired parameters, set by the IMF. The external sector strengthened through rising factor incomes and service exports, enhancing the Country's ability to service external debts post restructuring.

However, despite these encouraging developments, induced austerity measures and the higher inflation-base continued to impact the lower-to-mid-end of the market. Nevertheless, our excellent performance in 2024 demonstrates our capability to swiftly adapt to changing market dynamics.

## FINANCIAL PERFORMANCE

In 2024, we recorded a GWP of LKR 23.6 billion, reflecting a 25.4 per cent growth over the prior year. This was strongly supported by the significant incline of 63.0 per cent in FYP, alongside timely and well-placed strategic investments. These factors allowed us to reach total revenue of LKR 37.7 billion for the year. Over the last five years, we have achieved an annualised ANP growth of 19.2 per cent reflecting the consistent financial strength and business expansion. The Company recorded a consolidated Profit After Tax of LKR 2.7 billion.

Our CAR for FY 2024 stood at 554.2 per cent underscoring the value of shareholder capital and our prudent investment strategy. Our balance sheet stability, following material investments in distribution channel expansion, is expected to further accelerate revenue growth and solidify our journey towards market leadership ambitions in coming years.

## SALES AND DISTRIBUTION

Our Agency force – AIA Sri Lanka's core distribution strength – recorded an ANP growth of 35.7 per cent in 2024, supported by organic and inorganic growth expansions as we welcomed the new addition to our agency arm, the Agency Alternate channel. Today, AIA Sri Lanka has one of the largest Agency forces in the Country, with over 4,700 in-force agents by the end of 2024, who are empowered by industry leading, end-to-end digital solutions. Our Agency channel operates with 100+ branches across the Country providing tailor made solutions to address diverse life and health insurance needs of Sri Lankans.

Our Partnership Distribution (PD) channel is undoubtedly the largest in the Country, accounting for more than 25.1 per cent of ANP of the Company. The exclusive bancassurance agreement signed with Commercial Bank of Ceylon PLC in November 2023, operationalised from March 2024 surpassed the first year expectation in just 10 months. Our exclusive partnerships with National Development Bank PLC and DFCC Bank PLC recorded double digit growth rates for 2024. The overall PD channel achieved a staggering growth of 107.8 per cent in 2024 over the prior year. Collectively, our PD channel now has exclusive access to a bank customer base exceeding 5 million, positioning AIA Sri Lanka uniquely in the market and enhancing our potential for future growth. The Channel operates with 100 per cent digital adoption reinforcing our commitment to innovation.

## CUSTOMER EXPERIENCE AND DIGITAL TRANSFORMATION

**Elevating the customer experience is one of our key priorities.**

In 2023, AIA Sri Lanka strategically adapted its marketing approach to meet the evolving demands of on-ground distribution to serve our customers better, a strategy we successfully carried forward into 2024. We remained focused on delivering our brand promise of 'healthier, longer, better lives', while aligning with AIA's global 'One Billion' initiative aimed at positively impacting a billion people worldwide. Our commitment to excellence and customer-centricity was recognised when we were voted as Sri Lanka's Most Loved Insurer in the Corporate Brands category (By LMD and PepperCube Consultants).

Our products portfolio was further strengthened with the launch of 'AIA SaveSmart' in 4Q 2024, a highly customisable limited-pay product which allows customers to add health and other riders, making it an all-round, unique solution for fast-evolving customer needs. The product's success was evident in its strong performance within its first quarter itself.

We continue enhancing the digital customer experience, refining our digital journey which began in 2020 to ensure a seamless customer experience from on-boarding to claims processing. These efforts have resulted in 99.1 per cent new business submissions, and 94.0 per cent of business payments being made via e-payment platforms. As a part of the Straight Through Processing (STP) journey, we introduced 'Flash Acceptance' concept which optimise underwriting time by eliminating errors and insufficiencies in post submissions. Additionally, we also launched real-time hospital income benefit payments mechanism in 2024, a first in the market. 'AIA Exclusive', the priority concierge service for the top tier clientele introduced in 2024 with plans for expansion in 2025 and beyond. We continue to evolve to best fit the customer and market demands.

All this effort towards delighting the customer has led to AIA Sri Lanka being ranked #1 in NPS (Net Promoter Score) in the industry, both as a company and as a distribution force in 2024 (from research conducted by independent research agency Kantar).

## A BRAND WITH PURPOSE AND COMMITMENT TO THE COMMUNITY

As Sri Lanka's Most Loved Insurer in the Corporate Brands category (By LMD and PepperCube Consultants), AIA Sri Lanka unwaveringly upheld its brand purpose of helping Sri Lankans live healthier, longer, better lives.

Corporate Social Responsibility (CSR) remains central to our values, and we followed through with not only our flagship projects, the AIA Poson Safety Programme and AIA Higher Education Scholarships but further strengthened our ongoing projects, such as the partnership with the Sri Lanka Cancer Society. We further extended our community efforts to new areas such as the donation of a water purification system to Kimbulpatiyawa, thereby providing that community with access to safe drinking water.

As such, the brand's focus was to create a positive impact to customer, community and country. With the highest levels of differentiation in category (2024) and high levels of salience, the brand has seen significant growth in on-ground and online engagement. Having secured over 16 brand awards in 2024, AIA Sri Lanka was also recognised as the Best Life Insurance Company in Sri Lanka since 2019, by the Global Banking and Finance Review (2019, 2020, 2023, 2024) and Capital Finance International (2021, 2022, 2023, 2024).

## INVESTING IN OUR PEOPLE AND CULTURE

In 2024, we continued to invest to develop and retain our greatest asset - our people. AIA Sri Lanka was recognised for the 12th consecutive year as a Best Place to Work, Best Workplace for Women and Millennials by Great Place to Work®. We were also identified as a Happiest Workplace by LMD and PepperCube Consultants.

Owing to our continued focus on our people, our workplace diversity has increased significantly with greater representation of gen Z, millennials and women both in terms of employees and Wealth Planners, reflecting our inclusive and welcoming culture.

## OUTLOOK FOR FUTURE

The macroeconomic growth trajectory of Sri Lanka seen in 2024 is expected to persist over the foreseeable future, gradually raising overall per-capita income levels of the Country. This together with the favourable demographic shifts in the Country will create a more favourable environment for life insurance penetration from its current relatively low levels. We are confident that these dynamics will bring significant growth opportunities for AIA Sri Lanka.

We underwent a leadership transition in 2024 where our former Chairman Mr Tan Hak Leh completed his tenure with the Company. I extend my gratitude to Mr Hak Leh's invaluable Board leadership during our critical business expansion phase. Mr Biswa Misra, our new Chairman assumed work in January 2025. In addition to the responsibility over the AIA operations in Sri Lanka and New Zealand, he also holds the position of Group Chief Technology and Life Operations Officer. In January 2025, we also welcomed Mr Indrajit Wickramasinghe to the Board of Directors. Both of them bring a wealth of knowledge and experience instrumental in steering AIA Sri Lanka towards its next phase of growth.

At AIA Sri Lanka our mission remains unchanged – helping Sri Lankans live healthier, longer, better lives. With our enhanced distribution capabilities, and customer focused approach, we are now closer than ever in achieving our ambition of becoming the leader in the Regular Premium market.

My sincere thanks to our Board of Directors, employees, sales teams, business partners and most importantly our customers for the trust and dedication towards the Company. My special appreciation also extends to the Executive Committee for their untiring leadership to steer the Company towards growth and sustainability.



**Chathuri Munaweera**  
Director / Chief Executive Officer / Principal Officer



# MANAGEMENT DISCUSSION AND ANALYSIS



## INTRODUCTION

In 2024, AIA Sri Lanka continued its journey of excellence, achieving significant milestones while reinforcing its position as the leading life insurer in the Country. Our unwavering commitment to delivering financial security, health, and protection solutions enabled us to navigate challenges and seize new opportunities, ensuring that we remained a trusted partner in our customers' lives.

Throughout the year, AIA Sri Lanka expanded its reach through enhancing distribution capabilities, digital transformation, and innovative product offerings tailored to evolving customer needs. The Company's strong focus on enhancing customer experience and operational efficiency contributed to sustainable business growth, strengthening our renewal premium base and reinforcing the deep trust our customers place in us.

Beyond financial success, AIA Sri Lanka remained dedicated to our purpose of helping people live healthier, longer, and better lives. The Company actively engaged in community initiatives, promoting health and well-being while integrating sustainability into our operations. Our commitment to responsible business practices and ESG principles continues to drive long-term value for all stakeholders.

This report provides a comprehensive overview of AIA Sri Lanka's performance in 2024, highlighting key achievements, strategic initiatives, and our vision for the future. As we move forward, we remain steadfast in our mission to empower individuals and families with financial protection, ensuring a secure and prosperous future for all.

## ECONOMIC REVIEW

The Sri Lankan economy progressed on the path towards restoring macroeconomic stability in 2024. The Country weathered an economic crisis in 2022 and went through a recovery phase in 2023 and 2024. The overall economy reported a growth in the year 2024 after going through a contraction for two consecutive years.

Government revenue improved with tax hikes and streamlined tax collection mechanisms. With the improvements in the economy, the Government took an accommodative monetary policy stance and relaxed policy measure three times over the year 2024, resulting in an approximate reduction of 125 basis points. The Colombo Consumer Price Index (CCPI) recorded a deflation from September 2024 which resulted in a gradual increase in the demand levels. As per the Gross Domestic Product (GDP) estimates published by the Department of Census and Statistics, the Sri Lankan Economy grew by 5.5 per cent in 3Q 2024 compared to 1.6 per cent in 3Q 2023. The Central Bank of Sri Lanka (CBSL) is of the view that the International Monetary Fund (IMF) economic growth forecast is well within reach and is likely to be much higher.

In March 2023, Sri Lanka officially received approval for the 48-month Extended Fund Facility (EFF) program of the IMF

which gave access to nearly USD 3.0 billion bailout money to support the economic reforms and structural changes. IMF released the third tranche of the EFF in early 2024 and have reached the staff-level agreement on economic policies to conclude the third review followed by the release of the fourth tranche in early 2025. The Country made satisfying progress with the IMF programme which has paved the way for debt sustainability and economic growth.

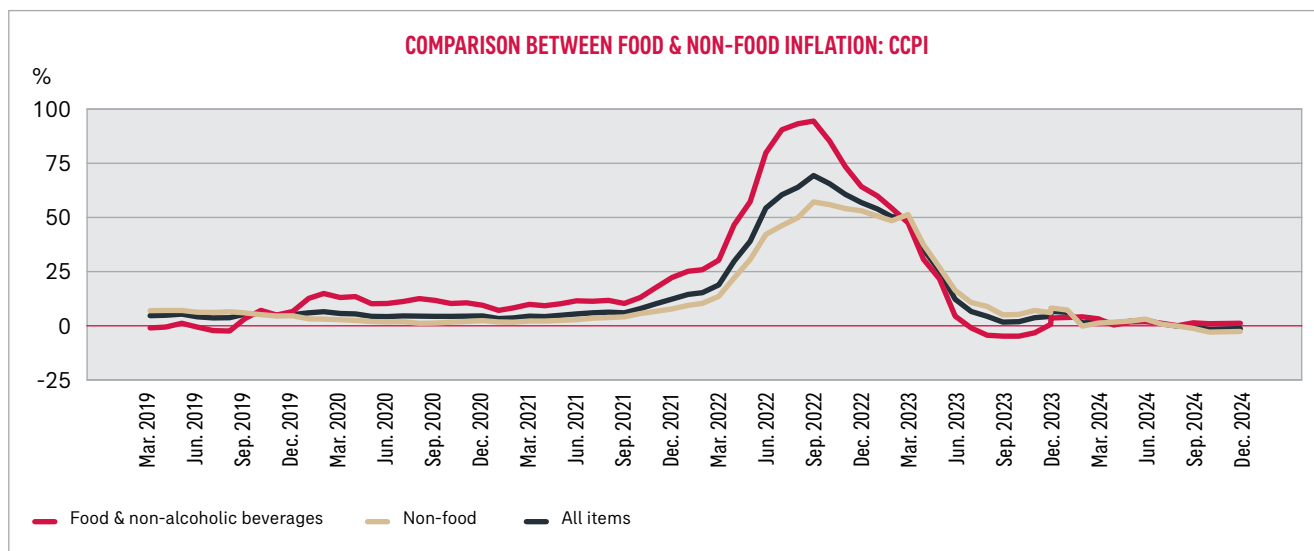
The Country went through significant changes in its political landscape where Sri Lanka has had two elections simultaneously within the year 2024. The ninth Presidential election of Sri Lanka was held on 21 September 2024 and the General election was held on 14 November 2024. The outcome of the two elections marked a significant change in the Country's political landscape, and it strengthened the political stability of the country.

Sri Lanka wrapped up its foreign currency debt restructuring in December 2024 with the announcement of the near full acceptance of the new bonds in exchange of the existing foreign currency bonds in default for over two years. With the completion of the debt restructuring programme, Fitch Ratings has upgraded Sri Lanka's Long-Term Foreign Currency Issuer Default Rating (IDR) to 'CCC+', from 'RD' (Restricted Default) in December 2024. This is a significant improvement for the Country where Sri Lanka has officially moved out of default situation. The rating upgrade can result in improving investor confidence towards Sri Lanka which will pave the way for fresh Foreign Direct Investments (FDI) into the country.

As economic conditions improved, business sentiment improved notably throughout the year as measured by the business condition survey which depicted continuous increase. Furthermore, stresses to financial markets have also been relatively low compared to 2023 as measured by the Financial Stress Index. On the other hand, the external sector performance strengthened as tourism earnings and worker's remittances improved over the year.

## Inflation

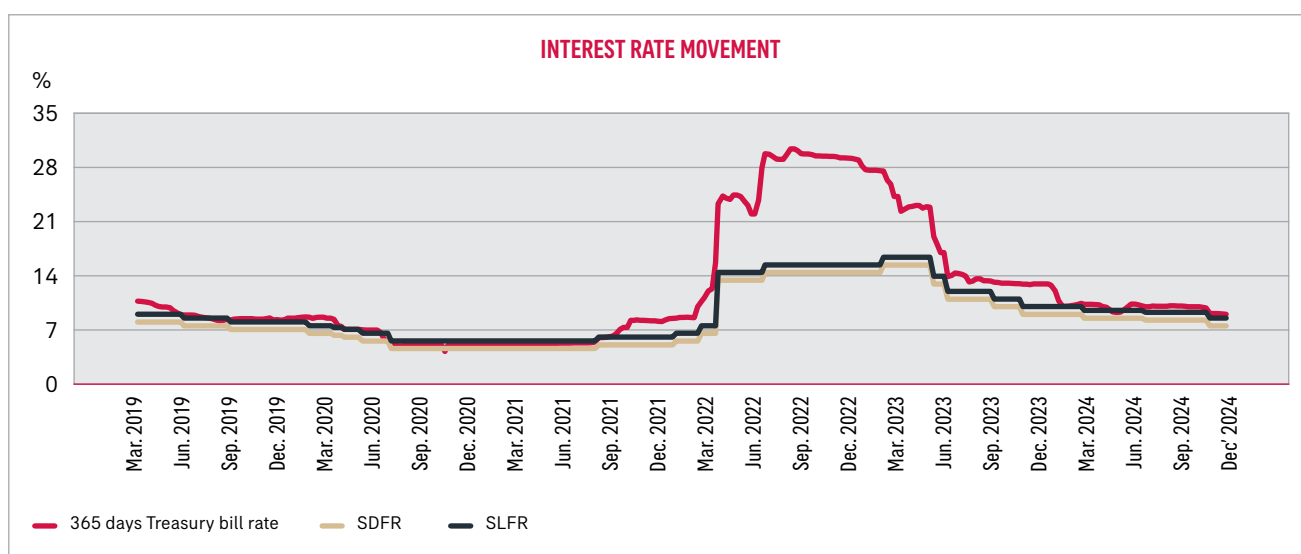
Headline inflation as measured by the Colombo Consumer Price Index (CCPI), gradually declined throughout the year, and entered negative territory recording a deflation of 0.5 per cent in September 2024. CCPI index reached an all-time low of -1.7 per cent in December 2024. This has been widely in line with the flexible inflation targeting (FIT) framework of the CBSL which aims at maintaining headline inflation at a target level of 5.0 per cent over the medium-term to support economic growth. CBSL forecasts that headline inflation is expected to remain notably below the 5.0 per cent target in the forthcoming months, while deflation could continue for a few months. Over the medium-term, inflation is expected to gradually align with and remain around the target level, with the relaxation of import restrictions and appropriate policy measures. Meanwhile food and non-food inflation too remained low while non-food inflation contributed the most for overall deflation.



## Interest rates

As inflationary pressures eased, the monetary policy action taken by the CBSL also relaxed with policy interest rates declining by effective 125 bps during the year. Government security yields continued the downward trajectory due to having adjusted to macroeconomic conditions and the effects of monetary policy decisions. The CBSL adopted the single policy interest rate mechanism from 27 November 2024 and introduced Overnight Policy Rate (OPR) at 8.00 per cent. At the beginning of January 2024, the benchmark of the 1-year T-bill yield which hovered at 12.93 per cent, declined to 8.96 per cent by the end of December 2024.

This had a positive impact on the economy as the cost of borrowing for individuals and corporates reduced significantly, and demand for credit levels improved which facilitated an upward economic cycle. The downward trend in interest rates fuelled the money supply in the economy and the credit to private sector demonstrated a gradual increase throughout the year. The increase in tax revenue and the gradual improvement in overall primary balance can support to maintain market interest rates at a lower level for the first half of 2025 while short-term spikes in interest rates are expected in line with Treasury bond maturity cycles.

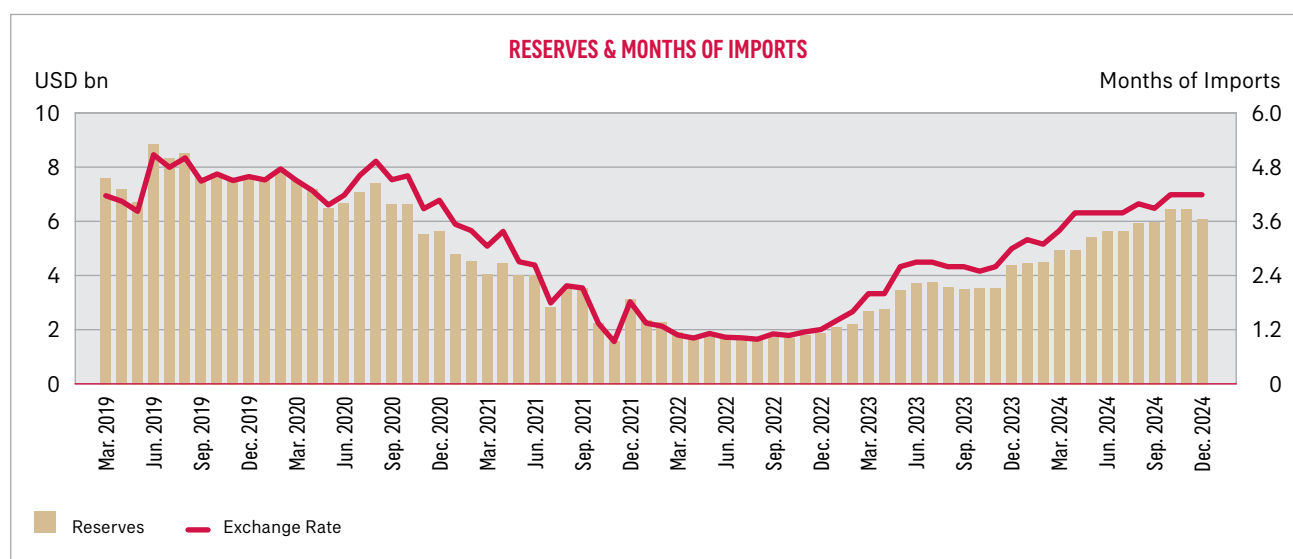


## Foreign exchange

The Sri Lankan rupee experienced an appreciation of 10.7 per cent against the US dollar from LKR 324.0 as at the end of 2023 to LKR 292.7 as at the end of December 2024 in comparison to the appreciation of 13.0 per cent in the previous year. The rupee appreciation was facilitated by increased inflows due to conversion of export proceeds, higher worker remittances and tourism earnings and influx of foreign investments in the stock market and government securities. Meanwhile the accumulation of Gross Official Reserves (GOR) which reached

USD 6.1 billion on a cumulative basis in December 2024 together with funds received from the Asian Development Bank and the World Bank aided the government in maintaining the exchange rate at flexible levels.

During the year 2024, the CBSL maintained its net purchasing stance in foreign exchange markets. The CBSL's cumulative purchases reached USD 2,845.7 million in 2024, representing a 50.1 per cent year-on-year increase, further strengthening the CBSL's foreign GOR.



## Equity market

The equity market of Sri Lanka recorded a significant improvement in 2024 in comparison to the previous year. The ASPI and S&P SL 20 indices grew by 49.7 per cent and 58.5 per cent respectively during the year of 2024. Market sentiment improved during the year primarily with the Presidential election and the general election outcome. This was further supported by the completion of International Sovereign Bond Restructuring and smooth continuation of the IMF programme. The investor sentiment further improved with the Fitch rating upgrade to 'CCC+', from 'RD' signifying the country coming out of the default status. The lower interest rates environment supported by the lower inflation has fuelled the performance of listed companies which also contributed positively on the share prices.

The Banking sector emerged as the primary catalyst for this bullish trend, while significant upside was also derived from the Food, Beverage & Tobacco, Diversified Financials, and Capital Goods sectors. Meanwhile, foreign interest in the share market was low as the Country rating was at Restricted Default until the end of the year. The liquidity level of the share market increased

significantly towards the end of the year where the average daily turnover increased to LKR 6.3 billion towards the end of 2024 compared to LKR 1.2 billion a year before. The ASPI index managed to break 15,500 mark which is a historic milestone and concluded the year 2024 with optimism.

## REGULATORY UPDATE

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has introduced several new Directions and Guidelines during the year to address evolving market dynamics and ensure to strengthen the regulatory framework for the insurance industry.

New Direction No. 03 of 2024 on advertisements disseminated by insurers, insurance brokers and insurance agents replaced the guidelines issued at several instances and introduced the pre-approval process for products related advertisements. In addition, the new Direction addressed new areas in marketing such as moment marketing, viral marketing and agile marketing strategies to allow more scope for insurers in their marketing activities.

Direction on Dividend Declaration and Distribution No. 04 of 2024 consolidated the requirements to be considered by the Board of Directors of Insurance Companies when deciding on declaration of dividends to the shareholders.

Creating awareness of the products among the policyholders was a key intention of some of the new directions and guidelines issued during the year. The Guidelines on Policy Framework for Long Term Insurance Products specified the structure of policy documents issued by long term insurance companies. Direction No. 06 of 2024 introduced the requirement of issuing an Insurance Product Information Document (IPID) by Insurance Companies and Insurance Intermediaries to the customers during the purchasing journey which must provide basic information of the product in a summary form.

Further, the IRCSL issued Directions on Sale of Insurance Products to the customers of Mobile Network Operators (MNOs) and Fixed Line Operators (FLOs) through the usage of data and platform of MNOs and FLOs to streamline such processes adopted by companies to ensure better transparency and policyholder protection.

These regulatory developments are expected to significantly shape the insurance industry in Sri Lanka.

## INDUSTRY REVIEW

The industry review is based on the provisional figures provided by the Insurance Association of Sri Lanka (IASL) for the financial year of 2024. The industry recorded a 30.9 per cent First Year Premium (FYP) growth in 2024, this is the highest FYP growth recorded in the last five years. This is also on top of the high double-digit growth witnessed in the prior year. However, industry FYP growth is driven by a few large players including AIA Sri Lanka (who recorded a 63.5 per cent FYP growth). There is also an observed shift in market positioning in new business in 2024 compared to the last few years. The improvements in the overall macroeconomic environment have improved consumer affordability whilst the lower interest rates environment has made the high interest banking and Non-Bank Financial Institutions (NBFI) products less attractive, providing a momentum towards life insurance.

Industry Renewal Year Premium (RYP) has recorded a growth of 14.7 per cent, up from the single-digit growth recorded in the prior year. This depicts the shift away from the crisis hit policy block which hampered the RYP growth in 2023 (policy block of 2022). Regular Premium has recorded a growth of 19.5 per cent, the highest in the last five years. Regular Premium growth is essentially driven by the higher FYP growth witnessed during the year and necessarily given the significant growth in two large players including AIA Sri Lanka.

Single premium recorded a growth of 21.2 per cent in 2024. Single premium market continues to be dominated by few large players. Decreasing Term Assurance (DTA) is also written as single pay and hence the growth in this category is somewhat dependent on the overall bank lending momentum. AIA Sri Lanka has not been actively selling in the single pay market for few years. However, with the recent bancassurance partnerships on-board, the Company has revamped the DTA proposition to best fit the consumer requirements. Group life premium growth has recorded a higher double-digit growth in 2024.

Total Gross Written Premium (GWP) has recorded a growth of 20.1 per cent, up from the 12.2 per cent in the prior year. This is also the highest growth since crisis. AIA Sri Lanka has recorded the highest GWP growth amongst the top five players. The long-term insurance premium in Sri Lanka was close to USD 500 million for FY 2023, notably lower than the regional countries. Over the last five years leading to 2023, the industry penetration has revolved around 0.6 per cent which is unlikely to be materially different in 2024. This is also one of the lowest penetration levels amongst the regional peers. Sri Lanka has a low life insurance density (premium per capita) of USD 21 (2023) which demonstrates the room for future growth.

Industry growth over the next few years is likely to be driven by the bancassurance partnerships which provides a seamless integration between life insurance and banking, enhancing the financial inclusivity of the Country. Two of the largest private banks in Sri Lanka (Commercial Bank of Ceylon PLC and Sampath Bank PLC) have signed long-term exclusive bancassurance partnerships recently. AIA Sri Lanka is well placed both in terms of capital strength and subject expertise to redeem maximum benefits of the fast-changing industry distribution dynamics.

Long-term outlook of the life industry is positive with significant underpenetration. AIA Sri Lanka remains committed to serving the Sri Lankan life insurance market, uplifting the financial inclusion and helping people of Sri Lanka live healthier, longer better lives.



## BRAND REVIEW

As the largest Pan-Asian life insurer, AIA recognises the scale of the positive impact it can make towards customer, community and country. Driven by the purpose of helping Sri Lankans live healthier, longer, better lives, the Company's focus remains on solidifying its position as a 'World-Class Sri Lankan' while advancing AIA Group's bold vision of positively impacting one billion lives across Asia by 2030.

# AIA ONE BILLION

With the highest levels of differentiation in the category and high levels of salience, the AIA brand is one which has successfully integrated global expertise with local relevance, creating an exceptional synergy that differentiates the Company in a cluttered market.

This has resulted in AIA Sri Lanka having the highest audience growth for the year, on average, across social media as well as the highest number of positive reviews on Facebook. AIA Sri Lanka's robust digital engagement serves to connect and meaningfully engage with audiences while reflecting the brand's commitment to staying relevant and accessible in an increasingly digital world. On-ground, the Company has engaged over 1.5 million people across Sri Lanka during the year, through ongoing community projects as well as engagement and wellness initiatives.

AIA Sri Lanka secured a total of 16 brand awards for 2024 and was also recognised as the Best Life Insurance Company in Sri Lanka for five consecutive years, as acknowledged by the Global Banking and Finance Review and Capital Finance International.



The most heartfelt honour for the brand was being voted as the Most Loved Insurer in the Corporate Brands Category by LMD and PepperCube Consultants, a testament to its growing brand presence and trust among consumers.

Over the past year, the Company has made significant strides in increasing brand awareness and consideration, driven by authentic purpose, innovative propositions, exceptional service standards, and a strong value proposition.

With the new brand campaign platform 'Rethink Healthy' that seeks to challenge stereotypes and narrow depictions of health across Asia, AIA Sri Lanka aims to contribute to the AIA One Billion ambition by inspiring people take their own unique journey towards health and wellness.

# RETHINK HEALTHY

## CUSTOMER REVIEW

### At AIA Sri Lanka, customers come first

AIA Sri Lanka remains steadfast in its commitment to enhancing customer experience through continuous digital transformation and process improvements. The Company is dedicated to ensuring utmost satisfaction for its valued clientele by encouraging the use of digital platforms for insurance premium payments and policy document access via the AIA customer portal at the safety and comfort of their homes. These initiatives not only streamline processes but also contribute to environmental sustainability. Moreover, AIA Sri Lanka encourages existing customers to reinvest for enhanced protection.

### Engaging and rewarding customers

AIA Sri Lanka maintains a steadfast commitment to fortifying its 'AIA Exclusive' customer proposition. Carefully crafted to cater to the discerning high-end customer segment, this experience offers exclusive benefits and privileges. The Company's initiative to reward policyholders with higher life coverage underscores its dedication to promoting comprehensive life protection.





## Above and beyond life insurance

AIA Sri Lanka continues to redefine industry standards by offering a comprehensive value proposition that extends beyond life insurance products. The Company has partnered with telemedicine providers, 'Flash Health' and 'Doc990', as part of its health and wellness ecosystem. Additionally, in partnership with 'Flash Health', AIA Sri Lanka facilitates island-wide medicine delivery. Exclusive discounts are also available through partnerships with 'Unilever Pureit' and 'Vision Care Optical Services'. 'My Dentist' offers special rates on dental treatments, while 'Siddhalepa Ayurveda Hospitals' offer ayurvedic treatments and 'High Octane Fitness' offers discounts on annual gym memberships for our customers. 'Vida Medical Clinic' extends exclusive offers to AIA First Class customers. AIA Sri Lanka believes that providing these value-added propositions enables customers to lead healthier, longer, and better lives.



## PRODUCT REVIEW

Our range of products and propositions provides comprehensive protection, health, and long-term saving solutions to meet diverse customer needs. Currently, Sri Lanka represents a diverse market, encompassing a range of personas across various life stages; including early starters, newly married, young families, matured families, and retirees. Despite varying needs at different life stages, the core needs of savings, health, and protection remain consistent among consumers. Our goal is to create a comprehensive solution that is flexible and adaptable to each life stage based on their savings, health, and protection needs.

While the Country is working towards regaining its stability after an economic recession, Sri Lankans have now become acutely aware of the need for structured savings solutions, and as a result, there has been a renewed interest in insurance products that offer both savings and protection, reflecting the growing realisation among Sri Lankans that safeguarding their financial future is crucial.

As a prominent player in the life insurance industry in Sri Lanka, the Company is always eager to meet the evolving needs of the market with its diverse portfolio. In 2024 AIA Sri Lanka introduced 'SaveSmart' as a highly customisable solution for the savings and protection needs of its customers.

AIA 'SaveSmart' is a 3-in-1 proposition developed as a comprehensive solution for savings, health and protection needs of the customers at every life stage. With this innovative solution, AIA Sri Lanka has developed a unique value proposition in its ability to cater to evolving customer needs, offering Sri Lankans a path to rebuild their savings while maintaining essential protection and health coverage.

AIA 'SaveSmart' consists of a savings fund and a life cover which can be selected based on the specific needs of customers. The policy term can be customised as per the saving goal of the customer and the customer can choose from four options to pay the premiums: three years, five years, seven years or ten years, considering their affordability. This flexibility not only ensures that customers receive coverage that aligns with their individual requirements but also provides the sales force with the agility to craft personalised solutions that meet the unique financial goals and circumstances of each customer. AIA 'SaveSmart' can be enhanced with additional health and protection benefits to address a range of needs.



At the core of this was the need for adaptability, ensuring the product could flex and evolve in each step with the shifting savings goals of the customers, with a compelling ecosystem of health and wellness benefits. This diverse ecosystem was built with precisely curated health and wellness partners, offering services such as telemedicine, medicine delivery, home lab service, optical services, dental treatments, purified water filters, and medical treatments, gym memberships and ayurvedic treatments. Through this, not only does the product build a robust savings fund, but it also supports holistic well-being beyond life insurance.

Additionally, the entire product portfolio of the Company consists of life insurance solutions designed to address the evolving needs of the Sri Lankans.

'*Health Protector*' caters to those seeking a comprehensive health coverage, while building an attractive health fund. This plan allows our customers to cover their medical expenses globally throughout the policy term and enjoy the benefit of a health fund at maturity. With market-leading features, this plan offers flexible benefit values, providing up to LKR 50 million annually for worldwide hospitalisation expenses, coverage for 37 critical illnesses, 250 listed surgeries, per-day hospitalisation cover globally, and the option to extend coverage to family members.

'*Smart Pensions Plus*', is a cost-effective and comprehensive retirement solution, ensuring a stress-free and comfortable retirement while also providing financial security for loved ones in the event of the life assured's demise. '*Easy Pensions Plus*', our pre-packaged retirement solution, is the most flexible and versatile product with convenient payment features.

'*Smart Wealth*' is a savings plan that meets both protection and savings needs, featuring limited premium paying options, an attractive return, and extended coverage.

'*Super Protector*' and '*Super Protector Flexi*' are pure protection products, that offer an increasing life benefit customisable from LKR 1 million to LKR 500 million, with optional benefits for personalised protection.

'*Health Passport*' is a comprehensive global hospital expense cover which can be attached with '*Super Protector*', '*Smart Pensions Plus*', and '*SaveSmart*'. This offers a customisable coverage up to LKR 50 million — includes pre and post hospitalisation expenses, maternity cover, dental treatments as well as ayurvedic treatments. This ensures that our customers are able to access the best healthcare both locally and globally.

## BUSINESS REVIEW

### Agency Distribution channel

The Agency Distribution ended the year 2024 with a record-breaking performance which topped the previous year's new business and renewed the best performance record since the inception of the Company.

The Channel recorded 35.7 per cent Annualised New Premium (ANP) growth over the previous year while surpassing LKR 1 billion ANP in December 2024 to record the best month for the Agency channel.

The performance demonstrated was mainly fuelled by strengthened agency sales force, improved customer propositions & products and innovative approach to win High Net Worth (HNW) customers.

The Agency channel strengthened its sales force using both industry and non-industry recruitment initiatives to attract the best talent with a view of expanding the cadre capacity to enable the envisaged volume growth.

With the growth in cadre, the Channel emphasised agent and leader sales discipline as an enabler to inculcate the industry best practices into the sales force, which brought the right balance in growth and business quality. The sales disciplines practical application was further strengthened by the 'Zero rejection sales pitch' based on the customer need analysis, which is supported by branch level role plays and the diverse product portfolio to cater different needs of the customer.

Further, the Agency channel managed to leverage on the new savings product 'AIA SaveSmart' to strategically approach HNW clientele in the backdrop of lower returns of alternate investment options for the customers.

Moreover, new and existing sales cadre upskill programs continued with spot checks to ensure skill development and new sales recognition concepts such as 'Think Big', 'Lifelong partner', and MDRT consecutive achievers' recognitions which were implemented to bolster the growth momentum.

The Agency continued to invest in the sales analytics platform (iAgent) to provide a 360° view on performance and gaps for self-review whilst the business submission process named 'Fast Acceptance Process' eliminated documentation-based delays. Additionally, the Channel managed to significantly improve its persistency on strength of the Quick Pay app and the plethora of premium payment options made available to the customers.

The Premier Agency Circle, the agency wing for higher performing agent development continued its growth journey to record a 16.8 per cent growth which will be further enhanced in 2025 to provide a platform for leader development and quality recruitment.

## Partnership Distribution channel

The pioneer of Partnership Distribution in Sri Lanka stepped into the year 2024 with a strong 19 years of history and experience. The proven business model demonstrated trust by securing the largest number of exclusive bancassurance arrangements which includes NDB bank, DFCC bank and the newest addition to the network, Commercial Bank. Securing the Commercial bank exclusive partnership was a historical milestone for AIA Sri Lanka.

The year 2024 marked the highest volume generation for the Partnership Distribution channel with a triple-digit growth which elevated the contribution of Partnership Distribution to the overall performance of AIA Sri Lanka.

In 2024, the Partnership Distribution launched the SHIFT24 strategy concentrating on enhancing skills of both internal and external stakeholders, engaging the customer for higher premium policies with holistic insurance propositions and embarking on the growth via the new partner Commercial Bank.

The focus towards moving beyond banking sector by onboarding NDB Wealth Management Limited and reviving broker operations, established an array of vibrant distribution avenues for AIA Sri Lanka. These avenues further fuelled the growth of the Partnership Distribution adding to the strong performance by the bancassurance partners.

In 2025, AIA Sri Lanka celebrates 20 pioneering years of Bancassurance in Sri Lanka. The two decades long business model will continue to excel providing best in class insurance solutions to our customers to live healthier, longer, better lives.

## OPERATIONAL REVIEW

AIA Sri Lanka is committed to delivering an outstanding customer experience through simple, quick, and personalised services tailored to our customer needs. In 2024, AIA Sri Lanka successfully deployed digitalised and automated services across all customer journeys to enhance efficiency and convenience.

Customer preferences are evolving rapidly, with an increasing demand for high-quality and seamless digital interactions. In response, AIA Sri Lanka has extensively digitalised its processes and transitioned to a digital servicing model. As a result, by December 2024, 76.0 per cent of all customer submissions across new business, servicing, and claims were conducted digitally.

AIA Sri Lanka's key measure of customer journey automation is Straight-Through Processing (STP). The launch of our 'Fast Acceptance' initiative has significantly improved the life insurance issuance process. This initiative enabled 69.8 per cent of policies to be underwritten automatically, increasing the end-to-end new business acceptance rate from 54.0 per cent to 69.6 per cent in 2024 compared to previous year.

AIA Sri Lanka introduced real-time Hospital Income Benefit payments in 2024, for the first time in Sri Lanka, transforming the patient checkout process. This pioneering effort ensures that customers receive their hospital income benefit instantly, directly deposited into their bank accounts at the time of hospital checkout and bill settlement. This innovation not only provides financial security but also enhances convenience and peace of mind for our customers.

To further strengthen the customer feedback collection process, AIA Sri Lanka has implemented real-time customer surveys and service-level tracking at key touchpoints, such as policy issuance, walk-in customer service, contact center interactions, and claims settlements. This approach has yielded excellent results, with our Customer Satisfaction Score (CSAT) reaching 93.0 per cent for Contact Center services in December 2024. Whilst providing our customers an opportunity to voice their opinion, this also provides us an opportunity to further enhance our service offerings focusing on customer delight.

The Conservation Team continued to play a pivotal role in policy revivals and customer retention. Through focused efforts, the team successfully revived policies, contributing to an impressive LKR 2.5 billion in revival GWP. By prioritising customer needs and offering tailored solutions, we continue to enhance policyholder engagement, improve retention rate, and foster long-term relationships.

The 'AIA Exclusive' customer proposition was established to strengthen relationships with AIA Sri Lanka's premier customers by offering additional personalised services. These customers receive several exclusive and priority services tailored to their needs across different segments as a reward for maintaining their strong relationships and trust with AIA Sri Lanka.

At AIA Sri Lanka, we align our success with the health and well-being of our customers, fulfilling our Purpose of helping people live healthier, longer, better lives. Therefore, AIA Sri Lanka operations and services are aligned to this purpose as the Company continues to support and protect more lives in Sri Lanka.

## PEOPLE REVIEW

At AIA Sri Lanka, we don't simply believe in being 'the best'. We believe in 'better' because there's no limit to how far 'better' can take us. We empower our people to find their 'better'; in the work they do, the career they build, the life they live and the difference they make.

Helping people live healthier, longer, better lives, our purpose is at the heart of everything we do. It is embedded in the core of our people proposition and bringing health and well-being to our employees at work.

We promote the best talent by providing a dynamic environment that brings people with diverse backgrounds, skills and ideas together and create a work environment where everyone has a fair opportunity to learn, grow and fulfil their career dreams as individuals.

### Beyond a great workplace

AIA Sri Lanka marked a remarkable year with the Company clinching with the Best Workplaces Award for the 12th consecutive year, the Best Workplaces for Women for the 7th consecutive year, Best Workplaces for Young Talent and the prestigious Well-being Champions award.

In 2024, AIA Sri Lanka passed the rigorous measurements through analysis of results of the Great Place to Work Trust Index® and Culture Audit® questionnaire and scored among the best in the country, thus differentiating itself as a great workplace for all employees, having established AIA Sri Lanka as a superlative employer of choice.

Additionally, AIA Sri Lanka is the only insurer certified with the prestigious EDGE Certification, affirming company's unwavering commitment to fostering workplace diversity, equity, and inclusion.

Further, our CEO, Chathuri Munaweera, was recognised with the '2024 Women in Insurance Award' awarded by the Geneva Association. Her unparalleled leadership and dedication on gender equity, inclusivity and sustainability reflected through this achievement.



### The Geneva Association is the only global association of insurance companies

These are testaments of AIA Sri Lanka creating a safe environment for employees where people can enjoy a balance between personal well-being and career growth whilst ensuring equal opportunities for everyone.

### Creating a level playing ground for all

Fostering an equitable culture for our employees is a commitment that we place at all levels.

A key highlight in AIA Sri Lanka's diversity drive is its signature women's programme, 'ඒෆ් ඩබ්ල් ඒම් AIA'. The name of the programme gives a very wholesome meaning of how AIA Sri Lanka protects and cares for women. At the same time, it also reflects the contribution made by our women towards the success of AIA Sri Lanka. The programme was launched three years back to offer insurance solutions, financial literacy training, networks, recognition, and access to information for Sri Lankan women.

Since its launch, AIA Sri Lanka has reached over 800,000 women through several targeted initiatives across different strategic pillars to empower women internally and externally. These initiatives include rolling out International Finance Corporation (IFC) developed Gender Sensitivity Training (GST) programme and including it to its sales training modules to ensure Wealth Planners are able to better engage and increase their responsiveness to the needs of women customers, recruiting a gender-balanced workforce, partnering with WCIC (Women's Chamber of Industry & Commerce) to engage and empower more women, launching a women-specific product 'She Protect' and AIA Sri Lanka's special insurance plan to Commercial Bank's *Anagi* customers helped expand its customer base and increase women customer numbers. These initiatives reflect AIA Sri Lanka's unwavering commitment to empowering women and building a more inclusive and gender-equal society. Under the 'ඒෆ් ඩබ්ල් ඒම් AIA' programme, the Company launched Network Forums this year to support employees in creating more inclusive environment for all.

Our comprehensive '100 Working Day Motherhood Benefit' allows our female employees to have an extended maternity leave and flexi work arrangements. Not forgetting our male employees, we provide '10 Working Day Paternity Benefit' allowing more time to be spent with their family and newborn. The reimbursable allowance of 'New Parents Support Scheme', allows our new parents, to get the expenses of purchases of essentials for their new-born baby and related childcare payments reimbursed, up to a maximum of LKR 5,000 per month.





### AIA Sri Lanka: Best workplace for women for the seventh consecutive year

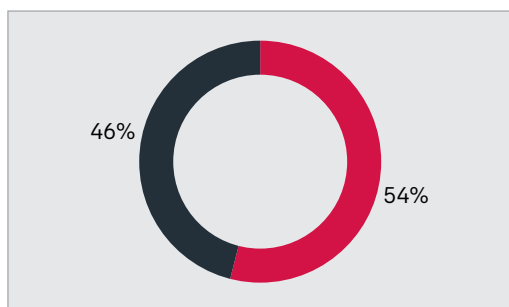
Understanding the challenges of being new parents, we have introduced a dedicated support line to assist our employees entering their new parents' journey.

At AIA Sri Lanka, it's zero-tolerance for discrimination and harassment in every form that enables creating a safe and comfortable environment for women to work and grow.

### Our People

The Company's workforce comprised of 961 employees in the permanent carder with a healthy mix of female and male employees by the end of the year 2024. The female population was 46 per cent as at end 2024.

#### MALE AND FEMALE POPULATION



Male Female

As a Company that is driven by the brand purpose of encouraging people to live healthier, longer, better lives; we have created a supportive work environment to offer a balanced work culture.



### Company conference 2024

At AIA, bringing healthier, longer, better lives is at the heart of everything we do. It is embedded in the core of our people proposition, supporting the health and well-being of our employees at work.

Our workforce well-being framework has evolved into work well with AIA Sri Lanka. We look at well-being at workplace through 'Live Well', 'Think Well', 'Feel Well' and 'Plan Well' pillars. Creative initiatives were designed throughout the year focusing on these four pillars. Physical wellness enhanced through nutritious programmes / health talk sessions focusing on cancer awareness series and physical activities such as zumba classes, Cross-Fit classes for employees. The 24 / 7 counselling support line is a key highlight under mental wellness pillar and further this was promoted through awareness sessions / talk shows with leaders sharing experiences. Our signature programme on stress management – 'Me@AIA', is another key highlight under mental wellness. Employees financial literacy was enhanced through awareness forums on economy / best investment options, tax forums etc. The social wellness is focused through employee led CSR and enhancing diversity initiatives. Our 'people led' CSR initiatives contribute to build our people's pride and emotional bond towards the Company's success whilst providing an opportunity to partner in conducting socially meaningful work.



Me@AIA well-being programme



Blood donation campaign



Oktoberfest celebrations



Partnership Distribution motor rally



Bollywood themed dinner dance



Our employees at the charity run: Run for their lives

The Rooftop Model Garden is another industry-first initiative that encouraged employees to start their own edible home gardens, while advocating self-sustainability. During the year rooftop model garden was expanded with herbal plants and florals, to add more value to our green initiatives. This was initiated as a part of encouraging home gardening concept among employees which supports for their self-esteem, reduce stress, family union, eat healthier as well as saving money. Employees get the opportunity to visit the garden and spend time while experiencing mental peace.



At AIA Sri Lanka, we believe that supporting new joiners with a structured programme during their early days with the Company is very much supportive to settle well. LIFT is an AIA Group driven structured programme which was designed to help new joiners Learn, Integrate, Focus, and Thrive (LIFT). This helps the Company provide a pre-eminent experience to new joiners through different learning, engagement and recognition related initiatives to increase new joiner satisfaction levels.

To foster a culture of innovation and continuous improvement, we provide our employees with access to over 10,000 LinkedIn courses through our Workday platform. This digital learning resource is a key component of our blended 70:20:10 approach, which emphasises experiential learning through cross-functional projects, mentoring, coaching, and international experiences. This investment in human capital translates to over 34,000 learning hours, averaging 35 hours per active learner. To further drive innovation and leadership development, we've launched signature programmes like Aspire to Ascend, LEAP to LEAD, and PROSPERA, designed specially to cultivate the next generation of leaders. Additionally, our Growth Guardians initiative empowers internal trainers, ensuring a consistent and high-quality learning experience across the organisation.



**Partnership Distribution Sales Manager development programme**



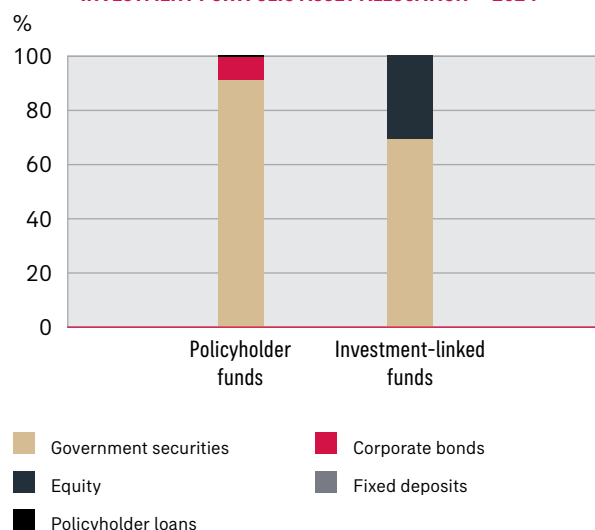
**New joiners at the AIA LIFT programme**

## INVESTMENTS REVIEW

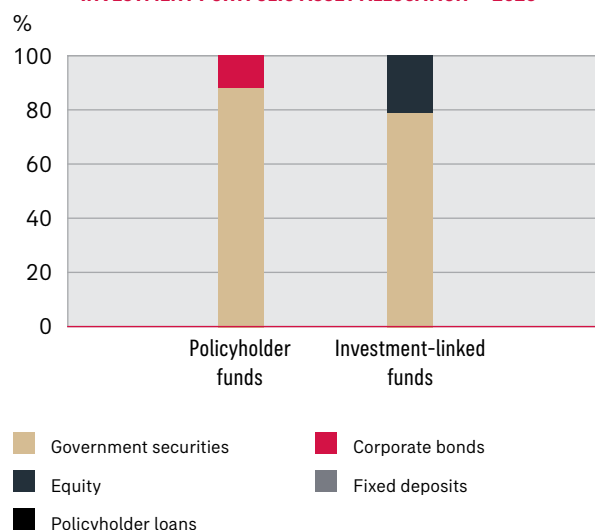
AIA Sri Lanka advocates a long-term investment strategy supporting long-term growth and continued to maintain a prudent investment strategy for its investment portfolios, in line with its investment philosophy and guidelines as set out in the investment policy.

In line with our prudent capital allocation, most of our investment portfolios are allocated into high credit quality fixed income securities, where a majority of these are invested in Government securities. Any investments in corporate debt securities are made into counterparties with 'A' (Ika) rating and above, as rated by Fitch Ratings Lanka, and this was advantageous in the economic environment over the last few years of country rating downgrades and counterparty national rating downgrades. The concentration of investments in long-term government securities at attractive yields and the absence of risky assets in the main policyholder funds are conscious investment decisions in line with the prudent long-term investment strategy outlook of the Company and holds the Company in good stead during the times of challenge.

### INVESTMENT PORTFOLIO ASSET ALLOCATION – 2024



### INVESTMENT PORTFOLIO ASSET ALLOCATION – 2023



The economic environment prevailing in Sri Lanka had a direct impact on the investment strategy adopted in 2024 as interest rates declined significantly over the year under the CBSL's accommodative monetary policy stance. The proactive actions undertaken enabled the funds to lock into sizable quantities of Government bonds at favourable yields, prior to the further decline in yields, and also at interest rate spikes. These actions improved the carrying yield of the funds. This will benefit the funds over the long-term.

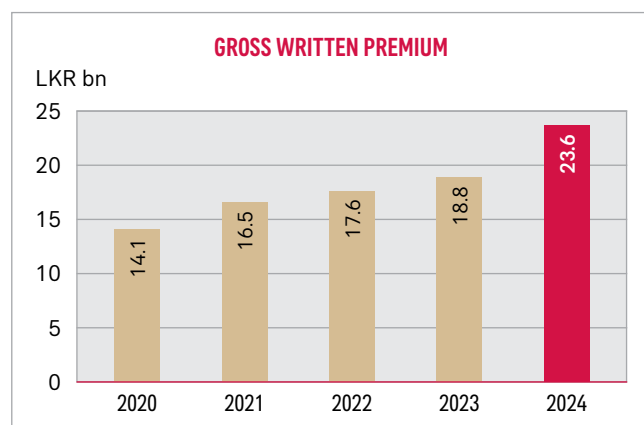
The main policyholder fund does not include any listed equity investments in accordance with the risk appetite of the portfolio, except for a strategic holding which is negligible compared to the total asset portfolio. Listed equity exposures are maintained in the two unit linked funds, and these are specifically to accommodate policyholder requirements and expectations. These funds obtained exceptional equity returns over the year with the attractive equity market return in 2024.

## FINANCIAL REVIEW

The financial review presents the financial results for the Group, comprising of AIA Insurance Lanka Limited and its fully owned subsidiary Rainbow Trust Management Limited.

### Gross Written Premium (GWP)

GWP increased to LKR 23.6 billion in 2024 from LKR 18.8 billion in 2023, recording an annual growth of 25.4 per cent, against the backdrop of the challenging economic and political conditions. The growth is derived from the increase of 63.0 per cent for first year premium during the year 2024, renewal premiums aided by digitally enabled premium collection channels and other conservation initiatives, and the highest ever ANP in 2024 which is over LKR 10.2 billion.



### Net Written Premium (NWP)

The NWP, which is GWP net of premiums ceded to reinsurers, amounted to LKR 23.5 billion which is a 27.7 per cent growth over the previous year.

### Investment income

Net Investment income remained relatively similar in value, with a slight decline of 0.3 per cent to LKR 11.6 billion in 2024. This is mainly due to the benefit of higher short-term interest rates in the first half of the prior year boosting prior year income, compared to the significantly lower yields which prevailed since July 2023.

### Total income

Total income increased to LKR 37.7 billion recording a growth of 18.3 per cent over the previous year. NWP and other income contributed 62.4 per cent and 37.6 per cent respectively to total income in 2024 and 57.8 per cent and 42.2 per cent respectively in 2023.

### Net claims and benefits

Net claims and benefits increased by 3.6 per cent to LKR 7.1 billion in 2024. This reflects the incline in surrenders, partial withdrawals and maturity benefits during the year.

### Operating and administrative expenses

Operating and Administrative Expenses (LKR 11.4 billion in 2024 grew by 29 per cent compared to 2023) include General operating Expenses (LKR 7.2 billion in 2024, grew by 12 per cent compared to 2023) and Selling Expenses (LKR 3.6 billion in 2024, grew by 61 per cent compared to 2023). The growth in selling expenses reflects the growth in Annualised New Premiums (ANP) and First Year Premiums.

### Change in contractual liability

Change in contractual liabilities for the year recorded at LKR 12.5 billion which is a 19.1 per cent increase over the previous year. The movement is driven by the changes in the risk-free rates Observed and efficiencies created by business through growth during the year. Transfers to or from the Life Policyholders' liabilities are carried out post the annual actuarial review by the Company's Appointed Actuary on the adequacy of the policy liabilities and reserving for policy commitments.

### Life surplus transfer

In 2024, LKR 1,910.2 million was transferred to the Life Shareholders' fund from the Policyholders' funds.

### Profit after tax

The consolidated profit after tax was recorded at LKR 2.7 billion which is one times increase over the year irrespective of the economic challenges observed in 2024.

## Analysis of Statement of Financial Position

The total assets at the end of 2024 amounted to LKR 118.0 billion, 21.8 per cent increase from LKR 96.8 billion recorded for 2023. The substantial downward shift in market yields and the corresponding increase in market prices of fixed income financial assets resulted in the significant increase in the value of financial assets for 2024. Financial assets represented 86 per cent of the total assets as at 31 December 2024.

## Property Plant and Equipment (PPE)

The net book value of PPE increased to LKR 1,079.7 million in 2024 from LKR 735.3 million in the previous year which is mainly due to the additions of the fixed assets during the year. The Right of Use (ROU) Assets of LKR 605.6 million represents amounts recognised on account of leasehold properties and vehicles as per SLFRS 16 Leases. The detailed notes are presented in Note 7 and Note 19.2 (a) to the Financial Statements on pages 113 and 123 respectively.

## Long term insurance fund

The long term insurance fund as at the end of 2024 amounted to LKR 82.5 billion, an increase from LKR 65.7 billion in 2023. The increase in the long term insurance fund is a result of the movement in the change in contractual liabilities within the Income Statement of the Company, and the key drivers of which are explained in the relevant section within this financial review. The Company's Appointed Actuary's Report is provided on page 76 of this Annual Report. Necessary provisions, including those for dividends to policyholders, solvency margins and other required reserves have been made from the long term insurance fund as recommended by the Company's Appointed Actuary.

## Shareholders' equity

Total equity as at the end of 2024 was LKR 27.3 billion, and this includes the RBC one-off surplus that is maintained within the shareholders' equity as a restricted regulatory reserve in line with Direction #16 issued by the IRCSL. The shareholders' equity level supports the Company to maintain a high Capital Adequacy Ratio.

## Risk Based Capital (RBC) one-off surplus

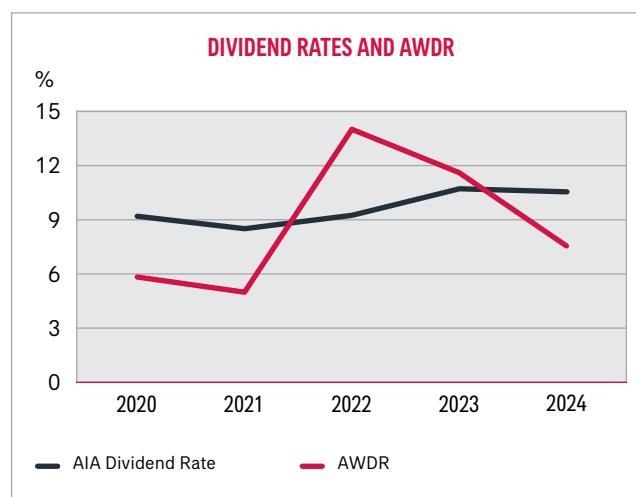
The Company adopted the RBC solvency regime for solvency purposes with effect from 01 January 2016 in line with the regulations and guidelines issued by the IRCSL. This is a methodology for determining policy liabilities for universal life business under the RBC rules. The surplus of LKR 6,080.8 million that arose due to the change in valuation method from Net Premium Valuation (NPV) basis to Gross Premium Valuation (GPV) basis is referred to as the RBC one-off surplus, and this

was transferred to the shareholders' fund as stipulated in the regulations. The IRCSL has instructed that the RBC one-off surplus be held as a 'Restricted Regulatory Reserve' within shareholders' equity and not be distributed.

## Policyholder dividends

In 2024 the declared policyholders' dividend rate was 10.58 per cent compared to the 10.76 per cent in the previous year for the 75.0 per cent cohort. Management was able to declare a higher long-term return to its policyholders, while maintaining a prudent investment approach to safeguard the long-term interest of its policyholders. The dividend rate depicted in the chart below is for the lower bound of the dividends earned by policyholders, and certain cohorts of policies receive a higher dividend rate allocation than those indicated in the chart based on the specific conditions on those specific policy contracts.

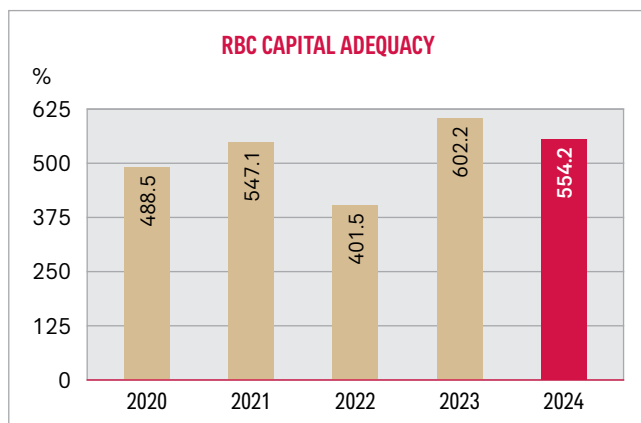
Together with the conventional funds, the Company's unit-linked funds also yielded exceptional results to its policyholders with 53.5 per cent / 36.5 per cent / 11.2 per cent / 9.9 per cent / 11.4 per cent for the Growth / Balanced / Secure / Protected / Stable Money Market funds respectively.



## Risk Based Capital Adequacy Ratio

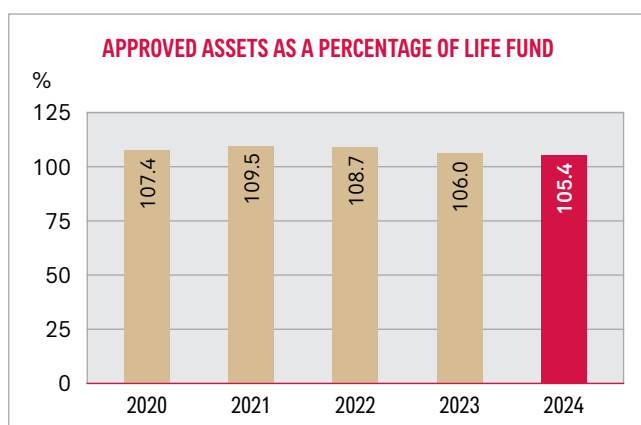
AIA Sri Lanka continued to have a strong Capital Adequacy Ratio (CAR), under the Risk Based Capital regime, which amounted to 554.2 per cent by end 2024. The year-on-year decrease from 602.0 per cent in 2023 reflects the impact of interest rate movements despite of counter measure.

Capital Adequacy Ratio includes the RBC one-off surplus of LKR 6,080.8 million which is maintained within the shareholders' equity as per the IRCSL's instructions.



## Approved assets

Approved assets as a percentage of the long term insurance fund was 105.4 per cent in 2024, and higher than the requirement of 100.0 per cent. The approved asset ratio has remained relatively stable and high over the past years, as reflected below.



## Investments in government securities as a percentage of the life fund

Government securities represented 90.1 per cent of the long term insurance fund which is more than adequately surpasses the regulatory minimum of 30.0 per cent.

## OUTLOOK 2025

Sri Lanka enters 2025 at a pivotal juncture, balancing cautious optimism with the need for continued structural reforms. The country has made notable progress in stabilising its economy through prudent fiscal and monetary policies, supported by the sustained implementation of the IMF Extended Fund Facility and advancements in external debt restructuring. Inflationary pressures have been largely contained, and interest rates have stabilised, fostering a more predictable business environment. However, challenges persist in the external trade sector, where geopolitical uncertainties and shifting global demand patterns pose risks to export performance.

Several key sectors are demonstrating resilience and growth. The construction sector has regained momentum, driven by increased private-sector investments, infrastructure development projects, and a revival in consumer confidence. The tourism industry continues to be a key driver of economic recovery, benefiting from targeted promotional efforts, infrastructure enhancements, and increased international arrivals. Foreign remittances are projected to remain a crucial economic pillar, although Sri Lanka faces a growing challenge in retaining skilled talent as outward migration continues. Meanwhile, the equity markets have shown strong performance, buoyed by improved investor sentiment and corporate earnings growth. The Government's commitment to structural reforms, fiscal discipline, and investment-friendly policies further supports long-term economic stability.

The financial services industry, particularly life insurance, is poised for sustained expansion in 2025. Rising healthcare costs and growing awareness of financial security are fuelling demand for health and protection-related products. Additionally, Sri Lanka's aging population is amplifying the need for retirement and pension solutions. With interest rates at relatively lower levels, there is increasing demand for investment-linked insurance products as customers seek avenues for long-term financial growth. The integration of digital solutions in financial services is also transforming customer expectations, necessitating more agile and technology-driven service delivery models.

AIA Sri Lanka is well-positioned to capitalise on these opportunities. With its comprehensive portfolio of life, health, savings, and retirement solutions, the Company remains at the forefront of the industry. Additionally, AIA Sri Lanka continues to refine its distribution strategy by strengthening agency channels, fostering new partnerships, and expanding its reach through digital innovations.

In 2025, AIA Sri Lanka's focus remains on delivering exceptional customer experiences, leveraging advanced technologies, and enhancing operational efficiency to provide seamless, personalised solutions. The Company's commitment to ESG principles remains central to its strategy, ensuring sustainable business practices that contribute to Sri Lanka's socio-economic development. Through its continued emphasis on innovation, digital transformation, and customer-centricity, AIA Sri Lanka is shaping the future of life insurance in the country.

As we look ahead, AIA Sri Lanka remains steadfast in its pursuit of excellence, driving innovation, and setting new benchmarks in the life insurance industry. With a strong foundation built on trust, expertise, and customer-centricity, we are not just growing—we are leading the way forward. Born to lead and built to grow, AIA Sri Lanka will continue to redefine industry standards, empower communities, and shape a future where financial security and well-being are within reach for all Sri Lankans.



# GOVERNANCE





# THE BOARD OF DIRECTORS



## BISWA PRAKASH MISRA

Chairman / Non-Executive Director

Appointed as the Chairman to the Board of Directors of the Company on 06 January 2025.\*

Mr Biswa Prakash Misra is the Group Chief Technology and Life Operations Officer of AIA Group Limited. He is responsible for the AIA Group's businesses operating in New Zealand and Sri Lanka.

Mr Biswa is responsible for providing leadership to the Group's technology, digital and analytics as well as Group operations and operations shared services. He is a Director of various companies within the Group. He joined the Group in June 2013.

Prior to joining the AIA Group, Mr Biswa served as the Regional Chief Technology Officer for ING Insurance Asia Pacific and prior to that Mr Biswa spent six years with a information technology consulting firm Capgemini, leading the company's insurance practice for Asia.

\* Pending approval of the Insurance Regulatory Commission of Sri Lanka.



## CHATHURI MUNAWEERA

Director / Chief Executive Officer / Principal Officer

Appointed as the CEO and Executive Director to the Board of Directors of the Company on 01 May 2022.

Ms Chathuri Munaweera also serves as the Principal Officer of the Company, responsible for leading the overall business and management of the Company. She also heads the Board Investment Committee of the Company. She has over 24 years of leadership experience having last held the position of Chief Operations Officer / Director Operations of the Company prior to her appointment as the CEO. She also has expertise in the field of law, compliance, human resources and services.

She is an Attorney-at-Law and holds a Bachelor and Master of Laws from the University of Colombo and holds an International Diploma in Compliance from the International Compliance Association, UK.

She was recognised with the '2024 Women in Insurance Award' which was awarded by the Geneva Association, Switzerland. Her unparalleled leadership and dedication on gender equity, inclusivity and sustainability is reflected through this achievement. She has served in the Executive Committee of the International Chamber of Commerce in Sri Lanka, and currently represents the Council of Sri Lanka Institute of Directors.



### STUART ANTHONY SPENCER

#### Non-Executive Director

Appointed to the Board of Directors of the Company on 03 August 2017.

Mr Stuart Anthony Spencer started his career in New York at American Express Travel Related Services in the field of marketing. He is an alumnus of the Harvard Business School, The Fletcher School of Law and Diplomacy, and Brandeis University. Mr Spencer serves as the Group Chief Marketing Officer of AIA, responsible for AIA Vitality, propositions, branding, communications, sponsorships, events, customer engagement, and marketing digitalisation. He is a Director of various companies within the Group.

Mr Spencer occupied numerous leadership roles at AIG and AIA from 1996 to 2009, in the USA, Latin America, and in Asia where he served as Global President of Accident and Health Worldwide for the AIG Life Companies. Mr Spencer rejoined AIA in May 2017 from Zurich Insurance Group, where he was the CEO, General Insurance, Asia Pacific.



### DEEPAL SOORIYAARACHCHI

#### Non-Executive Director

Appointed to the Board of Directors of the Company on 17 May 2005.

Mr Deepal Sooriyaarachchi functioned as the Managing Director until end of February 2010. He continued as an Executive Director until April 2012 and was declared an Independent Non-Executive Director in August 2012.

He is a fellow of the Sri Lanka Institute of Marketing, an Accredited Master Coach and a Master Mentor and has a Master of Business Administration from the University of Sri Jayewardenepura. Mr Sooriyaarachchi is a management consultant, author, trainer, and a speaker.

He currently serves as a Non-Executive Director of Panasian Power PLC, Siyapatha Finance PLC, Kelani Cables PLC, Prime Land Residencies PLC, Singer Sri Lanka PLC, Lanka Shipping and Logistics (Pvt) Ltd, Medapp (Pvt) Ltd, and the Managing Director of Sati Human Development Institute (Pvt) Ltd. He also serves on the Board of the Postgraduate Institute of Management of the University of Sri Jayewardenepura (PIM).

He was an Independent Non-Executive Director of Sampath Bank PLC, and Hemas Manufacturing (Pvt) Ltd, and also served as the Commissioner of Sri Lanka Inventors Commission. He is also a distinguished past president of the Sri Lanka Institute of Marketing.



### SARATH WIKRAMANAYAKE

#### Independent Non-Executive Director

Appointed to the Board of Directors of the Company on 01 August 2016.

Mr Sarath Wikramanayake has also held previous directorships with the Company from 2003 to 2006 and then till 2012.

He is a fellow of the Institute of Chartered Accountants of Sri Lanka since 1979.

Mr Wikramanayake currently serves as a Director of several other companies including NDB Wealth Management Limited, NDB Investment Bank Limited, NDB Capital Holdings Limited, NDB Capital Limited (Bangladesh), NDB ZEPHYR Partners Limited.

He has worked with the Bank of Butterfield, a Bermuda-based international bank for 19 years, where he reached the position of Executive Vice-President. Since returning to Sri Lanka, he has been the Chief Executive Officer of Union Assurance Limited, and the President of the Insurance Association of Sri Lanka in 2002.



### UPUL WIJESINGHE

#### Executive Director

Appointed to the Board of Directors of the Company on 30 January 2023.

Mr Upul Wijesinghe serves as the Deputy Chief Executive Officer and the Chief Distribution Officer of the Company, responsible for driving the Agency Alternate business operations in Sri Lanka. Mr Wijesinghe holds three decades of experience in the area of agency distribution including strategic planning, implementing, advising and guiding agency through substantial change management, and digital transformation to steer the Company's development towards success.

He holds a Bachelor of Science (Hons) from the University of Colombo and holds a Postgraduate Diploma in Actuarial Science. He is an associate of the Chartered Insurance Institute, UK and an Alumni of the International Institute of Management Development, Switzerland. He also served as the President of Sri Lanka Insurance Institute from 2002 to 2003.

He also held various other senior positions in the Company where he was appointed as the Specified Officer, Deputy Managing Director, and Principal Officer of the Company.

Mr Wijesinghe currently serves as a Director of Rainbow Trust Management Limited from 2017 which is a fully owned subsidiary of the Company, and he was appointed as the Chairman of the said subsidiary in 2024.

**INDRAJIT ASELA WICKRAMASINGHE****Independent Non-Executive Director**

Appointed to the Board of Directors of the Company on 07 January 2025.\*

Mr Indrajit Wickramasinghe has also held previous directorships with the Company from 2008 to 2012.

He holds a Master of Business Administration from the Postgraduate Institute of Management of the University of Sri Jayawardenapura. He is a fellow of the Chartered Institute of Marketing, UK and a member of the Oxford Business Alumni, University of Oxford, UK.

He was the former Chief Executive Officer / Director of Union Bank for over nine years and also served as the Chief Operating Officer of NDB Bank. He also held the positions of Chairman of the Financial Ombudsmen Sri Lanka (Guarantee), and a Director of the Credit Information Bureau of Sri Lanka.

Prior to joining the financial service sector he was with the leading multi-national company Reckitt and Colman for over 12 years holding senior management positions.

Mr Wickramasinghe currently serves as a Director of several other companies including NDB Securities (Private) Limited, Fintrex Finance Limited, Overseas Realty Ceylon PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC, and C W Mackie PLC.

*\* Pending approval of the Insurance Regulatory Commission of Sri Lanka.*



# EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT TEAM

## EXECUTIVE COMMITTEE



### CHATHURI MUNAWEERA

Director / Chief Executive Officer / Principal Officer

Attorney-at-Law, LLM (Master of Laws, University of Colombo), LLB (Bachelor of Laws, University of Colombo), ICA International Diploma in Compliance (Graduate) (International Compliance Association, University of Manchester, Manchester Business School, UK)

24 years of leadership experience in the fields of corporate law, compliance, services and human resources and was the Company's Chief Operations Officer / Director Operations, prior to taking over as CEO / Executive Director.

Company's first female CEO and was named 'Emerging Leader of the Year' by Women Top 50 for 2023. Recognised by the International Finance Corporation (IFC) as one of 16 trailblazers who are driving gender equality in Sri Lanka, and '2024 Women In Insurance' Award by Geneva Association.



### UPUL WIJESINGHE

Deputy Chief Executive Officer / Chief Distribution Officer / Executive Director

BSc (Hons) (University of Colombo), Chartered Insurer, Postgraduate Diploma in Actuarial Science, Alumni of IMD (Switzerland)

36 years of experience in the insurance industry. He has held the positions of Specified Officer and Principal Officer of the Company.

He is currently an Executive Director of the Company and the Chairman / Director of Rainbow Trust Management Limited, a fully owned subsidiary of the Company. He was the President of the Sri Lanka Insurance Institute in 2002 and 2003.



### SENAKA RAJAPAKSE

Chief Partnership Distribution Officer

Postgraduate Diploma in Business Management (Chartered Insurance Agency Management – CIAM), Postgraduate Diploma in Marketing (Postgraduate Institute of Marketing – PIM), Accelerated Leadership Programme (Indian Institute of Management, Ahmedabad IIMA / AVIVA).

22 years of work experience in the Agency Division and with over four years of leading and managing the Partnership Distribution channel. 26 years of service in sales and marketing in the life insurance industry. He is a Director of the Rainbow Trust Management Limited, a fully owned subsidiary of the Company. Awarded twice with LIMRA.

He represents the Company in the Marketing and Sales Forum of the Insurance Association of Sri Lanka.



### CHANAKA LIYANAGE

#### Chief Agency Officer

MBA (University of Southern Queensland), Diploma in Banking, Member of the Chartered Institute of Marketing (UK), Advanced Diploma in Management Accounting - CIMA (UK)

Responsible for overseeing the National Agency, including over 4,000 Wealth Planners, Managers, and support staff. Leads the Agency's growth, strategy, quality recruitment, the Premier Agency Circle and digital transformation.

25 years of experience in banking and insurance, with a comprehensive background in both front-line and back-office operations.

Played a pivotal role in the growth and transformation of the Agency channel and the Premier Agency Circle within his five years of experience in the Company.

He has served as a jury member for the National Sales Awards conducted by SLIM since 2016.



### SAMPATH THUSHARA

#### Chief Financial Officer / Chief Investment Officer

MBA (Postgraduate Institute of Management, University of Sri Jayewardenepura), BSc in Business Administration (University of Sri Jayewardenepura), Fellow Member of the Institute of Chartered Accountants Sri Lanka, Associate of the Chartered Institute of Management Accountants (UK), Chartered Global Management Accountant of the Chartered Institute of Management Accountants (UK)

With over 21 years of experience in the areas of finance and accounting with exposure and specialisation in the fields of audit and assurance, apparel manufacturing, telecommunication and insurance.

He is responsible for overseeing the functions of finance, actuarial, investments, sourcing and business intelligence and is a member of the Board Investment Committee of the Company.

He also serves as the Chairman of the Finance Technical Subcommittee of the Insurance Association of Sri Lanka and is a member of the Task Force on Risk-Based Capital established by the Insurance Regulatory Commission of Sri Lanka.



### THUSHARI PERERA

#### Director Human Resources

Fellow Member of the Chartered Institute of Personnel Development (UK), MBA (University of Wales Trinity Saint David, UK)

18 years of experience in all areas of human resource management and leadership practices.

Licentiate in chemistry from the Institute of Chemistry Ceylon. Certified Associate Coach from Corporate Coach Academy, Malaysia and is a Certified Training and Development Specialist in many areas of people management.

Thushari represents the Company in many human resource forums including the Insurance Association of Sri Lanka.



### HASITHA MAPALAGAMA

#### Chief Risk and Compliance Officer

MBA (Postgraduate Institute of Management, University of Sri Jayewardenepura), Associate of the Chartered Institute of Management Accountants (UK), Fellow of the Chartered Professional Managers (SL), Member of the Association of Certified Anti-Money Laundering Specialists (USA)

24 years of experience in the fields of risk, compliance and internal audit covering, telecommunications, consultancy and insurance with 17 years of experience in the Company.

He is a member of the Board Investment Committee of the Company.



### SURESH EDIRISINGHE

#### Director Operations / Specified Officer

MBA (Postgraduate Institute of Management, University of Sri Jayewardenepura), BSc Engineering degree (Hons), (University of Moratuwa), Certified Member of the Institute of Risk Management (UK), Member of the Chartered Institute of Insurance (UK), Chartered Insurer.

26 years of experience in insurance, customer management, and risk management. Currently leads the Life Operations function of the Company overseeing technical processes, digitalisation of customer journeys and customer experience.

Visiting lecturer at the Finance Department of the University of Sri Jayewardenepura, MBA unit of University of Colombo, and Sri Lanka Insurance Institute (SLII).

He represents the Company in the Life Insurance Forum of the Insurance Association of Sri Lanka.



### SASITH BAMBARADENIYA

#### Chief Marketing Officer

MBA (Postgraduate Institute of Management, University of Sri Jayewardenepura), BSc in Business – Major in Marketing and Management (University of Newcastle, Australia).

With 15 years of extensive experience in marketing, strategic planning, and operational leadership and a proven track record of spearheading award-winning campaigns through driving innovation, his expertise spans product management, e-commerce, brand building and transformative leadership across diverse industries.



### THUSARA RANASINGHE

#### Chief Legal Officer / Company Secretary

Attorney-at-Law, LLM (Master of Laws, University of Colombo), LLB (Bachelor of Laws, The Open University of Sri Lanka), BA (Bachelor of Arts, University of Colombo), Associate Member of the Chartered Insurance Institute, UK Chartered Insurer, and a Fellow Member of the International Compliance Association, UK.

21 years of experience in the insurance industry and more than 16 years with the Company. Director of Rainbow Trust Management Limited which is a fully owned subsidiary of the Company. Held the positions of Chief Risk Officer from 2016 to 2017 and the Secretary to the Audit and Compliance Committee for more than 11 years. Holds Post Attorney's Diploma in Banking and Insurance Laws from the Sri Lanka Law College and a Diploma in Portfolio and Investment Management from the Institute of Bankers of Sri Lanka,

A visiting lecturer at the University of Colombo from 2018 to date. Chairman of the Legal Advisory Forum of the Insurance Association of Sri Lanka from 2014 to 2015.

## SENIOR MANAGEMENT



### SAMATH PERERA

#### Chief Actuary

Fellow of Society of Actuaries (USA), B Comm – Actuarial Studies (Macquarie University), Masters Insurance and Risk Management (Deakin University)

11 years of experience across financial reporting, risk management, product development, investments, pricing, reinsurance and capital management in multiple jurisdictions.

He is a member of the Board Investment Committee of the Company.

He represents the Company at the Actuarial Subcommittee of the Insurance Association of Sri Lanka and also as a member of the Task Force on Risk-Based Capital established by the Insurance Regulatory Commission of Sri Lanka.



### SAMPATH SENADEERA

#### Assistant General Manager / Head of IT

MBA (Anglia Ruskin University, UK), Chartered IT Professional of the Chartered Institute for IT (UK)

Chartered IT Professional with over 25 years of experience in the IT industry, having worked in the software development, aviation, manufacturing, and insurance industries. Currently, responsible for overseeing the Company's technology strategy and IT operations.



# THE ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors (the Directors / the Board) of AIA Insurance Lanka Limited (the Company / AIA Insurance Lanka) has pleasure in presenting their Annual Report on the affairs of the Company during the financial year ended 31 December 2024, together with the Audited Financial Statements for the year ended 31 December 2024 of the Company and of the Group.

The Audited Financial Statements of the Company and of the Group for the said year and the Report of the External Auditors thereon are set out on pages 82 to 136 of the Annual Report.

## VISION

A statement of the Corporate Vision is given on page 3 of the Annual Report. The Company's business activities have been and are carried out within the framework of the objectives of the Corporate Vision Statement and in pursuance of the continued nurturing of business and work practices of the highest ethical standards.

## PRINCIPAL ACTIVITIES OF THE COMPANY AND OF ITS SUBSIDIARY

The principal activity of the Company during the year under review was exclusively the long term insurance business in Sri Lanka. Rainbow Trust Management Limited, the fully owned subsidiary of the Company, continued to provide trustee services during the year under review.

To the best of the knowledge of the Board, neither the Company nor its aforementioned subsidiary, were engaged in any activities which contravened relevant local laws and or regulations.

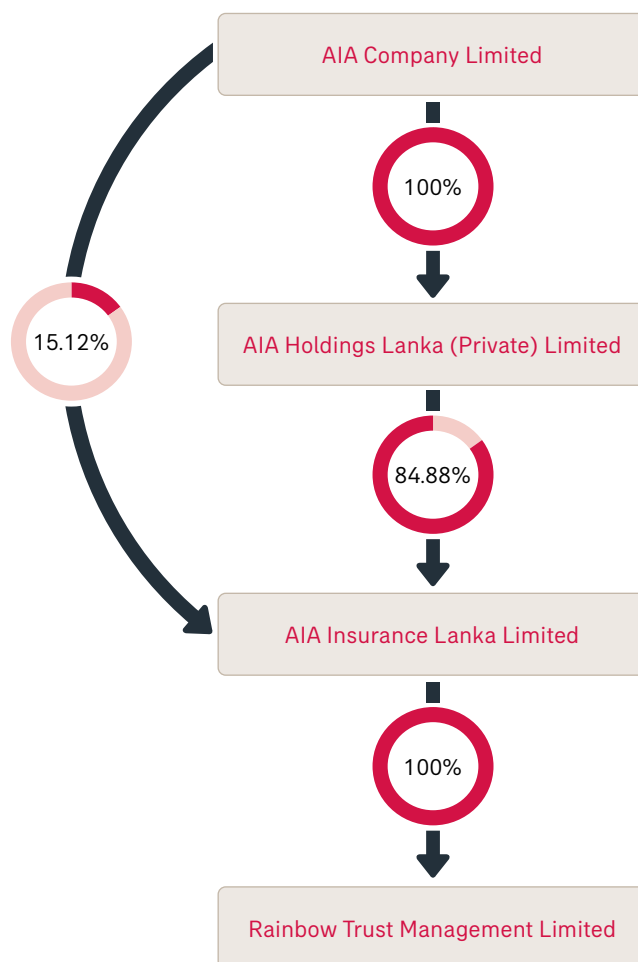
## REVIEW OF PERFORMANCE AND FUTURE DEVELOPMENTS

An overview of the Company's and of the Group's financial and operational performance for the year ended 31 December 2024 and of future developments are contained in the Chairman's Message and the Chief Executive Officer's Review, with a detailed review including details of the Risk Management Framework being provided in the Management Discussion and Analysis and Risk Management Review segments on pages 16 to 30 and 67 to 68 respectively, of the Annual Report. These reports together with the Audited Financial Statements reflect the state of affairs of the Company and of the Group as at 31 December 2024.

## SHAREHOLDING STRUCTURE

As at 31 December 2024 to date, AIA Insurance Lanka Limited was and is a subsidiary of AIA Holdings Lanka (Private) Limited ("AIA Holdings Lanka") with a majority shareholding of 84.88 per cent in the Company and AIA Company Limited, Hong Kong having a minority shareholding of 15.12 per cent in the Company. AIA Holdings Lanka is a wholly owned subsidiary of AIA Company Limited, Hong Kong.

The Company's shareholding structure and that of its subsidiary as at 31 December 2024 to date are as follows:



## STATED CAPITAL & RESERVES

The Company's stated capital as at 31 December 2024, was LKR 3,201,921,896 (Sri Lanka Rupees three billion two hundred and one million nine hundred and twenty one thousand eight hundred and ninety six only) represented by 36,227,985 (Thirty six million two hundred and twenty seven thousand nine hundred and eighty five only) issued and fully paid ordinary shares.

The total capital and reserves for the Group was LKR 27,296 million as at 31 December 2024 (LKR 24,683 million as at 31 December 2023) the details of which are provided in Notes 24 to 27 to the Financial Statements.

## SHAREHOLDERS

As at 31 December 2024, the Company has two shareholders, AIA Holdings Lanka (Private) Limited and AIA Company Limited, Hong Kong.

## INTERIM FINANCIAL RESULTS

The interim financial results were prepared in conformity with the Sri Lanka Accounting Standards (SLFRS / LKAS) and submitted to the relevant regulators during the year under review.

## FINANCIAL STATEMENTS CONTAINED IN THE ANNUAL REPORT

The Audited Financial Statements of the Company and of the Group, have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS / LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, the Companies Act No. 07 of 2007 (as amended) and to the extent applicable, by Regulation of Insurance Industry Act No. 43 of 2000 (as amended).

The Statement of Directors' Responsibility for financial reporting is set out in page 81 of this Report.

The Financial Statements duly signed by the Chief Financial Officer and the Directors are published on pages 85 to 136 and the External Auditors Report thereon is provided on pages 82 to 84 of the Annual Report.

## FINANCIAL RESULTS

The results of the Company and of the Group for the year ended 31 December 2024 and the state of the Company's and of the Group's affairs as at that date are set out in the Financial Statements on pages 85 to 136 of the Annual Report.

## INCOME

Total income of LKR 37,750 million (LKR 31,923 million for 2023) and comprises income generated from the Company's life insurance business and from the trustee services provided by the Company's subsidiary.

## ACCOUNTING POLICIES

The material accounting policy information applied by the Company and by the Group in preparing the Financial Statements are disclosed on pages 92 to 111 of this Annual Report. These policies have been consistently applied. There were no material changes during the year under review in the accounting policies adopted.

## LIFE SURPLUS AND POLICYHOLDERS' DIVIDENDS

The Board received and adopted the report of the Company's Chief Actuary Mr Samath Perera, for life insurance, recommending the dividends that are payable to policyholders and of the transfer of the surplus thereof to the Income Statement. This is set out on page 76 of the Annual Report.

## PROPERTY, PLANT AND EQUIPMENT

As at the date of the Statement of Financial Position, the net book value of property, plant and equipment of the Group amounted to LKR 1,080 million while Right of Use (ROU) assets amounted to LKR 606 million.

During the financial year under review capital expenditure on property, plant and equipment for the Company and the Group amounted to LKR 537 million.

The details of the Company's property, plant and equipment and the movement in their values during the year are given in Note 7 to the Financial Statements on pages 113 to 114 of the Annual Report.

## MARKET VALUE OF THE COMPANY'S PROPERTY, PLANT AND EQUIPMENT

The market value of the Company's property, plant and equipment are not materially different to their respective book values as given in the notes to the Financial Statements on page 113 of the Annual Report.

The Company owns 13.40 perches of freehold land at No. 76, Kew Road, Colombo 02 and 12.08 perches of freehold land at No. 80, Kew Road, Colombo 02. These properties were subject to annual revaluation as per the applicable accounting policy and a revaluation surplus of LKR 23.5 million was recognised in 2024, totalling to a revaluation reserve of LKR 301 million as at the reporting date.

The details of the respective extents, locations, valuations of the Company's land holdings are given in Note 7 to the Financial Statements on page 113 of the Annual Report.

## INVESTMENTS

A detailed description of the investments held as at the date of the Statement of Financial Position is given in Note 9 to the Financial Statements on pages 114 to 117 of the Annual Report.

## DONATIONS

The Board having duly considered the standing of the Company as a good corporate citizen, resolved to ratify a total sum of LKR 10,185,637 utilised as charitable donations for the year 2024. This amount is within 1.0 per cent of the average profits after tax for the preceding three years.

No donations or any other form of payments or facilities have been made to political parties or for politically oriented purposes.

## PROVISIONS

The Board has arranged for the Chief Actuary to review the Life Fund valuations. (The policies adopted for provisioning and the basis thereof are given in pages 99 to 104 of the Annual Report.)

As at the date of the Report, the Board is not aware of any circumstances which would render inadequate the amounts provided for in the Financial Statements.

## RESERVES

The total reserves of the Company as at 31 December 2024 is LKR 24,090 million and of the Group as at 31 December 2024, amounted LKR 24,094 million consisting of the revaluation reserve, restricted regulatory reserve, available-for-sale reserve and retained earnings, all being revenue reserves and a revaluation reserve being a capital reserve. Movements in these reserves are given in the Company and in the Group Statement of Changes in Equity set out on page 88 of the Annual Report.

## PROVISION FOR TAXATION

Provisions for taxation for the Company and its subsidiary have been computed at the rates given in Notes 22 and 38 to the Financial Statements and are set out on pages 126 and 132 of the Annual Report.

## OUTSTANDING LITIGATION

In the opinion of the Board and of 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. The contingent liabilities are given in page 136 of the Annual Report.

## EMPLOYEES

AIA Insurance Lanka marked a remarkable year with the Company clinching the Best Workplaces Award for the 12th consecutive year, Best Workplaces for Women Award for the seventh consecutive year and the Best Workplaces for the Young Talent Award along with the Wellness Champion.

In 2024, AIA Insurance Lanka passed the rigorous measurements through analysis of results of the Great Place to Work Trust Index® and Culture Audit® questionnaire and scored among the best in the country, thus differentiating itself as a great workplace for all employees, having established AIA Insurance Lanka as a superlative employer of choice.

Additionally, AIA Insurance Lanka is certified with the prestigious EDGE Certification, affirming the Company's unwavering commitment to fostering workplace diversity, equity, and inclusion.

Further, our CEO – Chathuri Munaweera, was recognised with the '2024 Women in Insurance Award' which was awarded by the Geneva Association. Her unparalleled leadership and dedication on gender equity, inclusivity and sustainability is reflected through this achievement.

These are testaments of AIA Insurance Lanka creating a safe environment for employees where people can enjoy a balance between personal wellbeing and career growth whilst ensuring equal opportunities for everyone.

The details of the unique people practices' that enabled the success of the Company's business performance is described in the Management Discussion and Analysis on pages 16 to 30 of the Annual Report.

## EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors approved and declared on 20 February 2025 the payment of an interim dividend of LKR 33.00 per share for the financial year ended 31 December 2024 from and out of the Company's profits available for distribution, as authorised by the Articles of Association of the Company.

There have been no other events subsequent to the Balance Sheet date that would have any material effect on the Company or the Group which would require adjustment or disclosure in the Financial Statements.

## CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Board is committed to conducting the business activities of the Company in conformity with accepted good governance structures and practices.

The status of compliance of the Company with the Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka is given in the Corporate Governance segment on pages 47 to 65 of the Annual Report.

Having reviewed the effectiveness of internal control systems, the Board is of the considered view that the Company has taken necessary precautions to safeguard the interests of its stakeholders, during the year under review.

## STATUTORY PAYMENTS

The Board confirm that to the best of their knowledge and belief, due payments to all relevant regulatory and statutory authorities, have been paid or provided for by the Company where necessary, as at the reporting date. A Statement of Compliance by the Board in relation to statutory payments is included in the Directors' Statement of Responsibilities on Financial Reporting, on page 81 of the Annual Report.

## INTERESTS REGISTER

The Company maintains an Interests Register in compliance with the requirements of the Companies Act No. 07 of 2007 (as amended). The particulars of entries made in the Interests Register during the financial year under review, are as set out below:

- a) Directors' and Chief Executive Officer's interests in transactions with the Company.

Directors' and Chief Executive Officer's interests in transactions of the Company, both direct and indirect, during the year under review are included in Note 42.2 in the related party disclosures to the Financial Statements, set out on pages 134 to 136 of the Annual Report. These interests have been duly disclosed in compliance with the Section 192(2) of the Companies Act No. 07 of 2007 (as amended) and further declared at Board Meetings and are set out herein as appropriate.

- b) Directors' and Chief Executive Officer's dealings with the Company's shares.

- I. Disclosures in respect of a relevant interest in the Company's shares held during the year ended 31 December 2024:

The Directors and the Chief Executive Officer have, in pursuance of Section 200 of the Companies Act No. 07 of 2007 (as amended), made appropriate disclosures at Board meetings regarding their relevant interests (if any) in the Company's shares, including of acquisitions or disposals of such shares during the year under review.

- II. Disclosures in respect of the Company's shares which have been held, acquired or disposed of at the beginning, during, or at the end of the financial year under review.

Neither the Directors nor the Chief Executive Officer of the Company have held, acquired or disposed of the shares in the Company at the beginning, during, or at the end of the financial year under review.

- c) Use of Company information by the Directors and the Chief Executive Officer.

This information is recorded in the Interests Register in pursuance of the provisions of Section 197 of the Companies Act No. 07 of 2007:

Subject matter of information	Date of authorisation by the Board	Authorisation granted at a Board Meeting / by Circular Resolution
None	None	None

- d) Details of remuneration and other benefits paid to the Directors and to the Chief Executive Officer.

The remuneration and fees of the Directors / the Chief Executive Officer are duly recommended by the Company's Remuneration Committee and approved by the Board.

Efforts are made to maintain a balance between the suitability of the remuneration so determined based on market and industry standards and of its fairness in relation to the Company's interests. Directors' fees paid to Independent Non-Executive Directors are made in accordance with the specified scales of payments as determined by the Remuneration Committee and approved by the Board of Directors from time to time.

Details of the Directors' fees and emoluments paid during the financial year 2024, which have been duly approved by the Board, are stated below.

	Consolidated fees	
	2024 LKR '000	2023 LKR '000
Directors' emoluments*	236,967	200,995
Directors' fees	11,600	9,600

\* The term 'Director' referred under emoluments include the Chief Executive Officer as well.

The Company has not provided any guarantee or any other form of security in connection with any loan made by any person to a Director or to the Chief Executive Officer of the Company or of any related entity.

- e) Insurance and Indemnity coverage provided to Directors and / or Officers (D & O Cover) of the Company and of its subsidiary.

AIA Group wide D & O cover is in effect to cover the Directors and Officers of the Company, its holding Company and the subsidiary respectively. AIA Company Limited, Hong Kong maintains a D & O cover worth USD 300 million, and Sri Lanka is covered under this master policy with a locally admitted policy issued.



## THE BOARD OF DIRECTORS

The Directors who comprised the Board during the year ended 31 December 2024 and thereafter are set out below:

Name of Director	Date of appointment	Date of resignation / date of ceasing to be a Director	Office held during the year under review
*Tan Hak Leh	15 July 2022	06 January 2025	Chairman of the Board and Non-Executive Director
**Biswa Prakash Misra	06 January 2025	–	Chairman of the Board and Non-Executive Director
Stuart Anthony Spencer	03 August 2017	–	Non-Executive Director
Deepal Sooriyaarachchi	17 May 2005	–	Non-Executive Director
Drayton Sarath Palitha Wikramanayake	01 August 2016	–	Independent Non-Executive Director
**Indrajit Asela Wickramasinghe	07 January 2025	–	Independent Non-Executive Director
Chathuri Munaweera	26 April 2022	–	Executive Director
Upul Wijesinghe	30 January 2023	–	Executive Director

The following changes occurred to the Board:

\* Mr Tan Hak Leh resigned from the Board (Chairman and Non-Executive Director) effective 06 January 2025.

\*\* Subject to the approval of the Insurance Regulatory Commission of Sri Lanka.

The Directors holding office as at the date of the Annual Report are indicated on pages 32 to 35. A brief resume of each Director including information on the nature of his / her expertise is set out on pages 32 to 35 of this Annual Report. Disclosures in relation to Non-Executive Directors and their status of independence are described on pages 54 to 55.

### DIRECTORS RETIRING BY ROTATION

Mr Stuart Anthony Spencer retires by rotation in terms of Article 25 (1) read with Article 25 (2) of the Articles of Association and being eligible is recommended by the Board for re-election by the Shareholders at the forthcoming Annual General Meeting subject to regulatory approvals. A brief profile of the retiring Director is given on page 33 of the Annual Report.

### RE-APPOINTMENT OF A DIRECTOR

Mr Sarath Wikramanayake reached the age of seventy (70) years, on 15 November 2024 and accordingly retires from the office of Director in terms of Section 210 of the Companies Act No. 07 of 2007 (as amended) and offers himself for re-appointment by the Shareholders at the forthcoming Annual General Meeting in terms of Section 211 of the Companies Act No. 07 of 2007 (as amended). The Board having considered Mr Sarath Wikramanayake's performance and contribution to the Board as a Director of the Company recommends his re-appointment subject to regulatory approval for a period of one year from the date of his appointment or until the next Annual General Meeting or a date arising from the Direction No. 02 of 2022 (revised) issued by the Insurance Regulatory Commission of Sri Lanka whichever occurs earlier.

## FIT AND PROPER ASSESSMENT OF DIRECTORS & THE CEO

The Company's fit and proper assessment of its Directors and the CEO are aligned to the criteria set out in Rule 9.7.3 of the listing rules of the Colombo Stock Exchange and include matters such as honesty, integrity and reputation; competence and capability; and financial soundness. In accordance with Rule 9.7.4 of the Colombo Stock Exchange Listing Rules, declarations were obtained from each of the Directors and the CEO confirming that each of them have continuously satisfied the Fit and Proper Assessment criteria throughout the financial year under review and also as at the date of confirmation. The Directors and the CEO satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

### BOARD SUBCOMMITTEES

The Subcommittees of the Board, their composition and mandate are provided on pages 62 to 65 of the Annual Report.

### DIRECTORS' MEETINGS

Set out below are the number of Directors' meetings (including meetings of the Subcommittees of the Board), which have been held during the year under review and the number of such meetings that have been attended by each Director of the Company during the period, correlated to the period during which each such Director actually held office within the year under review.

Director	Directors' meetings		Audit and Compliance Committee		Investment Committee		Remuneration Committee		Related Party Transactions Review Committee		Nominations and Governance Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
*Tan Hak Leh (resigned from the Board as Chairman and Non-Executive Director effective 06 January 2025)	4	4	–	–	–	–	2	2	–	–	2	2
Chathuri Munaweera	4	4	5	5	4	4	2	2	4	4	–	–
Deepal Sooriyaarachchi	4	4	5	5	–	–	2	2	4	4	2	2
Drayton Sarath Palitha Wikramanayake	4	4	5	5	–	–	2	2	4	4	2	2
Stuart Anthony Spencer	4	4	4	5	–	–	–	–	3	4	–	–
Upul Wijesinghe	3	4	5	5	–	–	–	–	–	–	–	–
Sampath Thushara*	4	4	5	5	4	4	–	–	4	4	–	–
Samath Perera*	–	–	5	5	4	4	–	–	–	–	–	–
Hasitha Mapalagama*	1	4	5	5	4	4	–	–	4	4	–	–

A = Number of meetings attended

B = Number of meetings held during the time the Director held office during the period

\* Not members of the Board.

\* In addition to the attendance at physical meetings, the Board attended to its duties and took decisions on matters relating to the Company via duly recorded Written Resolutions that were passed by circulation during the year under review. The Nominations and Governance Committee and the Remuneration Committee also engaged in decision making via duly recorded Written Resolutions that were passed by circulation.

## RELATED PARTY TRANSACTIONS

Appropriate disclosures have been made in terms of the Sri Lanka Accounting Standards LKAS 24 – Related Party Disclosures, in Note 42 in the Financial Statements set out in page 134 to 136 of the Annual Report.

## RISK-BASED CAPITAL REQUIREMENT (RBC)

The Company has adopted the RBC solvency regime for solvency purposes with effect from 01 January 2016 in line with the regulations and guidelines issued by the Insurance Regulatory Commission of Sri Lanka.

## GOING CONCERN

The Board has, consequent to due inquiry and having taken into account the financial position and future prospects of the Company and of the Group, a reasonable expectation that the Company and the Group have adequate resources to continue to be in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the Financial Statements.

## SLFRS 17 (IFRS 17)

SLFRS 17 (IFRS 17) was issued as a replacement to SLFRS 4 (IFRS 4) in Insurance Contracts. IFRS 17 introduced significant changes to the current accounting and actuarial valuation methodologies adopted in insurance industry. The standard will be effective from 01 January 2026 in Sri Lanka for statutory reporting requirements. The Company implemented IFRS 17 for group reporting purpose in 2023, after a considerable amount of preparatory work to adapt the new standard to be in line with the adoption to serve both local and group statutory reporting requirements.

## ENVIRONMENT, SOCIAL, GOVERNANCE (ESG)

The organisation has used its best endeavours and governance strategies to comply with relevant environmental laws and regulations of the country throughout the year under review. It has not, to the best of the knowledge of the Board, engaged in any activity which is, or which would be harmful or hazardous to the environment, people or other factors under ESG. Constant measures and initiatives are taken by the Company to monitor the changes which will have an impact on any of the ESG factors. New initiatives introduced are to enhance environmentally impactful projects following globally renewed ESG themes and towards staff wellbeing and engagement in the organisation. The Company was awarded with an ISO 14064-1:2018 GHG verification certification for the past two consecutive years whilst expanding its roof top model garden with bio diversified flower plants. The Company also conducted an eventful WORLD ENVIRONMENTAL DAY campaign involving all employees with the global theme of #GenerationRestoration being followed in all activities throughout the day. 'AIA CAN' is an ECO office movement campaign that was launched in line with the AIA Group's ESG strategy around wellness, energy and water optimisation, efficient transportation, and sustainable procurement processes.

## EQUITABLE TREATMENT TO STAKEHOLDERS

The Board has constantly endeavoured to ensure that the Company's operations are conducted in a manner which will secure equitable treatment to all stakeholders of the Company.

## RE-APPOINTMENT OF EXTERNAL AUDITORS

The External Auditors Messrs. Deloitte Partners, Chartered Accountants, who were appointed at the last Annual General Meeting to hold office during the year under review, have communicated their willingness to continue in office. Accordingly, a resolution for their re-appointment as the Company's Auditors for the financial year ending 31 December 2025 will be proposed at the Annual General Meeting together with a further resolution authorising the Directors to determine their remuneration.

## EXTERNAL AUDITORS' REMUNERATION

The remuneration paid to the present External Auditors, Messrs Deloitte Partners, Chartered Accountants, for both audit and non-audit services rendered for the year under review are stated below.

	Group	
	2024 LKR '000	2023 LKR '000
Audit and related services	7,692	7,632
Non-audit services	4,350	2,855

Messrs Deloitte Partners, Chartered Accountants, do not have any relationship with the Company nor with its subsidiary, other than that of External Auditors of the Company and of its subsidiary. The External Auditors also do not have any interests in the Company or in its subsidiary.

## ANNUAL REPORT

The information provided herein is in pursuance of the requirements of the Companies Act No. 07 of 2007 (as amended) and to the extent relevant the Regulation of Insurance Industry Act No. 43 of 2000 (as amended). In the preparation of this Report, recourse has also been made to recommended best practice reporting guidelines.

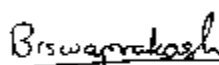
The Board approved the Annual Report and the Financial Statements of the Company and of the Group together with the reviews and other reports which form part of the Annual Report as signed off by the External Auditors on 20 February 2025.

One copy each of the Annual Report will be submitted to the Insurance Regulatory Commission of Sri Lanka, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within the applicable time frames.

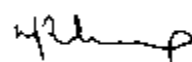
## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Monday, 07 April 2025 at 11.00 am at AIA Insurance Lanka Limited, AIA Tower, 92, Dharmapala Mawatha, Colombo 07.

By order of the Board



**Biswa Prakash Misra**  
Chairman / Director



**Sarath Wikramanayake**  
Director



**Thusara Ranasinghe**  
Company Secretary  
Colombo

20 February 2025

# CORPORATE GOVERNANCE

## STATEMENT OF COMPLIANCE

The Board of Directors of AIA Insurance Lanka Limited has continued its commitment to maintain high standards of Corporate Governance in order to ensure integrity, accountability and transparency across all its business functions. The Company's philosophy on Corporate Governance is laid on a foundation of these principles since its inception. The governance framework is supported by internal policies, processes and structures.

Accordingly, the Corporate Governance philosophy enables the Company to perform effectively and ethically towards creating long-term and sustainable value for all its stakeholders.

The Corporate Governance Framework is regularly reviewed and updated to reflect global best practices, evolving regulations and dynamic stakeholder needs, while maintaining its foundational principles. Additionally, regular supervision and monitoring is also carried out to ensure continued compliance by the Company with not only its legal and regulatory obligations but also with the voluntarily adopted Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka as well as Section 09 of the Listing Rules issued by the Colombo Stock Exchange (CSE). Thus, the Company continues to be committed to the highest standards of corporate governance across all dimensions of our operations. As such, the Corporate Governance Report of the Company provides information beyond the minimum requirements as specified by applicable legal and regulatory provisions.

The Company has established its Risk and Compliance functions based on AIA Group standards and policies. It has contributed towards the improvement of Corporate Governance practices and added transparency into the Company's activities. Further, information on risk management is provided in pages 67 to 68 of this report.

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

## AIA Insurance Lanka Limited

Corporate Governance at AIA Insurance Lanka Limited promotes corporate transparency, accountability, impartiality and responsibility in directing and controlling the Company in the best interest of the stakeholders. The Company firmly believes that good corporate governance is fundamental in ensuring its long term sustainable growth.

The foundation of the governance structure of the Company is built on well-defined roles and responsibilities, greater accountability and clear reporting lines of the Board, Board subcommittees, Senior Management, and Management Committees. The Board and Board subcommittees are responsible for setting strategy, defining risk appetite, and exercising oversight while Management Committees

are responsible for executing strategy and delivering performance. To ensure the effective implementation of the Corporate Governance practices, the Company operates under a meticulous system to avoid conflicts of interest. The transactions of Directors are regularly reviewed to ensure that there are no conflicts or relationships that might impair Directors' independence. It rigorously adheres to the regulatory guidelines set forth by the Insurance Regulatory Commission of Sri Lanka (IRCSL), the Regulation of Insurance Industry Act No. 43 of 2000 (as amended), the Companies Act No. 07 of 2007, and the voluntarily adopted Code of Best Practice on Corporate Governance. These regulations are the core of the Company's commitment to financial stability, product integrity, and fair market conduct. Every facet of its operations, from capital adequacy and asset management to claims handling and policyholder communication, is meticulously aligned with these established principles.

This report explains the status of compliance of the Company with the Corporate Governance Framework issued under Direction No. 02 of 2022 (revised) of the IRCSL. It also examines the status of compliance of the Company with various other laws and regulations applicable to the Company and the Company's internal governance structure. It provides an overview of the functions of the various committees established for the purpose of good governance.

AIA Insurance Lanka Limited carries on the business of long-term insurance as registered by the IRCSL. Rainbow Trust Management Limited, the fully owned subsidiary of the Company, engages in the trust management business and performance of the subsidiary is reviewed by the Company periodically.

The Company and its subsidiary were subject to various statutory and regulatory requirements in relation to governance and operations during the year under review. The ensuing segment provides details of the primary statutes and policies applicable to the Company and its subsidiary. The primary statutes and policies applicable to the Company and its subsidiary are:

- The Companies Act No. 07 of 2007 (as amended)
- Regulation of Insurance Industry Act No. 43 of 2000 (as amended)
- Inland Revenue Act No. 24 of 2017 (as amended)
- Shop and Office Employees (Regulation of Employment and Remuneration) Act No. 15 of 1954 (as amended)
- Employees' Provident Fund Act No. 15 of 1958 (as amended)
- Employees' Trust Fund Act No. 46 of 1980 (as amended)
- Payment of Gratuity Act No. 12 of 1983 (as amended)
- Financial Transactions Reporting Act No. 06 of 2006
- Prevention of Money Laundering Act No. 05 of 2006 (as amended)
- Foreign Exchange Act No. 12 of 2017

- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Trust Ordinance No. 09 of 1917 (as amended)
- Personal Data Protection Act No. 09 of 2022 (as amended)
- The Electronic Transactions Act No.19 of 2006
- Information and Communication Technology Act No. 27 of 2003
- Anti-Corruption Act No. 09 of 2023 (as amended)
- Central Bank of Sri Lanka Act No.16 of 2023
- Online Safety Act No. 09 of 2024

In addition to the above, the Company has many policies and standards adopted to support the corporate governance framework and some of them are:

- 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 Entity'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 Whistleblowing
- Policy on Anti-Bribery and Corruption

Various other laws that govern the companies in Sri Lanka require that the Company and its subsidiary comply with the following Rules, Regulations, Directions and Guidelines:

- Circulars issued by the IRCSL
- Directions and Determinations issued by the IRCSL
- Guidelines issued by the IRCSL
- Section 09 of the Listing Rules of the CSE on Corporate Governance as mandated by the Direction No. 02 of 2022 of the IRCSL

## STATUS OF COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORK ISSUED UNDER DIRECTION NO. 02 OF 2022 (REVISED).

The IRCSL issued Direction No. 02 of 2022 (Revised) dated 25 February 2022 setting out the Corporate Governance Framework for the insurers with the intention of enhancing the governance standards in the conduct of the affairs of the insurance companies. The following captures the extent of the Company's compliance with the framework of Corporate Governance stipulated in the said IRCSL's Direction.

Section	Status of Compliance
Section A	Partially complied
Section B.1	Complied
Section B.2	Complied
Section B.2 (I) & (II)	Complied
Section B.3 (I)	Complied
Section B.3 (II)	Not applicable
Section B.4	Complied
Section B.5	Complied
Section B.6	Complied
Section B.7	Not applicable
Section B.8 (a)	Complied
Section B.8 (b)	Complied
Total number of requirements	12
Not applicable	2
Fully complied	9
Partially complied	1
Not complied	–



Set out below is the Company's compliance status with the IRCSL's Direction No. 02 of 2022 (Revised) on the Corporate Governance Framework for Insurers dated 25 February 2022 :

	Principle / Requirement	Commentary	Status of Compliance
A	Insurers are recommended to adhere to the Code of best Practice on Corporate Governance 2017, issued by the Institute of Chartered Accountants of Sri Lanka (the Code).	In line with the Company's endeavours to adopt high standards of governance requirement as a non-listed limited liability subsidiary of AIA Group, the Board adopted the Code as comprehensively as possible.  The Company substantially complies with the requirements specified in the Code.	Partially complied
B.1	The Board of an insurer must be comprised of a minimum of two Directors who are citizens of Sri Lanka and also residents of Sri Lanka.	The Board has five Directors who are residents and citizens of Sri Lanka. They are Mr Deepal Sooriyaarachchi, Mr Sarath Wikramanayake, Ms Chathuri Munaweera Mr Upul Wijesinghe and Mr Indrajit Wickramasinghe. They all have satisfied the 'fit and proper criteria' of the RII Act.	Complied
B.2	The total period of service of a Director of an insurer, other than an Executive Director, shall not exceed nine years, and such period in office shall be inclusive of the total period of service served by such director.	The Chairman Mr Biswa Prakash Misra, the Director Mr Stuart Anthony Spencer and Mr Indrajit Asela Wickramasinghe hold Directorships for periods less than nine years.  Section B 2 applies when calculating the overall time limit of nine years of service of a Director. As such, the calculation of the nine-year time limit for Mr Sarath Wikramanayake would commence from 01 August 2016. The position of Mr Deepal Sooriyaarachchi is explained in light of the Principle B.2(1) in the following section.	Complied
B.2 (1)	Notwithstanding above, the nine year rule shall not be applicable to the following Director / Director category:  (i) Major Shareholder Director – A Director representing a major corporate shareholder and / or Corporate groups with majority shareholding i.e. more than 50.0 per cent shares of the insurer directly or an individual shareholder director holding more than 50.0 per cent could hold the directorship of the insurer for more than nine years and upon reaching 75 years she / he could nominate his / her representation to the Board.  (ii) Technical Director – A Director be allowed to remain in office till the age of 75 years, provided such person is an Associate or above the Chartered Insurance Institute and having 10 years' experience in an Insurance Company at Senior Managerial level.	Mr Deepal Sooriyaarachchi serves as the Majority Shareholder Director of the Company based on the Company's current majority shareholder structure.	Complied
B.3 (i)	The age of a person who serves as Director shall not exceed 75 years.	No Director of the Company has attained the age of 75 years.	Complied
B.3 (ii)	Notwithstanding above, a person who serves as a director and is over 75 years of age as at 01 July, 2019, such director may continue to serve as a director only until June 30, 2022, and shall be deemed to have vacated office on June 30, 2022.	The said provision was not applicable for the Company.	Not applicable
B.4	The Board of an insurer must adhere to Section 7.10 of the Listing Rules of the CSE (or any amendments made thereto) pertaining to Corporate Governance.	The Company is compliant with this requirement. A detailed commentary on the compliance with the requirements stipulated in the section related to Corporate Governance in the Listing Rules, as appropriate for a non-listed Company is provided on pages 47 to 66 of this report.	Complied

	Principle / Requirement	Commentary	Status of Compliance
B.5	A person shall not hold office as a Director of more than 20 Companies / Entities inclusive of subsidiaries or associate Companies of the insurer.	No Director of the Company holds Directorships exceeding the maximum stipulated in this Principle.	Complied
B.6	The insurers are required to demonstrate compliance with Direction No. 02 of 2022 (Revised) by way of disclosure in their Annual Reports, including the disclosure requirements stated in Section 7.10 of the Listing Rules of the CSE or any amendments made thereto .	A full disclosure on the compliance with the IRCSL's Direction No. 02 of 2022 (Revised) including the disclosure requirements stated in relevant Section of the Listing Rules of the CSE is provided in pages 47 to 66 of this report.	Complied
B.7	The insurers shall rectify its non compliance in respect of items B1 to 6 referred to in the Direction No. 02 of 2022 (Revised) within three months from the date of non compliance of same and inform the IRCSL immediately after three months. Enforcement action will be taken thereafter against insurers in terms of Circular #41 of the IRCSL, for non compliance.	The Company is compliant with items B1 to 6 referred to in the IRCSL's Direction No. 02 of 2022 (Revised).	Not applicable
B.8. (a)	The insurer should provide a certification from the Company Secretary to the IRCSL, that the 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 Companies Act No. 07 of 2007. In respect of each further year on account of which an extension is sought, up to the maximum age of 75 years, a fresh resolution, as above, shall be duly passed and a certification to that effect from the Company Secretary shall be submitted to the IRCSL.	Mr Sarath Wikramanayake attained the age of 70 years on 15 November 2024 and a resolution is proposed in terms of the Section 211 of the Companies Act for the consideration of the shareholders at the Annual General Meeting scheduled to be held on 07 April 2025.	Complied
8. (b)	The insurer shall also provide a written confirmation from the Company Secretary to the IRCSL, that the continuation of a director, beyond the age of 70 years, is not prohibited by the Articles of Association of the relevant insurer and that such insurer complies with provisions of the Companies Act.	The Articles of Association of the Company does not prohibit a Director to continue after attaining age of 70 years. The required certification from the Company Secretary will be submitted to the IRCSL after the Annual General Meeting scheduled to be held on 07 April 2025.	Complied

## STATUS OF COMPLIANCE WITH RULE 09 OF THE LISTING RULES OF THE CSE

The Company is compliant with the applicable requirements of Rule 09 of the Listing Rules on Corporate Governance (Status of compliance with Direction No. 02 of 2022 (Revised)).

	Rule	Commentary	Status of Compliance
<b>9. Compliance</b>			
9.2.1	Entity shall establish the mandatory policies and disclose that such policies are in existence and published in the Company's website.	The Company is compliant with this requirement. Policies are mentioned in page 48 of this Annual Report.	Complied
9.2.2	Any waivers from compliance with Internal Code of business conduct and ethics or exemptions granted by the Entity shall be fully disclosed in the Annual Report.	The management will identify such matters and disclose them when necessary.	Complied
9.2.3	Entity must disclose in its Annual Report	Please refer page 48 of this Annual Report.	
(i)	The list of policies that are in conformity with to Rule 9.2.1 above, with reference to its website.		
(ii)	Details pertaining to any changes to policies adopted by the entity in compliance with Rule 9.2 above.	The Company has not made any changes to the policies referred in Rule 9.2.	Complied
9.2.4	Entity must make available all such policies to shareholders upon a written request made by the shareholders.	The Company will provide such policies to shareholders upon a written request.	Complied
<b>9.3 Board Committees</b>			
9.3.1	Entity shall ensure the following Board Committees are established and maintained at a minimum and are functioning effectively;		
(a)	Nominations and Governance Committee	The Company established the required Committees and the Company's Audit Committee is titled as Audit and Compliance Committee.	Complied
(b)	Remuneration Committee		
(c)	Audit Committee		
(d)	Related Party Transactions Review Committee		
9.3.2	Entity shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in these Rules.	Policies include the said requirement.	Complied
9.3.3	The Chairperson of the Board of Directors of the Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	The Chairperson Mr Biswa Prakash Misra is not the Chairperson of any of the Committees.	Complied
<b>9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders</b>			
9.4.1	Entity shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity.		
(a)	The number of shares in respect of which proxy appointments have been validly made	The Company maintains the records of the said information along with the minutes of the meetings of Shareholders.	Complied
(b)	The number of votes in favour of the resolution		
(c)	The number of votes against the resolution		
(d)	The number of shares in respect of which the vote was directed to be abstained		

	Rule	Commentary	Status of Compliance
9.4.2	Communication and relations with shareholders and investors.		
(a)	Entity shall have a policy on effective communication and relations with shareholders and investors and disclose existence of the same in the Annual Report and entity's website.	The Company has only two shareholders and any query from them are promptly dealt with.	Complied
(b)	Entity should disclose the contact person for such communication.		
(c)	The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders which should be in the entity's website and Annual Report.		
(d)	If the entity intends to conduct any shareholder meetings through hybrid or virtual and it should comply with the guidelines issued by the exchange.	The Company conducts the shareholder meetings through hybrid or virtual.	Complied
<b>9.5 Policy on matters relating to the Board of Directors</b>			
9.5.1	Entity shall establish and maintain a formal policy governing matters relating to the Board of Directors. It shall cover below;	The Company has established a Policy relating to the Board of Directors.	Complied
(a)	Balance representation of both Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position, Board balance and procedures for the appraisal of board performance and the CEO.	The required areas are covered in the Policy.	Complied
(b)	Requirements when entity decides to combine the role of both Chairperson and CEO.	The positions of the Chairperson and Chief Executive Officer are separated.	
(c)	Require diversity in Board composition for board effectiveness in terms of, experience, skills, competencies, age, gender, industry requirements and importance of objective selection of Directors.	The required areas are covered in the Policy.	Complied
(d)	Stipulate maximum number of Directors with the rationale for the same.	The Company adheres to the maximum number of Directors on the Board stipulated in these rules.	Complied
(e)	Specify the frequency of meeting	Board Meetings are held every quarter.	Complied
(f)	Mechanism to ensure that Directors are kept informed of the listing rules and on going compliance and non-compliance by the entity.	Directors are kept updated regularly.	Complied
(g)	Specify the minimum number of meetings, percentage that a Director must attend to ensure consistency of attendance and avoid being deemed to vacate such position.	The Directors are required to attend all Board meetings.	Complied
(h)	Provide requirements relating to the trading in securities of the entity and its listed group companies and disclose of such requirement.	Since the Company is not listed, the requirement does not apply.	Not applicable
(i)	Specify the maximum number of Directorships held by directors.	The said requirement is provided by the Directors.	Complied
(j)	Recognise right to participate Board / Board subcommittee meetings audio visual and such participation is taken to account to decide the quorum.	The Board / Board subcommittee meetings are held as physical, visual and audio meetings. The participation is taken to account to decide the quorum.	Complied

	Rule	Commentary	Status of Compliance
9.5.2	Entity shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance.	The status of compliance with the requirements of the policy is provided in this report.	Complied
<b>9.6 Chairperson and CEO</b>			
9.6.1	The Chairperson of the entity shall be a Non-Executive Director. The position of the Chairperson and CEO shall not be held by the same individual.	The Chairperson of the Company is a Non-Executive Director. The positions of Chairperson and CEO are held by two different individuals.	Complied
9.6.2	When the Chairperson of the entity is an Executive Director and / or the position of Chairperson / CEO held by the same individual, the entity must make an Immediate Market Announcement.	The requirement did not arise.	Not applicable
9.6.3	Requirement for a SID (Senior Independent Director).	The entity does not have a SID.	Not applicable
<b>9.7 Fitness of Directors and CEO</b>			
9.7.1	Entity shall take necessary steps to ensure that Directors and the CEO are at all times fit and proper persons as required in terms of these Rules.	The Company adheres to the fit and proper criteria stipulated by the IRC SL. The Fit and Proper Assessment for all Directors were conducted as stipulated in these rules.	Complied
9.7.2	Entity shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these rules before such nominations are placed before the shareholders' meeting or appointments are made.	Nominations and Governance Committee conducts the Fit and Proper Assessment before appointments are made.	Complied
9.7.3	Fit and Proper Assessment Criteria.	The Company adhered to the Fit and Proper Assessment Criteria stipulated in these Rules.	Complied
9.7.4	Entity shall obtain declarations from their Directors and CEO on an annual basis that each of them have satisfied Fit and Proper Criteria Assessment.	The Company obtained the relevant declarations from the Directors and the CEO.	Complied
<b>9.7.5 Disclosures in the Annual Report</b>			
9.7.5 (a)	Entity shall include the following disclosures; A statement that the Directors and CEO of the entity satisfy the Fit and Proper Assessment Criteria stipulated in the CSE rules.	Please refer page 44 of this Annual Report.	Complied
9.7.5 (b)	Any non-compliance by a Director or the CEO and any remedial actions taken to rectify such non-compliance on the Fit and Proper Assessment Criteria.	This requirement did not arise.	Not applicable
<b>9.8 Board Composition</b>			
9.8.1	Minimum Board of Directors consist of five (05) Directors.	The Board consists of seven (07) Directors.	Complied
9.8.2	Minimum number of Independent Directors		
9.8.2 (a)	Entity shall include at least two (02) Independent Directors or such number equivalent to one third (1 / 3) of the total number of Directors	As of 31 December 2024, the Company had the required number of Independent Directors.	Complied
9.8.2 (b)	Any change to the ratio shall be rectified within ninety (90) days.	There have been no changes to the ratio during the year.	Complied



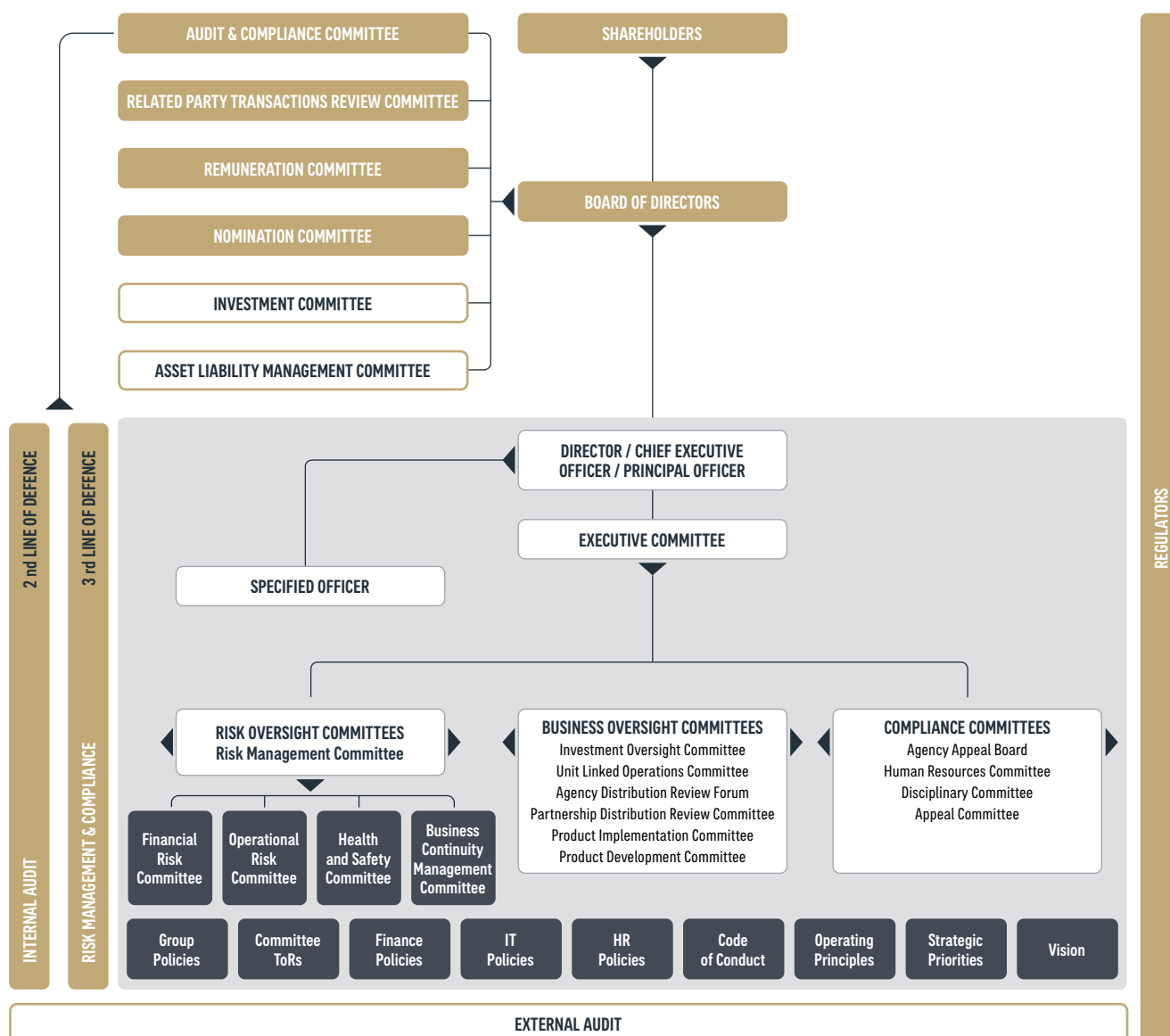
	Rule	Commentary	Status of Compliance
9.8.3	Criteria for determining independence		
	Criteria to decide the independence of a Director.	As of 31 December 2024, all the Independent Directors satisfied required criteria.	Complied
9.8.4	Definitions applicable for Rule 9.8.3.	The Company considered all the definitions stated in Rule 9.8.3 when determining independence of relevant Directors.	Complied
9.8.5	The Board of Directors of the Entity shall require;		
(a)	Each Independent Director to submit a signed dated declaration annually of his / her independence or non-independence using the specified criteria and format in Appendix 9A.	Independent Directors submitted the declarations for the year ended 2024.	Complied
(b)	Annually determination as to the "independence" or "non independence" of each Independent Director based on the Directors declaration and other information available to it and shall set out the names of Directors determined to be independent in the annual Report.	The "independence" or "non independence" of each Independent Director based on the declarations made by the Directors and other information available was determined. Mr Sarath Wikramanayake and Mr Deepal Sooriyaarachchi were thus determined as independent.	Complied
(c)	If the Board finds that the independence of an Independent Director is impaired against any criteria set out in Rule 9.8.3 immediate disclosure to be made.	This requirement did not arise.	Not applicable
<b>9.9 Alternate Directors</b>		The Company did not have any Alternate Directors during the year 2024.	Not applicable
<b>9.10 Disclosures Relating to Directors</b>			
9.10.1	Entity shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event number is exceeded by a Director(s), the entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	The said requirement is stated in the Policy. The limit was not exceeded by any of the Directors during the year 2024.	Complied
9.10.2	Entity shall upon the appointment of a new Director to its Board, make an Immediate Market Announcement setting out the following:	Since the Company is not listed, the requirement did not arise. There was no new Directors appointed to the Board during the year 2024.	Not applicable
(i)	A brief resume of such Director		
(ii)	His / her capacity if directorship		
(iii)	Statement by the entity indicating whether such appointment has been reviewed by the Nominations and Governance committee of the entity		
9.10.3	Entity shall make an Immediate Market Announcement regarding any changes to the composition of the	Since the Company is de-listed, the requirement did not arise.	Not applicable
(i)	Board of Directors		
(ii)	Board Committees referred to in Rule 9.3 above.		

	Rule	Commentary	Status of Compliance
9.10.4	Entities shall also disclose the following in relation to the Directors in the Annual Report:		
(a)	Name, qualifications and brief profile;	Please refer page 32 to 35 of this Annual Report for Board Profiles.	Complied
(b)	The nature of his/her expertise in relevant functional areas;		
(c)	Whether either the Director or Close Family Members has any material business relationships with other Directors of the entity;	Declarations were obtained from the Directors to fulfil the said requirement.	Complied
(d)	Whether Executive, Non-Executive and / or Independent Director;	Please refer page 32 to 35 of this Annual Report for Board Profiles.	Complied
(e)	The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and / or Key Management Personnel indicating whether such companies are listed or unlisted companies and whether such Director functions in an executive or non-executive capacity, provided that where he / she holds directorships in companies within a Group of which the entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he / she holds directorships in such companies;	The total number of directorships held by each Director is provided.	Complied
(f)	Number of board meetings of the entity attended during the year;	Please refer page 45 of this Annual Report.	Complied
(g)	Names of Board Committees in which the Director serves as a Chairperson or a member;	Please refer page 69 to 75 of this Annual Report for committees.	Complied
(h)	Details of attendance of committee meetings of the Audit, Related Party Transactions Review Committee, Nominations and Governance and Remuneration committees. Such details shall include the number of meetings held and the number attended by each member;	Please refer page 45 of this Annual Report.	Complied
(i)	The terms of reference and powers of the SID (where applicable).	The Company did not have a SID	Not applicable.
<b>9.11 Nominations and Governance Committee</b>			
9.11.1	Entity shall have a Nominations and Governance Committee.	The Company established the Nominations and Governance Committee.	Complied
9.11.2	Entity shall establish and maintain a formal procedure for the appointment of new Directors and re-election through Nominations and Governance Committee.	The Company has a formal procedure for appointment of new Directors and re-election through Nominations and Governance Committee.	Complied
9.11.3	The Nominations and Governance Committee shall have a written TOR clearly defining its scope, authority, duties and quorum.	The Nominations and Governance Committee has written Terms of Reference specified in these Rules.	Complied
<b>9.11.4 Composition</b>			
9.11.4 (1) (a)	The members of the Nominations and Governance Committee shall comprise of a minimum of three (03) Directors out of which minimum of two (02) members shall be Independent Directors.	As of 31 December 2024, the Committee comprised of three (03) Non-Executive Directors out of which two (02) were Independent Directors.	Complied

	Rule	Commentary	Status of Compliance
(b)	Not comprise of Executive Directors.	The Committee did not have any Executive Director as a member.	Complied
(2)	An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.	Please refer page 74 of this Annual Report.	Complied
(3)	The Chairperson and the members of the Nominations and Governance shall be identified in the Annual Report.	Please refer page 74 of this Annual Report.	Complied
9.11.5	Functions of the Nominations and Governance Committee.	Please refer page 65 of this Annual Report.	Complied
9.11.6	Disclosures in the Annual Report.	The required information are disclosed in page 74 of this Annual Report.	Complied
<b>9.12 Remuneration Committee</b>			
9.12.1	Term "Remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	Term "Remuneration" makes reference to the cash and all non-cash benefits received.	Complied
9.12.2	Entity shall have a Remuneration Committee.	The Company has a Remuneration Committee.	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 for individual directors.	The Remuneration Committee has a Policy which covers the requirement specified in these rules.	Complied
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts a non - discriminatory pay practices among them to ensure that their independence is not impaired.	Remuneration for Non-Executive Directors is based on a policy which adopts a non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied
9.12.5	Remuneration Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and quorum of meetings.	The Remuneration Committee has a written Terms of Reference as specified in these rules.	Complied
<b>9.12.6 Composition</b>			
9.12.6. (1) (a)	The Remuneration Committee shall comprise of a minimum of three (03) Directors, out of which a minimum of two (02) members shall be Independent Directors.	As of 31 December 2024, the committee comprised of three (03) Non-Executive Directors out of which two (02) were Independent Directors.	Complied
(b)	Not comprise of Executive Directors.	The Committee did not have any Executive Director as a member.	Complied
9.12.6 (2)	An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Please refer page 71 of this Annual Report.	Complied
<b>9.12.7 Functions</b>			
9.12.7 (1)	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO and / or equivalent position to the Board which will make the final determination upon consideration of such recommendations.	Please refer page 71 of this Annual Report.	Complied
(2)	Committee may seek advice from external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to the Directors and CEO.	The Remuneration Committee seek advice from the external consultants as and when required.	Complied
9.12.8	Disclosure in the Annual Report.	The required information are disclosed in page 71 and 43 of this Annual Report.	Complied

Rule	Commentary	Status of Compliance
<b>9.13 Audit and Compliance Committee</b>		
9.13.1	When the entity does not maintain separate committees to perform the audit and risk functions, the Audit Committee shall additionally perform the risk functions.	Complied
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied
<b>9.13.3 Composition</b>		
9.13.3. (1)	The Audit Committee shall	Complied
(a)	Comprise of a minimum of three (03) Directors, out of which a minimum of two (02) or majority of members, whichever higher shall be Independent Directors.	As of 31 December 2024, Audit & Compliance Committee consisted of three (03) Non-Executive Directors, out of which two (02) were Independent Directors.
(b)	Not comprise of Executive Directors of the entity.	The Committee did not have any Executive Director as a member.
(2)	The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Non-Executive Directors.	The quorum for a meeting is specified in the Terms of Reference of the Committee.
(3)	The Audit Committee meets compulsorily on a quarterly basis prior to recommending the financials to be released.	The Audit Committee meets compulsorily on a quarterly basis prior to recommending the financials to be released.
(4)	An Independent Director shall be appointed as the Chairperson of the Audit Committee.	Please refer page 69 of this Annual Report.
(5)	The CEO and the CFO shall attend the Audit Committee meeting by invitation. When the entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee by invitation.	Please refer page 70 of this Annual Report.
(6)	The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.	Please refer page 69 of this Annual Report.
9.13.4	Functions.	Please refer page 63 of this Annual Report.
9.13.5	Disclosures in the Annual Report.	The required information are disclosed in page 69 and 70 of this Annual Report.
<b>9.14 Related Party Transactions Review Committee</b>		
9.14.1	Entity shall have a Related Party Transactions Review Committee.	The Company has a Related Party Transactions Review Committee.
9.14.2 (1)	The Committee shall comprise of a minimum of three (03) Directors out of which Two (02) members shall be Independent Directors. It may also include Executive Directors at the option of the entity. An Independent Directors shall be appointed as the Chairperson of the Committee.	As of 31 December 2024, Related Party Transactions Review Committee consisted of three (03) Non-Executive Directors, out of which two (02) were Independent Directors. An independent Non-Executive Director held the position of the Chair of the Committee.
9.14.3	Functions.	Please refer page 72 and 73 of this Annual Report.
9.14.4	General requirements.	The General Requirements are stated in the Terms of Reference of the Committee as specified in these Rules.

	Rule	Commentary	Status of Compliance
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee.	Please refer page 72 and 73 of this Annual Report.	Complied
9.14.6	Shareholder approval. Entity shall obtain shareholder approval by way of a special resolution for the specified transactions.	Please refer page 135 of this Annual Report.	Complied
9.14.7	Immediate disclosures.	Since the Company is not listed, this requirement did not arise	Not applicable
9.14.8	Disclosures in the Annual Report.	Please refer page 135 of this Annual Report.	Complied
9.14.9	Acquisitions and disposals of assets from / to related parties.	Please refer page 135 of this Annual Report.	Complied
9.14.10	Exempted Related Party Transactions.	Please refer page 135 of this Annual Report.	Complied





## THE BOARD OF DIRECTORS

The following changes occurred to the Board of the Company.

The Chairman Tan Hak Leh (Non-Executive Director), resigned from the Board on 06 January 2025. Biswa Prakash Misra was appointed as the Chairman (Non-Executive Director) to the Board on 06 January 2025. He was also appointed as a member to both the Nominations and Governance Committee and the Remuneration Committee. Indrajit Asela Wickramasinghe (Independent Non-Executive Director) appointed to the Board on 07 January 2025. He was also appointed to the Audit and Compliance Committee and Related Party Transactions Review Committee as a member and as the Chairman of the Remuneration Committee and Nominations and Governance Committee.

The Company's commitment to uphold highest standards of Corporate Governance is driven by the Board of Directors, which is led by the Chairman, who assumes overall responsibility for the governance of the Company. The Board is responsible for providing entrepreneurial leadership to the Company in formulating and guiding the overall strategic direction of the Company. It is also responsible to the shareholders for creating and delivering sustainable shareholder value through management of business activities. Each Director should act in good faith and best interest of the Company. The Chairman and the Board of Directors lead the governance profile of the Company, supported by sub committees of the Board comprising the Audit, Remuneration, Related Party Transactions Review, and Nominations and Governance Committees. The Board has delegated certain functions to Board sub committees. This enables the Board to allocate adequate time to all matters within its sphere. The Board sub committees are required to report their activities to the Board on a quarterly basis and the reporting by the committees cover the update of activities of regular meetings held on delegated authorities and decisions taken or recommendations made by these committees. The Board and the Senior Management team have a clear understanding of their respective roles, delegated authority and boundaries. Decision making procedures are carried out in compliance with the Company's Articles of Association, the Board Terms of Reference, the respective Board Committee Terms of Reference together with applicable laws and regulations. Information on the Board sub committees is provided on pages 62 to 65 of this report. The Investment Committee and the Asset Liability Management Committee are Management Committees appointed by the Board. Information on the Board appointed Management Committees is provided on page 65 and 66 of this report.

## THE CHIEF EXECUTIVE OFFICER (CEO)

The CEO heads the Executive Committee of the Company and provide leadership and expertise in its collective decision-making activities pertaining to the overall management and day-to-day operations of the Company, the implementation of strategic plans, and the achievement of strategic objectives

in fulfilment of the Board's mandate and the authority limits delegated by the Board, and furthering good governance practices.

The Articles of Association of the Company and the Board Terms of Reference recognise the role and position of the Chief Executive Officer of the Company, and the duties and obligations attached to such role.

## THE EXECUTIVE COMMITTEE

The Executive Committee reports to the CEO and discharges the management and governance responsibilities of the Company as delegated by the CEO. The CEO heads the Executive Committee and provides leadership and expertise in the implementation of plans and achievement of strategic objectives. She leads the collective decision-making process of the Executive Committee in relation to the day-to-day management of the Company's business and its operation within the governance framework and objectives defined by the Board.

The Executive Committee functions within its Terms of Reference in collectively and individually supporting the CEO in operational, business and strategic decisions and the execution of the Company Strategic Plan.

## MEMBERS OF THE EXECUTIVE COMMITTEE ARE;

- Director / Chief Executive Officer / Principal Officer
- Deputy Chief Executive Officer / Chief Distribution Officer / Executive Director
- Director Human Resources / Chief Human Resources Officer
- Chief Financial Officer / Chief Investment Officer
- Director Agency / Chief Agency Officer
- Director Partnership Distribution / Chief Partnership Distribution Officer
- Director Operations / Specified Officer
- Chief Risk and Compliance Officer
- Chief Marketing Officer
- Chief Legal Officer

## FUNCTIONAL OVERSIGHT AND SUPPORT TO ENSURE SOUND CORPORATE GOVERNANCE

The Chief Risk and Compliance Officer is responsible for the Risk and Compliance functions with a matrix reporting to the Audit and Compliance Committee, Regional Chief Risk Officer, and to the Chief Executive Officer. By establishing the Risk function as the second line of defence and the rolling out of the Risk Management Framework, the Company has ensured that a prudent approach to understanding and managing the risks is in place, to ensure stakeholder assurance. A comprehensive report on risk management is given on pages 67 to 68 of this report.

The Compliance function that has been established by the Company is responsible for promoting and establishing a culture of compliance within the Company. The position of the Chief Compliance Officer (CCO) is identified in the overall compliance structure, recognising the statutory / regulatory purposes of the role arising from the insurance regulations and the Financial Intelligence Unit (FIU) established under the Central Bank of Sri Lanka.

In alignment with global best practices, the Company has actively implemented the Financial Action Task Force (FATF) recommendations to bolster its anti-money laundering and counter-terrorist financing frameworks spearheaded by Compliance function. The Company regularly assesses and

adapts its policies to ensure compliance with evolving FATF standards, further strengthening its commitment to maintaining robust and transparent financial practices.

Additionally, the Compliance function of the Company maintains responsibility for the second-line oversight on sales compliance, investment compliance, regulatory compliance, record management, data privacy, as well as anti-fraud, anti-corruption, and whistleblowing programs.

The Risk and Compliance frameworks within the Company lend support to the Board of Directors, Chief Executive Officer, and the Executive Committee to ensure that a sound corporate governance framework is in place. The Company complies with applicable statutory and regulatory requirements, rules and guidelines, and manages business operations in the best interests of all stakeholders.

## GOVERNANCE COMMITTEES

Information on the other governance committees is provided in the table below.

	Committee	Responsibility	Membership	TOR / Charter
1.	Risk Management Committee (Financial Risk Committee and Operational Risk Committee function within the mandate of the Risk Management Committee)	Responsible for overseeing the aggregate financial risk exposure of the business and for managing the optimisation of capital and the risk profile of the business.  Responsible for reviewing, monitoring and providing oversight to the key operational risks of the business.  Key forum for the identification and escalation of current and emerging key operational risks of the business.	Director / Chief Executive Officer / Principal Officer (Chair)  Members of the Executive Committee	✓
2.	Health and Safety Committee	Responsible for providing oversight to physical safety and security within the scope of the Company's business operations and carrying out activities to ensure that relevant risks are identified, measured, monitored and managed.	Director / Chief Executive Officer / Principal Officer (Chair)  Members of the Executive Committee  Head of Facilities  Nominated members of the management	✓
3.	Business Continuity Management Committee	Responsible for ensuring the Business Continuity Management programme of the business is complete and effective. The Committee monitors risks pertaining to business continuity and identify / recommend procedure and controls for mitigating the risks.	Chief Executive Officer (Chair)  Members of the Executive Committee  Business Continuity Manager	✓
4.	Investment Oversight Committee	Responsible for reviewing, monitoring and providing oversight to the investment portfolios, especially on investment strategy, investment exposures and investment performance.	Director / Chief Executive Officer / Principal Officer (Chair)  Nominated members of management and functional experts representing Investments, Finance, Actuarial, Risk and Compliance based on the scope of the Committee.  Invitees - representatives from NDB Wealth Management Ltd (External Fund Manager)	✓

	Committee	Responsibility	Membership	TOR / Charter
5.	Product Implementation Committee	<p>Ensure timely and proper implementation of PDC approved products.</p> <p>Ensure a proper product development process and the activities that are in accordance with regulations, internal policies / standards / guidelines and controls.</p>	<p>Chief Marketing Officer (Chair)</p> <p>Nominated members of management and functions representing Actuarial, Life Operations, Sales, IT, Finance, Training, Risk &amp; Compliance, Legal and Marketing.</p>	✓
6.	Product Development Committee (PDC)	<p>Agree and update the Company's Product Calendar for the year, prioritise and rationalise product development work to support business plans.</p> <p>Filter product proposals at each key stage of development (e.g. research, design, pricing, launch) to ensure focus on those products which are aligned with the objectives of the Committee.</p> <p>Track the performance of recently launched products for a minimum period of 12 months post-launch and approve proposed action plans to address gaps, based on analysis of post-launch results and performance drivers.</p> <p>Monitor whether 'available for sale' products continue to meet the needs of customers and the Company.</p>	<p>Director / Chief Executive Officer / Principal Officer (Chair)</p> <p>Members of the Executive Committee</p> <p>Chief Actuary</p> <p>Head of Products and Propositions</p>	✓
7.	Agency Distribution Review Forum	<p>Responsible for providing oversight to sales and performance of the Agency Distribution.</p> <p>Responsibilities include setting of goals of the Agency Distribution with stipulated key performance indicators and defined performance metrics.</p>	<p>Chief Agency Officer</p> <p>Senior management of the Agency Distribution channel</p>	✓
8.	Partnership Distribution Review Committee	<p>Provide detailed overview of sales and performance of the Partnership Distribution channel.</p> <p>Setup key distribution performance indicators and performance metrics.</p> <p>Review business quality and tabling of outliers or any outlying behaviours.</p> <p>Track progress of strategic initiatives for the year and beyond.</p>	<p>Director Partnership Distribution (Chair)</p> <p>Senior management of the Partnership Distribution channel</p> <p>Selected members of the sales team and business partners of selected departments (optional)</p>	✓
9.	Appeal Board	<p>Provides an appeal opportunity to the Agent who is aggrieved by a penalty imposed by the Authorized Officer, based on the outcome of the Investigation against the Agent.</p>	<p>Chief Legal Officer (Chair)</p> <p>Chief Risk and Compliance Officer</p> <p>Chief Marketing Officer</p> <p>Deputy General Manager – IT</p> <p>Head – Rewards and Recognition - HR</p>	

	Committee	Responsibility	Membership	TOR / Charter
10.	Disciplinary Committee	Responsible for the proactive management and issue resolution of employee grievances and disciplinary matters.	Director Human Resources (Chair) Chief Legal Officer Chief Risk and Compliance Officer And / Or Subject Matter Manager And / Or Internal Audit (if required)	✓
11.	Appeal Committee (appointed if inquiry goes for appeal)	Responsible for reviewing the decisions arrived at by the Disciplinary Committee upon the appeals made by the aggrieved employees. The Appeal Committee is responsible for making the final decision.	A minimum of three members including the Chairperson. CEO or her alternative, who shall be Director Legal in the event he was not a part of the Disciplinary Committee. The appointment of the members and / or the appointment of alternatives in the event the committee members are absent or have a conflict of interest in the matter of grievance, is vested in the Chairperson and in her absence, her alternative. The investigator appointed depending on the nature of the appeal who is not a voting member.	✓

Information on Board Sub Committees and other Committees as appointed by the Board.

## BOARD SUB COMMITTEES

Audit and Compliance Committee	
Chairman	Sarath Wikramanayake (Independent Non-Executive Director)
Members	Deepal Sooriyaarachchi (Independent Non-Executive Director) Stuart Anthony Spencer (Non-Executive Director) Indrajit Asela Wickramasinghe (Independent Non-Executive Director) appointed as a member effective 07 January 2025
Secretary	Chandima Dharmasena – (Senior Manager Legal)
Agenda	Available
Invitees	Director / Chief Executive Officer / Principal Officer Deputy Chief Executive Officer / Executive Director Chief Financial Officer Chief Legal Officer / Company Secretary Chief Risk and Compliance Officer Chief Actuary Head of Internal Audit External Auditors Other officials as and when required

Audit and Compliance Committee	
Frequency of Meetings	Quarterly
Professional Advice	Available
Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>● Oversee the Company's compliance with financial reporting requirements, information requirements under the Companies Act and other relevant financial reporting related regulations and requirements.</li> <li>● Review and make recommendations to the Board with regard to the approval of the Annual Report and accounts of the Company, including the Interim Financial Statements.</li> <li>● Review assurance received from the CEO and the CFO that the financial records have been properly maintained and the Financial Statements give a true and fair view of the Company's operations and finances.</li> <li>● Review internal controls in place to prevent the leakage of material information to unauthorized persons.</li> <li>● Review the quarterly results and year-end financials prior to tabling for approval of the Board with special reference to changes or implementation of major accounting policy changes, significant matters including financial reporting issues, significant judgements made by management and how those matters addressed, compliance with accounting standards and other legal requirements, any letter of resignation from the external auditor.</li> <li>● Review risk policies adopted by the Company on an annual basis.</li> <li>● Take prompt corrective action to mitigate the effects of specific risks if such risks are beyond prudent levels.</li> <li>● Review and report to the Board on the effectiveness of the systems of internal controls and risk management to meet the requirements of the Sri Lanka Auditing Standards.</li> <li>● Review with the External Auditor and management the scope of each annual audit and its cost effectiveness.</li> <li>● Ensure that the Internal Audit function is adequately resourced, has an appropriate standing, and ensure coordination between the Internal and External Auditors.</li> <li>● Determine the fees to be paid to the External Auditors and make recommendations to the Board with regard to their appointment and also with regard to their ceasing to hold office.</li> <li>● Review reports from the External Auditor on significant issues arising from the audit of the Company's Financial Statements and on the Company's internal control environment, as well as review regular updates on related matters.</li> <li>● Review the effectiveness of the corporate compliance framework with insurance operations and other relevant legislation.</li> <li>● Review the scope and results of the internal and external audit and its effectiveness, the independence, performance, and objectivity of the auditors, and review the quality of the audits.</li> <li>● Perform an independent supervisory role in securing corporate compliance with the Regulation of Insurance Industry Act and related regulations, as well as with other applicable statutes and regulations.</li> <li>● Secure the timely implementation of audit recommendations.</li> </ul>



Remuneration Committee	
Chairman	Tan Hak Leh (Non-Executive Director) resigned effective 06 January 2025. Indrajit Asela Wickramasinghe appointed as the Chairman effective 07 January 2025.
Members	Deepal Sooriyaarachchi (Independent Non-Executive Director) Sarath Wikramanayake (Independent Non-Executive Director) Biswa Prakash Misra (Non-Executive Director) appointed as a member effective 06 January 2025
Secretary	Thushari Perera – (Director Human Resources)
Agenda	Available
Invitees	Director / Chief Executive Officer / Principal Officer Other officials as and when required
Frequency of Meetings	Meetings shall be held not less than twice a year.
Professional Advice	Available
Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>• To establish review and recommend to the Board a transparent and formal procedure for the Company's remuneration policy applicable to employees of the Company including the CEO, Executive Directors, and or other Key Management Personnel and for fixing the remuneration packages of individual Directors.</li> <li>• To recommend to the Board the remuneration to be paid to Directors, the Chief Executive Officer and Executive Directors and / or other employees holding equivalent position.</li> <li>• To review and recommend to the Board the grant of employees' stock options or other equity based payments, to the CEO, Executive Directors and or other Key Management.</li> <li>• To evaluate and recommend to the Board the terms of any compensation package to be paid to the CEO, Executive Directors and or other Key Management Personnel in the event of early termination of their employment contract with the Company.</li> </ul>
Related Party Transactions Review Committee	
Chairman	Deepal Sooriyaarachchi (Independent Non-Executive Director)
Members	Stuart Anthony Spencer (Non-Executive Director) Sarath Wikramanayake (Independent Non-Executive Director) Indrajit Asela Wickramasinghe (Independent Non-Executive Director) appointed as a member effective 07 January 2025
Secretary	Amenda Abeygoonasekera – (Assistant Manager Legal and Company Secretarial)
Agenda	Available
Invitees	Director / Chief Executive Officer / Principal Officer Chief Financial Officer Chief Legal Officer / Company Secretary Chief Risk and Compliance Officer Head of Internal Audit Other officials as and when required
Frequency of Meetings	Quarterly
Professional Advice	Available
Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>• To oversee that all related party transactions of the Company are duly reviewed, undertaken and disclosed and to ensure that the interests of shareholders as a whole are taken into account when entering into related party transactions.</li> <li>• To ensure compliance with the Code of Best Practices on Related Party transactions and the Listing Rules of the CSE, and when applying the rules on related party transactions, the objective and the economic of such transaction will take precedence over the legal form and technicality.</li> <li>• To establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting all related party transactions on an end-to-end basis across the company's operations.</li> </ul>

### Nominations and Governance Committee

Chairman	Tan Hak Leh (Non-Executive Director) resigned effective 06 January 2025 Indrajit Asela Wickramasinghe (Independent Non-Executive Director) appointed as the Chairman effective 07 January 2025
Members	Deepal Sooriyaarachchi (Independent Non-Executive Director) Sarath Wikramanayake (Independent Non-Executive Director) Biswa Prakash Misra (Non-Executive Director) appointed as a member effective 06 January 2025
Secretary	Thusara Ranasinghe – (Company Secretary)
Agenda	Available
Invitees	Invitees to Committee Meetings shall be decided by the Committee, as deemed necessary.
Frequency of Meetings	Meetings shall be held as and when required.
Professional Advice	Available
Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>Review, provide advice and recommend (or not recommend) to the Chairman and the Board the selection of new Directors for appointment to the Board of Directors of the Company and or the re-appointment / re-election of incumbent Directors.</li> <li>To maintain set criteria for the selection of Directors such the academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the Company's business and industry specific requirements.</li> <li>Ensure that the Directors are fit and proper persons to hold office.</li> <li>To consider the selection and appointment of a Chairman in case a vacancy arises, and to develop a succession plan for the Board of Directors and Key Management Personnels of the Company.</li> <li>To review the structure, composition and competencies including the skills, knowledge and experience of the Board and make recommendations to the Board with regard to any changes.</li> <li>To establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the company.</li> <li>To ensure that a suitable process is in place for periodic evaluation of the performance of the Board and CEO.</li> <li>To ensure that relevant guidelines of the corporate governance framework is adhered together with applicable regulatory requirements. In doing so, a periodic review and update of the corporate governance framework, and legal developments, will be taken into consideration.</li> <li>Receive reports from the management on compliance with the corporate governance framework of the Company including the Company's compliance with relevant requirements as specified by the Insurance Regulatory Commission of Sri Lanka and any other applicable laws, guidelines, rules, codes and regulations together with any deviations / non compliances and the rationale for same.</li> </ul>

## BOARD APPOINTED MANAGEMENT COMMITTEES

### Investment Committee (Comprising Non-Board Members)

Chairperson	Chathuri Munaweera (Director / Chief Executive Officer / Principal Officer)
Members	Sampath Thushara (Chief Financial Officer) Samath Perera (Chief Actuary) Hasitha Mapalagama (Chief Risk and Compliance Officer)
Secretary	Zarah Juriansz (Head Investments)
Agenda	Available
Invitees	Officials representing the management of the Company as and when required and representatives of the Fund Manager
Frequency of Meetings	Quarterly
Professional Advice	Available

**Investment Committee (Comprising Non-Board Members)**

Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>• To design and review the Company's investment policy and place same before the Board of Directors for approval.</li> <li>• To implement the investment policy as approved by the Board of Directors.</li> <li>• To apprise the Board of Directors periodically on the Committee's activities.</li> <li>• To monitor investment performance and recommend appropriate investment strategies.</li> <li>• To review the adequacy of internal control systems and risk management systems.</li> <li>• To ensure that the portfolios are managed to achieve their investment objectives whilst adhering to regulatory requirements.</li> <li>• To liaise with the IRCSL in connection with regulations pertaining to investments and provide information to help define the framework of investment management of insurance portfolios.</li> </ul>

**Asset Liability Management Committee (Comprising Non-Board Members)**

Chairman	Sampath Thushara (Chief Financial Officer)
Members	Samath Perera (Chief Actuary) Hasitha Mapalagama (Chief Risk and Compliance Officer)
Secretary	Shemani Ratwatte – (Manager Actuarial)
Agenda	Available
Invitees	Invitees to Committee Meetings shall be decided by the Committee, as deemed necessary.
Frequency of Meetings	Meetings shall be held as and when required
Professional Advice	Available
Terms of Reference	Available
Objectives	<ul style="list-style-type: none"> <li>• To provide oversight of asset liability management policies, processes and controls and the implementation of asset liability management decisions and strategic asset allocation processes.</li> <li>• To monitor and review the Company's risk appetites for liquidity position, solvency position and liabilities profile.</li> <li>• To monitor and review the need to ensure that the Company holds sufficient assets of appropriate nature, term and liquidity to enable such entities to meet its liabilities as they become due.</li> </ul>

# RISK MANAGEMENT REVIEW

AIA Sri Lanka recognises the importance of sound risk management in every aspect of the business and to all its stakeholders. For policyholders, it is the assurance that the Company will stand with them when they need it most, at the time of the claim or benefits being paid.

A sound risk management process is vital to ensure the stability of the insurance industry and the financial system. For stakeholders and investors, it is a means of protecting and enhancing the long-term value of their investment. AIA Sri Lanka recognises that strong corporate governance and a sound risk management system are at the core of its business proposition and the Company's focus on these areas has been a significant contributor to our performance. As AIA Sri Lanka's business grows in scale and complexity and given the dynamic nature of the external environment with changes and developments in the political, social, and economic spheres, so evolves our approach to risk management to better align and stay relevant.

The Company's Risk Management Framework (RMF) is built around developing an appropriate and mindful risk culture at every level of the Organisation in support of strategic objectives. The RMF provides appropriate tools, processes and capabilities for the identification, assessment and where required, upward referral of identified material risks for further evaluation.

AIA Sri Lanka's RMF consists of the following key components:

## RISK GOVERNANCE

Risk governance establishes clear responsibility and accountability to execute the risk strategy and carry out the day-to-day risk management and compliance activities. Risk governance consists of Board, delegation of authorities and committees, Three Lines of Defence, independence of the Group and business unit risk and compliance organisation and corporate policy governance.

The Board is responsible for defining risk management and compliance responsibilities in the Board's Terms of Reference. The Risk Committee consists of the Executive Committee and members of the business and oversees risk management across the business.

The Three Lines of Defence model clearly defines the roles and responsibilities for the management of risk between those taking executive decisions (the First Line), the Risk and Compliance function (the Second Line) and Internal Audit (the Third Line), with each of these working closely together but ultimately operating independently from each other.

AIA Sri Lanka establishes policies and standards to manage all material risks to which the business is exposed and must be approved, governed, and maintained.

## RISK CULTURE

A strong risk culture promotes prudent risk management, compliance, and fair treatment of customers. The risk culture influences the way activities are conducted in relation to risk awareness, risk taking, risk management and controls.

## RISK STRATEGY

Risk strategy is to articulate a desired approach to risk taking and risk control, including the risk appetite and tolerance levels in the pursuit of the Company's strategy.

## RISK MANAGEMENT PROCESS

AIA Sri Lanka has a robust risk management process that provides sufficient risk identification and assessments, effective management and response, proactive monitoring, controls, and compliance.

## RISK REPORTING, SYSTEMS AND TOOLS

Risk reporting covers all relevant material risks, be complete and accurate and provided on a timely basis to the Board, Risk Committee, and other relevant internal or external parties. This includes risk positions and recovery plans where required by the senior management and other supervisory reports.

## LOOKING BACK AT 2024

In 2024, AIA Sri Lanka remained steadfast in its commitment to solidifying risk governance and resilience amidst a gradually recovering economy, volatile market conditions, and an evolving regulatory environment while capitalising on organic and inorganic opportunities to grow the business. The Company's RMF continued to grow, leveraging technologies and analytics to enhance oversight, transparency, and responsiveness. A key priority was further embedding an initiative-taking risk culture across all levels of the Organisation, ensuring alignment with AIA Group's risk management standards and regulatory expectations.

Building upon the foundation put down in preceding years, the Company made significant strides in fortifying its risk posture through enhanced controls, real time monitoring capabilities, and strategic risk assessments. The integration of data driven insights and automation further enabled dynamic risk identification, mitigation, and reporting, ensuring a robust response to both internal and external risk factors.

Given the volatile market conditions, the financial risk was thoroughly monitored across capital, liquidity, credit, earnings, and interest rates, aligning with defined risk tolerance and limits. The Company successfully maintained its liquidity and solvency positions well ahead of regulatory and internal requirements.

A key highlight of operational risk management was the implementation of the Third Party Management (TPM) system to enhance the governance and oversight of third-party engagements. This system enables profiling and screening, through due diligence, and risk assessment of third-party entities. Post-engagement, the system allows continuous monitoring throughout the contract lifecycle, ensuring alignment with regulatory requirements and the Company's risk management standards.

## OUTLOOK FOR 2025

The Company's risk management focus for 2025 is to further integrate risk considerations into strategic decision-making, ensuring resilience and long-term sustainability on top of the well-established RMF. Given the evolving business landscape and increasing regulatory complexities, the Risk function will play a pivotal role in safeguarding the Company's objectives while fostering growth opportunities.

The Risk function's motto for 2025 is that AIA Sri Lanka will 'Empower Resilience, Drive Innovation, Secure Growth'. These pillars will guide the Company in maintaining a balanced approach to risk and return, optimising capital allocation, and aligning with AIA Sri Lanka's strategic ambition of becoming the market leader in the Regular Premium market by 2026.

Key initiatives for 2025 include (i) strengthening scenario analysis and stress testing to address macroeconomic volatility and ensure a robust solvency management; (ii) integrating environmental, social, and governance (ESG) factors into financial risk assessment to support AIA Group's sustainability commitments; (iii) enhancing the operational risk and control framework to mitigate emerging risks, including cyberthreats and third-party dependencies; (iv) structured training, and risk awareness programmes to continue embedding a proactive risk culture; (v) preparing for anticipated regulatory changes, capital adequacy, and governance standards; and (vi) establishing an Artificial Intelligence (AI) council to guide AI deployments in the future and ensure compliance with ethical standards.

The Company remains committed to transforming its risk management approach to meet the dynamic needs of the business and external environment. By driving these initiatives, the Company will ensure robust governance, safeguard its financial and operational stability, and achieve sustainable growth. This strategic focus positions AIA Sri Lanka to navigate uncertainties and seize opportunities, creating value for its customers, and continue its journey of advancing towards a more digital and agile culture.



# AUDIT AND COMPLIANCE COMMITTEE REPORT

## COMPOSITION

The Audit and Compliance Committee ('the Committee') of AIA Insurance Lanka Limited is appointed by the Board of Directors. In line with the Company's endeavours to adopt high standards of governance requirements as a non-listed limited liability subsidiary of AIA Group and in compliance with the applicable corporate governance standards, the Company continued with the Audit and Compliance Committee to serve the relevant purposes.

The Committee comprises of the following Directors of the Company as at 31 December 2024;

1. Mr Sarath Wikramanayake – Chairman  
(Independent Non-Executive Director)
2. Mr Deepal Sooriyaarachchi – Member  
(Independent Non-Executive Director)
3. Mr Stuart Anthony Spencer – Member  
(Non-Executive Director)

Mr Deepal Sooriyaarachchi and Mr Sarath Wikramanayake functioned in the Committee as Independent Non-Executive Directors. Mr Sarath Wikramanayake is a Chartered Accountant and is a fellow member of the Institute of Chartered Accountants of Sri Lanka and Mr Stuart Anthony Spencer is an alumnus of the Harvard Business School, The Fletcher School of Law and Diplomacy and Brandeis University. The members of the Committee, who have been drawn from and out of the Non-Executive Directors serving on the Board, possess the required knowledge and expertise to perform their duties of the Committee and they have demonstrated an effective discharge of its functions and duties for the year under review.

Mr Indrajit Asela Wickramasinghe (Independent Non-Executive Director) was appointed as a Member to the Audit and Compliance Committee effective 07 January 2025.

## OBJECTIVE

The objectives and functions of the Committee are set out in the Terms of Reference of the Committee approved by the Board of Directors and encompass the following areas;

### 1. Financial Reporting

The Committee is primarily tasked with assisting the Board in discharging its responsibilities for overseeing the preparation, presentation and the integrity of disclosures of the Company's financial statements in accordance with the applicable accounting standards. The Committee recommends the quarterly financial statements, annual accounts and connected documents for the approval of the Board as and when required. It focuses on a fair presentation and disclosure, reasonability of estimates and judgemental factors and appropriateness of significant accounting policies related to financial reporting regulations and the Companies Act No. 07 of 2007, as adopted

in preparation of the Financial Statements. An assurance from the CEO and the CFO has been received confirming the entity's operational and financial stability.

### 2. Internal Audit

The Committee is responsible for reviewing and approving the Annual Internal Audit Plan for the year as presented by the Internal Audit function of the Company. The Committee receives constant updates on matters relating to progress of the plan during the year. In addition, the Committee reviews the quarterly reports presented by the Internal Audit function regarding audit reports and progress of management actions in closing identified issues. The Head of Internal Audit had unfettered access to the Committee and had private meetings with the Committee ensuring independence of the Internal Audit function. The Committee is satisfied with the independence of Internal Auditor.

### 3. Risk, Governance and Internal Control

The Committee receives quarterly reports from the Chief Risk Officer. The Committee continually reviewed the risks emanating from Sri Lanka's 2024 economic landscape, marked by debt restructuring progress, IMF support, and reserve growth, yet challenged by election-related political risks, global uncertainties, and ongoing reforms.

During the year, the Committee reviewed the governance framework of the Company through the Chief Risk Officer's Reports. The Committee was updated on the effectiveness of the control framework and the top risks faced by the business together with the management action plans to mitigate the identified risks. During the year the Company continued with its commitment in developing its risk management framework to align with the business requirements. The Committee is satisfied that the internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the financial statements of the Company are reliable.

In addition, other assurance reports pertaining to control exceptions, fraud and malpractice and anti-money laundering and other significant matters were tabled and reviewed by the Committee. The Committee further appraised the actions in place to control any issues identified in these reports.

### 4. External Audit

External Audit is another key area which receives attention of the Committee.

The Committee received the External Audit Plan of the Messrs. Deloitte Partners, Chartered Accountants, the External Auditors of the Company and approved same after having discussed with the management. External Auditors were invited to attend the

Committee's quarterly meetings and also for private meetings. The External Auditors were given adequate access by the Committee to ensure independence and objectivity. The External Auditor of the Company has submitted the Management Letter for the year 2023 with audit findings and the Committee reviewed the comments and undertakings by the management with regards to recommendations made by External Auditors.

## 5. Regulatory Compliance

The committee received quarterly updates of regulatory liaisons. Where applicable, the Committee was updated with the regulatory changes that are being implemented and reviewed the action plans to ensure readiness of the Company in meeting such regulatory requirements. The Committee received reports on the status of regulatory compliance of the Company and the effectiveness of compliance monitoring programmes during the year.

## 6. Any Other Significant Matters

The Committee constantly reviewed the matters relating to tax assessments received by the Company which are being contested and under consideration and received constant updates on how those matters progressed during the period. During the year, the Committee received extensive updates on the new tax reforms, monetary policy and inflation.

The Committee diligently oversaw the implementation of the new accounting standard, SLFRS 17. The Company achieved the distinction of being the first life insurance company in the industry to fully implement and operationalize SLFRS 17. The Standard is now actively in use, with financial statements produced under the IFRS 17 regime being utilized for Group reporting purposes.

## MEETINGS

The Committee held five formal meetings and resolutions in writing were circulated to the Committee during the year under review and the CEO, the Deputy CEO, the CFO, the Chief Risk Officer, the Chief Actuary, the Company Secretary and the Head of Internal Audit attended these meetings as permanent invitees. The External Auditors attended all the scheduled meetings of the Committee for the year and the Committee had private meetings with Internal and External Auditors without the presence of any management staff. Other members of the senior management attended as invitees as and when required. Apart from the formal meetings, there were numerous communications between the Chairman, members of the Committee and members of the Executive Committee of the Company.

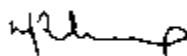
The Board receives a copy of the minutes of each meeting of the Committee.

## INDEPENDENCE OF THE EXTERNAL AUDITORS AND THEIR APPOINTMENT

During the year under review Messrs. Deloitte Partners, Chartered Accountants functioned as the Statutory Auditors of the Company. As aforesaid, the Committee had continuous communications with the Auditors.

The Committee affirms that Messrs. Deloitte Partners, Chartered Accountants, the Company's current External Auditors, have no relationship with the Company, its parent company and its subsidiary other than that of the External Auditors of the respective entities. They have consistently carried out their duties independently, with the support and facilitation of the management during the period under consideration.

Having duly noted the willingness of the External Auditors to continue in office, the Committee recommended to the Board that Messrs. Deloitte Partners, Chartered Accountants be re-appointed as Statutory Auditors of the Company for the financial year ending 31 December 2025, subject to approval by the shareholders at the forthcoming Annual General Meeting. The Committee will approve the terms of engagement of the auditors for 2025 subject to the approval of their re-appointment by the shareholders of the Company, and necessary recommendations being made to the Board as regards their remuneration for 2025.



**Sarath Wikramanayake**

Chairman, Audit and Compliance Committee

20 February 2025

# REMUNERATION COMMITTEE REPORT

The Remuneration Committee of AIA Insurance Lanka Limited is appointed by the Board of Directors from and amongst the Directors of the Company.

## COMPOSITION

As at 31 December 2024, the Committee comprised of the following Directors.

1. Tan Hak Leh  
(Non-Executive Director) – Chairman
2. Deepal Sooriyaarachchi  
(Independent Non-Executive Director) – Member
3. Sarath Wikramanayake  
(Independent Non-Executive Director) – Member

Tan Hak Leh resigned from the position as the Chairman / Member of the Committee effective 06 January 2025.

Biswa Prakash Misra appointed as a Member of the Committee effective 06 January 2025.

Indrajit Asela Wickramasinghe appointed as the Chairman / Member of the Committee effective 07 January 2025.

## SCOPE AND OBJECTIVES

The overall objectives and functions of the Remuneration Committee are:

1. To review and to approve the Remuneration Policy of the Company.
2. To recommend to the Board of Directors, the remuneration to be paid to the Chief Executive Officer and fees payable to the Directors, their perquisites and allowances.
3. To review and to approve the grant of employees' stock options (if and when such schemes are applicable) subject to the necessary approvals including the approval of the Board of Directors.

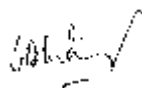
## REMUNERATION POLICY OF THE COMPANY

The Remuneration Policy sets out a total reward framework which allows the Company to align itself with the best of class reward practices and recognise superior performance and high potential in a market competitive manner within the Company's capacity to pay. In setting its guidelines, the Policy endeavours to be in line with the local statutory and regulatory obligations.

## PROCEEDINGS & REPORTING

The Remuneration Committee is empowered to invite the Chief Executive Officer, Director Human Resources and the Company Secretary to its meetings to offer support in its discussions and considerations and to seek external independent professional advice on matters within the purview of the Committee. Neither the Chief Executive Officer nor any other Directors are involved in the Committee meetings when determinations are made in relation to own remunerations of the respective Directors or the Chief Executive Officer.

The Remuneration Committee meets not less than two times a year. The Committee reports on its deliberations, activities, matters reviewed, recommendations and decisions reached to the Board of Directors of the Company for advice, approval and or ratification. In 2024, the Committee held two meetings in order to discharge its businesses.



**Indrajit Asela Wickramasinghe**  
Chairman, Remuneration Committee

20 February 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee ('the Committee') of AIA Insurance Lanka Limited ('the Company') was set up in January 2016 as part of the sound governance framework of the Company and to provide oversight on the related party and transfer pricing aspects of the Company. The Company is no longer under the regulatory purview of the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange, consequent to the Company's delisting from the official list of the Colombo Stock Exchange in 2019. Notwithstanding this, the Company is committed to maintaining the existing governance frameworks and will continue to operate the Related Party Transactions Review Committee.

The Company substantially adheres with the Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka, which requires the establishment of a Related Party Transactions Review Committee. Therefore, in line with the Company's endeavours to adopt high standards of governance requirement as a non-listed limited liability subsidiary of AIA Group, the Company continues with the Related Party Transactions Review Committee to serve the relevant purposes.

## COMPOSITION

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

1. Mr Deepal Sooriyaarachchi – Chairman (Independent Non-Executive Director)
2. Mr Stuart Anthony Spencer – Member (Non-Executive Director)
3. Mr Sarath Wikramanayake – Member (Independent Non-Executive Director)

Mr Indrajit Asela Wickramasinghe (Independent Non-Executive Director) was appointed as a Member to the Related Party Transactions Review Committee effective 07 January 2025.

## OBJECTIVE

The objectives and functions of the Committee are set out in the Terms of Reference of the Committee approved by the Board of Directors and captures the following areas.

1. To exercise oversight on behalf of the Board, on all related party transactions of the Company and its subsidiary, other than those exempted by the applicable regulations. To ensure that the same is reviewed, undertaken and disclosed in the manner consistent with the relevant accounting standards and the Code of Best Practice on Corporate Governance 2017 applicable to the related party transactions of an entity.  
In doing so, the committee will ensure that the interests of the shareholders as a whole are taken into consideration when entering into all related party transactions and also certain measures are in place to ensure that Directors, CEO, and any substantial shareholders of the company would not take prejudicial decisions.

2. To exercise oversight on behalf of the Board, on all related party transactions including international transactions entered into with associated enterprises, and policies / procedures influencing determination of transfer prices on same. To ensure that the same is reviewed, undertaken, maintained and disclosed in the manner consistent with the regulations / statutes governing such transactions inclusive of recommending for certification by the Board where required and further that such international related party transactions have been concluded on an arm's length basis and not prejudicial to the interests of the Company and its subsidiary, for the purposes of publication of annual accounts.
3. To ensure that on the applicability of the Corporate Governance Rules relating to related party transactions, the objective and the economic and commercial substance of such related party transactions will take precedence over the legal form and its technicality.
4. The committee shall ensure that they have sufficient and adequate knowledge or expertise to evaluate and assess all aspects of related party transactions and even extend to obtain professional expert advice from qualified persons when necessary.

If necessary, the Committee shall request the Board of Directors to approve any related party transactions which are under review by the Committee. In such circumstance, the Board approval will be obtained prior to entering of such related party transactions.

## THE POLICIES AND PROCEDURES ADOPTED BY THE COMMITTEE

### Related Party Transactions Monitoring

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

During the year under review, the Committee reviewed and pre-approved all proposed non-recurrent related party transactions of the Company and its subsidiary. This information was also reviewed annually by the Committee. Transactions, which are of recurrent nature, and other transactions were presented for the review and approval of the Committee.

The term 'Key Management Personnel' ('KMP') is defined to include the Directors and Chief Executive Officer for the purpose of ensuring the transparency and all KMP related disclosures / information are reviewed by the Committee.

The Committee further declares that appropriate disclosures have been made in terms of the Sri Lanka Accounting Standards LKAS 24 - Related Party Disclosures, in Note 42 in the Financial Statements of the Company and its Group.

## Transfer Pricing Regulation Related Disclosures

The Company has in place a Transfer Pricing Policy, which has been approved by the Board in accordance with the requirements of the Transfer Pricing Regulations issued by the Department of Inland Revenue under Section 76 of the Inland Revenue Act No. 24 of 2017. Further, the Company complied with the reporting requirements mandated by the Gazette notification No. 2217/7 issued by the Inland Revenue Department (IRD) for the financial year 2023 / 24 mandating various reporting requirements and their thresholds applicable for the year under review. As such, the requirements to submit Disclosure Forms, Local File, Master File and Country by Country Report based on different threshold limits as stipulated therein have been adhered to during the year under review.

## MEETINGS

The Committee held four formal meetings during the year under review. The CEO, the CFO, the Company Secretary and the Head of Internal Audit are considered as permanent invitees for the meetings while the other members of the Senior Management attend the meetings as invitees as and when required.

The activities and views of the Committee have been communicated to the Board of Directors quarterly through Board briefings, and by circulating the minutes of the Committee meetings.



**Deepal Sooriyaarachchi**

Chairman, Related Party Transactions Review Committee

20 February 2025



# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of AIA Insurance Lanka Limited (the “Company”) (previously known as the Nominations Committee) is formed with authority to recommend to the Board of Directors, on the suitability of a new Director’s appointment, overseeing their onboarding and orientation program and / or of the re-election of a Director who is retiring by rotation, as the case may be, when assessed on the basis of merit and objective criteria. Whilst Directors retiring by rotation each year are re-elected by a resolution of the shareholders at the Company’s Annual General Meeting, the appointment of new Directors on the other hand is made by the Company’s majority shareholder, AIA Holdings Lanka (Private) Limited in compliance with the Company’s Articles of Association. Arrangements are in place to ensure that the recommendations of the Nominations and Governance Committee are made available to the Company’s majority shareholder for due consideration when making such Board appointments.

The Committee’s Terms of Reference seeks to facilitate a transparent, rigorous, and formal process in the appointment of new Directors and / or the re-election of retiring Directors to the Company’s Board of Directors and to ensure an optimal Board structure, size and composition given the strategic needs and plans of the Company. Dominant objectives include ensuring that the Company’s Board of Directors forms a strong and professional team that is beneficial to the Company and its stakeholders.

During the year under review, the Committee reviewed, evaluated and advice provided to the Chairman and the Board on new potential candidates to the Board after considering their qualifications, work experience, competencies, suitability and eligibility to hold the office as Directors of the Company.

The Company’s current Board of Directors represents diversity in terms of gender, nationality, skills, capabilities and global experience.

## COMPOSITION

Members of the Nominations and Governance Committee are required to comprise a majority of Non-Executive Directors out of which at least one or one third (whichever is higher) must be Independent Non-Executive Directors.

The Nominations and Governance Committee comprised the following Directors as of 31 December 2024.

1. Tan Hak Leh  
(Non-Executive Director) – Chairman
2. Deepal Sooriyaarachchi  
(Independent Non-Executive Director) – Member from 10 November 2020
3. Sarath Wikramanayake  
(Independent Non-Executive Director) – Member from 10 November 2020

Tan Hak Leh resigned from the position as the Chairman / Member of the Committee effective 06 January 2025.  
Biswa Prakash Misra was appointed as a Member of the Committee effective 07 January 2025.  
Indrajit Asela Wickramasinghe appointed as the Chairman / Member of the Committee effective 07 January 2025.

The Company Secretary acts as the Secretary to the Nominations and Governance Committee.

## SCOPE AND OBJECTIVES

The scope and objectives of the Nominations and Governance Committee are set out in its Terms of Reference and includes, principally, considering and making recommendations to the Board of Directors of the suitability of a Director’s appointment and / or re-election as a Director to the Board of Directors.

The Committee’s recommendations on new appointments are required to address areas such as qualifications, competencies, independence, relationships, skill, knowledge and experience which have the potential to give rise to conflict vis-à-vis the business of the Company.

## DIRECTORS RETIRING BY ROTATION AND RE-APPOINTMENT

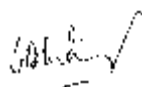
Mr Stuart Anthony Spencer retires by rotation in terms of Article 25 (1) read with Article 25 (2) of the Articles of Association and his last re-appointment as Director was on 08 April 2023. Being eligible for re-appointment, the Committee reviewed his skills, competencies and his role played at the Board of Directors, recommended the Board to propose to shareholders for his re-appointment to the Board of Directors at the forthcoming Annual General Meeting (subject to regulatory approval).

Sec. 211 of the Companies Act provides for the re-appointment of a Director who retires from the office of the Director at the immediate Annual General Meeting after he reaches the age of 70 years. Mr Sarath Wikramanayake attained the age of 70 years in November 2024, thus is eligible for re-appointment. The Committee while noting the conflict of interest of Mr Wikramanayake being a member of the Committee, reviewed his skills and competencies and recommended the Board to propose to shareholders for his re-appointment to the Board of Directors at the forthcoming Annual General Meeting (subject to regulatory approval) for a period of one year from the date of re-appointment or until the next Annual General Meeting or a date arising from the Direction No. 02 of 2022 (revised) of the Insurance Regulatory Commission of Sri Lanka whichever occurs earlier.

Directorships or Chairpersonships held in other entities, any relationships including close family relationships between the Directors were declared by the Directors for the year under review.

## MEETINGS AND DECISION MAKING

The Committee did not hold any physical meetings during the year under review, it attended to its duties and took decisions on matters relating to the Board appointments / re-election of retiring Directors via duly recorded Written Resolutions that were passed by circulation in lieu of meetings as provided for in the Articles of Association of the Company and Terms of Reference of the Committee.



**Indrajit Asela Wickramasinghe**  
Chairman, Nominations and Governance Committee  
20 February 2025

# INVESTMENT COMMITTEE REPORT

The Investment Committee of AIA Insurance Lanka Limited is appointed by the Board of Directors of the Company and comprises four members. The functions of the Investment Committee are defined in the Terms of Reference for the Investment Committee, as approved by the Board.

## SCOPE AND OBJECTIVES

The Investment Committee has the delegated responsibility as regards investment management by the Board of Directors and designs the investment policy and investment governance framework of the Company.

The objectives of the Investment Committee include:

- Designing and reviewing the Company's investment policy and placing same before the Board of Directors for approval
- Implementing the investment policy as approved by the Board of Directors
- Apprising the Board of Directors periodically on the Committee's activities
- Ensuring adherence with the Strategic Asset Allocation and Mandates approved by the Board of Directors by monitoring investment performance and recommending appropriate investment strategies
- Ensuring resources dedicated to investment activities and governance are sufficient to implement and manage the approved investment policy and any other activities requested by the Board
- Reviewing the adequacy of internal control systems to support investment activities
- Reviewing the adequacy of risk management systems to support prudent investment management
- Reporting to the Board of Directors on any breaches and concerns regarding the internal controls, investment operations and risk management procedures

The Committee has the authority to seek external professional advice on matters falling within the purview of the Committee and is also authorised to invite professional advisers or others with relevant experience to assist it in its duties.

## MEMBERS

The following members served on the Investment Committee during the year.

Member	Period	
	From	To
Chathuri Munaweera (Chairperson from 09 May 2022)	09 May 2022	To date
Sampath Thushara	18 July 2022	To date
Hasitha Mapalagama	30 May 2017	To date
Samath Perera	12 August 2020	To date
Zarah Juriansz (Secretary from 05 May 2011)	05 May 2011	To date

## MEETINGS AND ATTENDANCE

The Investment Committee meets at least four times during the year and the fund manager attends the meeting on invitation by the Committee. The Investment Committee convened on four occasions during 2024 and given below is the members' attendance.

## ATTENDANCE

Member	Attendance			
	26 January 2024	22 April 2024	26 July 2024	28 October 2024
Chathuri Munaweera	✓	✓	✓	✓
Sampath Thushara	✓	✓	✓	✓
Hasitha Mapalagama	✓	✓	✓	✓
Samath Perera	✓	✓	✓	✓

## REPORTING

The Investment Committee reports at every meeting of the Board of Directors of the Company on its deliberations, activities, matters reviewed, recommendations made, decisions reached, and on the quality and performance of the investment portfolios.



**Chathuri Munaweera**  
Director / Chief Executive Officer / Principal Officer  
20 February 2025

# ACTUARY'S REPORT

AIA Insurance Lanka Limited (Co. No. PQ18 PB)  
 AIA Tower  
 92, Dharmapala Mawatha,  
 Colombo 07, Sri Lanka  
 Telephone : 011 231 0000  
 E-mail : lk.info@aia.com  
 Web : www.aialife.com.lk

To the shareholder of AIA Insurance Lanka Limited

## ACTUARIAL VALUATION AND SOLVENCY OF AIA INSURANCE LANKA LIMITED AS AT 31 DECEMBER 2024

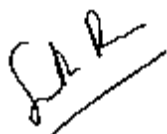
I have enquired into the affairs of the long term insurance business and satisfied myself with the solvency position of the business as required under Section 26 of the Regulation of Insurance Industry Act No. 43 of 2000 read in conjunction with the Solvency Margin Rules (Long Term Insurance Rules 2002, amended in 2011), Guidelines on Linked Long Term Business effective from 01 May 2007, IRCSL Circular No. 22 dated 14 February 2006, Extraordinary Gazette dated 15 December 2015 and Direction No. 16 dated 20 March 2018.

The Company has maintained proper records appropriate for the purpose of conducting an actuarial valuation. The Operations and Finance functions have respectively certified the accuracy and completeness of the data furnished to me. Actuarial valuation as at 31 December 2024 and surplus / deficit transfer to shareholder account from the life fund was subject to the independent audit by External Auditors Messers Deloitte Partners.

I hereby certify the following;

1. Adequate and proper reserves have been provided for as at 31 December 2024 for known liabilities with respect to long term insurance business in accordance with regulations outlined in the Solvency Margin (Risk Based Capital) Rules dated 15 December 2015.
2. As at 31 December 2024, the Company has adequate admissible capital to cover the minimum requirements as per the Solvency Margin (Risk Based Capital) Rules 2015 issued by the Insurance Regulatory Commission of Sri Lanka as required under the Regulation of Insurance Industry Act No. 43 of 2000.
3. In accordance with SLFRS 4, a Liability Adequacy Test (LAT) was performed to assess the adequacy of the carrying value of insurance liabilities. The carrying value of insurance contract liability is adequate.

In accordance with the policy conditions of Universal Life products featuring dividends, I have recommended an annual dividend of 12.69 per cent / 11.28 per cent / 10.58 per cent for policies with dividend rates of 90 per cent / 80 per cent / 75 per cent respectively for the financial year ending 31 December 2024.



**Samath Perera**  
 Fellow, Society of Actuaries, USA  
 20 February 2025

## STATEMENT OF SOLVENCY

The Statement of Solvency for Life Insurance has been prepared in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 that are in effect from 01 January 2016, and is in line with the formats stipulated by the Insurance Regulatory Commission of Sri Lanka.

	2024	2023
	LKR mn	LKR mn
1. Value of admissible assets	100,761	80,547
2. Value of liabilities		
2.1 Policy liabilities	56,834	46,446
2.2 Other liabilities	8,177	6,913
3. Total Available Capital (TAC)	35,750	27,188
4. Risk Based Capital Requirement (RCR)	6,451	4,515
5. Risk Based Capital Adequacy Ratio (CAR) = (TAC / RCR)	554%	602%
6. Regulatory stipulated minimum Capital Adequacy Ratio	120%	120%
7. Company's CAR as a proportion of the stipulated regulatory CAR	4.62x	5.02x

## STATEMENT OF APPROVED ASSETS

Determined as per section 25(1) of the Regulation of Insurance Industry Act of No. 43 of 2000 and the determination made by the Insurance Regulatory Commission of Sri Lanka in terms of the said Act as amended in March and October 2011, and April 2016.

	2024	2023
	LKR mn	LKR mn
1. Approved assets maintained in the long term insurance business	80,515	64,080
2. Long term insurance fund	76,426	60,453
3. Excess in approved assets over the long term insurance fund	4,089	3,627
4. Approved assets as a % of the long term insurance fund	105.35%	106.00%
5. Ratio required	100%	100%





# FINANCIAL REPORTS



# CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with Sri Lanka Financial Reporting and Accounting Standards (SLFRS/LKAS), the requirements of the Companies Act No. 07 of 2007 and the Regulation of Insurance Industry Act No. 43 of 2000 (as amended). They have been prepared under the historical cost convention, and are adjusted for the revaluation of land, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The accounting policies used in the preparation of the Financial Statements are appropriate and have been consistently applied during the year under review.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements to the best of our knowledge.

Material estimates and judgements of complexity have been made on a prudent and reasonable basis and have been discussed with and approved by the Audit and Compliance Committee of the Board of Directors, and discussed with the External Auditors of the Company, in the preparation and presentation of the Financial Statements in order to reflect a true and fair view.

The form and substance of transactions, reasonably represent the Company's state of affairs.

To ensure this, the Company has taken proper and sufficient care in maintaining systems and designing and ensuring the effectiveness of key controls as specified in the AIA Financial Controls Self-Assessment, together with all other internal controls and the maintenance of accounting records, are reviewed, evaluated and updated on an ongoing basis in order to safeguard the assets and prevent and detect frauds as well as other irregularities.

The Internal Auditors have conducted periodic audits to provide a reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system, process and internal control.

The Financial Statements were audited by Messrs. Deloitte Partners, Sri Lanka Chartered Accountants, the External Auditors of the Company.

The audit opinion issued by the External Auditors is provided from pages 82 to 84.

The Audit and Compliance Committee of the Board of Directors meets periodically with the Internal Auditors and External Auditors to review the manner in which the Auditors carry out their responsibilities and perform their duties, and to discuss audit findings and any deficiencies in internal controls that may impact the accuracy and completeness of the financial reporting process.

The Audit and Compliance Committee of the Board of Directors has reviewed and recommended the scope and fees of audit and non-audit services provided by the External Auditors, for approval of the Board of Directors to ensure that the provision of such services does not impair the auditor's independence and objectivity.

To ensure independence, the External Auditors and the Internal Auditors have full and free access to the members of the Audit and Compliance Committee of the Board of Directors to discuss any matter of substance.



**Chathuri Munaweera**  
Director / Chief Executive Officer / Principal Officer



**Sampath Thushara**  
Chief Financial Officer  
20 February 2025

# DIRECTORS' STATEMENT OF RESPONSIBILITY ON FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group in accordance with applicable laws and regulations. These responsibilities differ from the responsibilities of the External Auditors, which are set out in their Report on pages 82 to 84 of this Annual Report.

In preparing these Financial Statements of the Company and the Group, the Directors are required to:

- Select appropriate accounting policies and bases and apply them consistently subject to any material departures being disclosed and explained;
- Make judgements and estimates that are reasonable and prudent;
- Ensure Financial Statements of the Company and the Group have been prepared in accordance with applicable accounting standards; and
- Prepare Financial Statements of the Company and the Group on a going concern basis.

The Companies Act No. 07 of 2007 (the Act) requires the Directors to prepare Financial Statements of the Company and the Group complying with the requirements of the Act for each financial year comprising:

- An Income Statement, which presents a true and fair view of income and expenditure of the Company and the Group for the financial year under review;
- A Balance Sheet (Statement of Financial Position), which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year under review.

The Financial Statements of the Company and the Group are prepared in conformity with the requirements of the Sri Lanka Financial Reporting and Accounting Standards (SLFRS / LKAS), the Companies Act No. 07 of 2007, to the extent applicable and the Regulation of Insurance Industry Act No. 43 of 2000 (as amended).

The Directors, having reviewed the Company's strategic plan for the period 2025-2027, are of the considered view that the Company and its Subsidiary have adequate resources to continue operations.

The Directors note that the actuarial valuation takes into account insurance liabilities and is based on the methodology and assumptions recommended by the Chief Actuary.

The Directors have also taken reasonable steps to establish and maintain appropriate systems of internal controls to safeguard the assets of the Group and to prevent and detect frauds and other irregularities. They have also ensured that proper records are maintained, and that the information generated is reliable.

The Directors are responsible for providing the External Auditors with every opportunity to undertake whatever inspections they consider appropriate to enable them to form their opinion on the Financial Statements of the Company and the Group.

The Directors are satisfied that all statutory and regulatory payments in relation to all relevant statutory and regulatory authorities which were due and payable by the Company and its Subsidiary as at the Balance Sheet date, have been paid or where relevant, provided for.

The Directors confirm to the best of their knowledge and belief that:

1. The Financial Statements of the Company and the Group which are prepared in accordance with SLFRS / LKAS and other applicable rules and regulations and recommended best practices, give a true and fair view of the state of affairs as at 31 December 2024 and the profits and cash flows for the financial year then ended.
2. All financial and non-financial requirements stipulated under the Companies Act No. 07 of 2007 pertaining to Directors' duties and responsibilities have been complied with wherever applicable; and
3. The segment titled "Management Discussion and Analysis" included in this Annual Report presents a fair review of the progress and performance of the business and the financial standing of the Company and its Subsidiary.

BY ORDER OF THE BOARD



**Thusara Ranasinghe**  
Company Secretary

Colombo

20 February 2025

# INDEPENDENT AUDITOR'S REPORT



**Deloitte Partners**  
100 Braybrooke Place  
Colombo 2  
Sri Lanka

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+94 11 771 9838  
Fax: +94 11 230 7237  
[www.deloitte.com](http://www.deloitte.com)

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of AIA Insurance Lanka Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AIA Insurance Lanka Limited (the Company) and the consolidated financial statements of the company and its subsidiary (the Group) which comprise the statement of financial position as at 31 December 2024, the statement of income and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

#### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekara FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, W D A S U Perera ACA, L A C Tillekeratne ACA, D C A J Yapa ACA,

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179





## Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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





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

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

### Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

As required by Section 47(2) of the Regulation of Insurance Industry Act, No 43 of 2000, as far as appears from our examination, the accounting records of the Company have been maintained in the manner required by the rules issued by Insurance Regulatory Commission of Sri Lanka, so as to clearly indicate the true and fair view of the financial position of the Company.

A handwritten signature in black ink that reads "Deloitte Partners".

**Deloitte Partners**  
CHARTERED ACCOUNTANTS  
COLOMBO

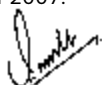
26 February 2025

# STATEMENT OF FINANCIAL POSITION

As at 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>ASSETS</b>					
Intangible assets	6	7,514,668	7,983,813	7,514,668	7,983,813
Property, plant and equipment	7	1,079,692	735,265	1,079,692	735,265
Right-of-use assets – leases	19.2 (a)	605,603	649,154	605,603	649,154
Investments in subsidiary	8	–	–	1,000	1,000
Financial investments	9	101,195,435	79,876,015	101,195,435	79,876,015
Policyholder and other loans	10	346,901	385,638	346,901	385,638
Reinsurance receivables	12, 17.2	21,505	207,920	21,505	207,920
Trade receivables	13.1	422,565	403,140	421,889	402,503
Other assets	14	5,365,732	5,443,773	5,365,732	5,443,773
Other fund assets	15	499,325	404,632	499,325	404,632
Cash and cash equivalents	16	916,366	748,540	910,749	743,977
<b>Total assets</b>		<b>117,967,792</b>	<b>96,837,890</b>	<b>117,962,499</b>	<b>96,833,690</b>
<b>LIABILITIES</b>					
Insurance liabilities	17	82,494,035	65,677,581	82,494,035	65,677,581
Retirement benefit obligations	18	476,020	394,378	476,020	394,378
Lease liabilities	19.2 (b)	597,964	685,188	597,964	685,188
Deferred income tax liabilities	11	386,278	6,634	386,278	6,634
Other fund liabilities	20	499,325	404,632	499,325	404,632
Accruals and other payables	21	5,196,842	4,437,455	5,195,924	4,436,248
Current income tax liabilities	22	765,841	358,678	765,577	358,399
Deferred revenue	23	54,108	58,972	54,108	58,972
Bank overdraft	16	201,495	131,522	201,495	131,522
<b>Total liabilities</b>		<b>90,671,908</b>	<b>72,155,040</b>	<b>90,670,726</b>	<b>72,153,554</b>
<b>EQUITY</b>					
Stated capital	24	3,201,922	3,201,922	3,201,922	3,201,922
Capital reserve	25	301,416	277,916	301,416	277,916
Restricted regulatory reserve	26	6,080,848	6,080,848	6,080,848	6,080,848
Revenue reserves	27	17,711,698	15,122,164	17,707,587	15,119,450
<b>Total equity</b>		<b>27,295,884</b>	<b>24,682,850</b>	<b>27,291,773</b>	<b>24,680,136</b>
<b>Total equity and liabilities</b>		<b>117,967,792</b>	<b>96,837,890</b>	<b>117,962,499</b>	<b>96,833,690</b>

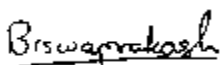
The notes on pages 92 to 136 are an integral part of these Financial Statements.

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

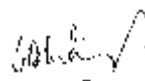


**Sampath Thushara**  
Chief Financial Officer

The Financial Statements on pages 85 to 136 were authorised for issue by the Board of Directors on 20 February 2025 and were signed on its behalf.



**Biswa Prakash Misra**  
Chairman / Director



**Indrajit Asela Wickramasinghe**  
Director

# INCOME STATEMENT

For the financial year ended 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Gross written premium	28 (a)	23,573,648	18,799,104	23,573,648	18,799,104
Gross reinsurance premium	28 (b)	(23,576)	(364,451)	(23,576)	(364,451)
<b>Net written premium</b>	28	<b>23,550,072</b>	<b>18,434,653</b>	<b>23,550,072</b>	<b>18,434,653</b>
<b>Other Income</b>					
Investment income	29	11,615,885	11,648,787	11,615,885	11,648,787
Fee income	30	1,674,123	1,416,016	1,671,337	1,413,678
Net realised gains / (losses)	31	51,537	(130,410)	51,537	(130,410)
Net fair value gains	32	713,355	383,333	713,355	383,333
Other operating income	33	144,902	170,699	144,494	170,292
<b>Total other income</b>		<b>14,199,802</b>	<b>13,488,425</b>	<b>14,196,608</b>	<b>13,485,680</b>
<b>Total income</b>		<b>37,749,874</b>	<b>31,923,078</b>	<b>37,746,680</b>	<b>31,920,333</b>
Net claims and benefits	34	(7,055,253)	(6,808,969)	(7,055,253)	(6,808,969)
Change in contractual liability	17.1	(12,477,258)	(10,473,788)	(12,477,258)	(10,473,788)
Net acquisition expenses	35	(2,814,561)	(2,103,022)	(2,814,561)	(2,103,022)
Operating and administrative expenses	36	(11,419,607)	(8,851,428)	(11,418,409)	(8,850,453)
Finance expenses	19.3	(92,748)	(89,840)	(92,748)	(89,840)
<b>Profit before tax</b>	37	<b>3,890,447</b>	<b>3,596,031</b>	<b>3,888,451</b>	<b>3,594,261</b>
Income tax expense	38	(1,156,171)	(1,128,986)	(1,155,572)	(1,128,417)
<b>Profit for the year</b>	39	<b>2,734,276</b>	<b>2,467,045</b>	<b>2,732,879</b>	<b>2,465,844</b>
<b>Profit attributable to;</b>					
Owners of the parent		2,734,276	2,467,045	2,732,879	2,465,844
Non-controlling interest		–	–	–	–
		<b>2,734,276</b>	<b>2,467,045</b>	<b>2,732,879</b>	<b>2,465,844</b>
Basic / diluted earnings per share (in LKR)	40	75.47	68.10	75.44	68.06
Dividend per share (in LKR)	41	28.00	–	28.00	–

The notes on pages 92 to 136 are an integral part of these Financial Statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Profit for the year</b>		<b>2,734,276</b>	<b>2,467,045</b>	<b>2,732,879</b>	<b>2,465,844</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that are / may be subsequently reclassified to profit or loss</b>					
Changes in fair value of available-for-sale financial assets	27.1	6,751,616	19,265,201	6,751,616	19,265,201
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	17.1	(5,865,779)	(15,406,355)	(5,865,779)	(15,406,355)
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurement of retirement benefit obligations	18	(16,196)	(78,896)	(16,196)	(78,896)
Revaluation of land	25	23,500	45,000	23,500	45,000
<b>Total other comprehensive income for the year</b>		<b>893,141</b>	<b>3,824,950</b>	<b>893,141</b>	<b>3,824,950</b>
<b>Total comprehensive income for the year</b>		<b>3,627,417</b>	<b>6,291,995</b>	<b>3,626,020</b>	<b>6,290,794</b>
<b>Total comprehensive income attributable to;</b>					
Owners of the parent		3,627,417	6,291,995	3,626,020	6,290,794
Non-controlling interest		–	–	–	–
<b>Total comprehensive income for the year</b>		<b>3,627,417</b>	<b>6,291,995</b>	<b>3,626,020</b>	<b>6,290,794</b>

Items disclosed in the statement above are net of tax.

The notes on pages 92 to 136 are an integral part of these Financial Statements.

# STATEMENT OF CHANGES IN EQUITY – GROUP

	Note	Stated capital	Capital reserve Revaluation reserve	Restricted regulatory reserve	Revenue reserves Available-for-sale reserve	Retained earnings	Total equity
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Balance as at 01 January 2023</b>		<b>3,201,922</b>	<b>232,916</b>	<b>6,080,848</b>	<b>(3,843,366)</b>	<b>12,718,535</b>	<b>18,390,855</b>
Profit for the year		–	–	–	–	2,467,045	2,467,045
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that are / may be subsequently reclassified to profit or loss</b>							
Changes in fair value of available-for-sale financial assets	27.1	–	–	–	19,265,201	–	19,265,201
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	17.1	–	–	–	(15,406,355)	–	(15,406,355)
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurement of retirement benefit obligations	18	–	–	–	–	(78,896)	(78,896)
Revaluation of land	25	–	45,000	–	–	–	45,000
<b>Total Comprehensive Income</b>		<b>–</b>	<b>45,000</b>	<b>–</b>	<b>3,858,846</b>	<b>2,388,149</b>	<b>6,291,995</b>
<b>Balance as at 31 December 2023</b>		<b>3,201,922</b>	<b>277,916</b>	<b>6,080,848</b>	<b>15,480</b>	<b>15,106,684</b>	<b>24,682,850</b>
Profit for the year		–	–	–	–	2,734,276	2,734,276
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that are / may be subsequently reclassified to profit or loss</b>							
Changes in fair value of available-for-sale financial assets	27.1	–	–	–	6,751,616	–	6,751,616
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	17.1	–	–	–	(5,865,779)	–	(5,865,779)
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurement of retirement benefit obligations	18	–	–	–	–	(16,196)	(16,196)
Revaluation of land	25	–	23,500	–	–	–	23,500
<b>Total Comprehensive Income</b>		<b>–</b>	<b>23,500</b>	<b>–</b>	<b>885,837</b>	<b>2,718,080</b>	<b>3,627,417</b>
<b>TRANSACTIONS WITH OWNERS:</b>							
Interim dividend	41	–	–	–	–	(1,014,383)	(1,014,383)
<b>Balance as at 31 December 2024</b>		<b>3,201,922</b>	<b>301,416</b>	<b>6,080,848</b>	<b>901,317</b>	<b>16,810,381</b>	<b>27,295,884</b>

The Group equity is fully attributable to the owners of the parent and hence non-controlling interest is not applicable in the Statement of Changes in Equity.

The notes on pages 92 to 136 are an integral part of these Financial Statements.



# STATEMENT OF CHANGES IN EQUITY – COMPANY

	Note	Stated capital	Capital reserve	Restricted regulatory reserve	Revenue reserves		Total equity
			Revaluation reserve		Available-for-sale reserve	Retained earnings	
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Balance as at 01 January 2023</b>		3,201,922	232,916	6,080,848	(3,843,366)	12,717,022	18,389,342
Profit for the year		–	–	–	–	2,465,844	2,465,844
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that are / may be subsequently reclassified to profit or loss</b>							
Changes in fair value of available-for-sale financial assets	27.1	–	–	–	19,265,201	–	19,265,201
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	17.1	–	–	–	(15,406,355)	–	(15,406,355)
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurement of retirement benefit obligations	18	–	–	–	–	(78,896)	(78,896)
Revaluation of land	25	–	45,000	–	–	–	45,000
<b>Total Comprehensive Income</b>		–	45,000	–	3,858,846	2,386,948	6,290,794
<b>Balance as at 31 December 2023</b>		3,201,922	277,916	6,080,848	15,480	15,103,970	24,680,136
Profit for the year		–	–	–	–	2,732,879	2,732,879
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that are / may be subsequently reclassified to profit or loss</b>							
Changes in fair value of available-for-sale financial assets	27.1	–	–	–	6,751,616	–	6,751,616
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	17.1	–	–	–	(5,865,779)	–	(5,865,779)
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurement of retirement benefit obligations	18	–	–	–	–	(16,196)	(16,196)
Revaluation of land	25	–	23,500	–	–	–	23,500
<b>Total Comprehensive Income</b>		–	23,500	–	885,837	2,716,683	3,626,020
<b>TRANSACTIONS WITH OWNERS:</b>							
Interim dividend	41	–	–	–	–	(1,014,383)	(1,014,383)
<b>Balance as at 31 December 2024</b>		3,201,922	301,416	6,080,848	901,317	16,806,270	27,291,773

The notes on pages 92 to 136 are an integral part of these Financial Statements.

# STATEMENT OF CASH FLOWS

For the financial year ended 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Premiums / fees received from customers		23,593,657	18,732,337	23,590,910	18,730,169
Reinsurance premium (net of claims and commission) received / (paid)		63,413	(143,056)	63,413	(143,056)
Claims and benefits paid		(6,839,085)	(6,887,440)	(6,839,085)	(6,887,440)
Cash paid to and on behalf of employees		(2,831,376)	(2,360,560)	(2,831,376)	(2,360,560)
Interest received		85,522	118,060	85,114	117,653
Short-term lease rentals paid	19.4	(3,700)	(1,950)	(3,700)	(1,950)
Payments to agents and intermediaries		(2,683,201)	(1,974,977)	(2,683,201)	(1,974,977)
Other operating cash payments		(7,006,689)	(5,577,567)	(7,007,880)	(5,577,276)
<b>Cash flow generated from operating activities</b>		<b>4,378,541</b>	<b>1,904,847</b>	<b>4,374,195</b>	<b>1,902,563</b>
Taxes paid	22	(624,894)	(403)	(624,282)	–
Policy loans granted		(122,684)	(208,708)	(122,684)	(208,708)
Policy loans repayment		179,957	277,992	179,957	277,992
<b>Net cash generated from operating activities</b>		<b>3,810,920</b>	<b>1,973,728</b>	<b>3,807,186</b>	<b>1,971,847</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	9.4	(16,317,692)	(21,347,108)	(16,317,692)	(21,347,108)
Proceeds from sale of investments	9.4	3,618,581	17,144,768	3,618,581	17,144,768
Investment expenses		(142,045)	(142,335)	(142,045)	(142,335)
Interest received – financial investments		11,045,317	10,163,856	11,047,997	10,164,219
Dividend received		59,730	42,029	59,730	42,029
Purchase of intangible assets	6	(682)	(7,027,686)	(682)	(7,027,686)
Purchase of property, plant and equipment	7	(304,544)	(155,334)	(304,544)	(155,334)
Purchases for assets under construction	6 & 7	(356,854)	(101,433)	(356,854)	(101,433)
Proceeds from disposal of property, plant and equipment		63,689	22,326	63,689	22,326
<b>Net cash used in investing activities</b>		<b>(2,334,500)</b>	<b>(1,400,917)</b>	<b>(2,331,820)</b>	<b>(1,400,554)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	41	(1,014,383)	–	(1,014,383)	–
Principal payment of lease liabilities	19.4	(271,436)	(252,677)	(271,436)	(252,677)
Interest paid – leases	19.4	(92,748)	(89,840)	(92,748)	(89,840)
<b>Net cash used in financing activities</b>		<b>(1,378,567)</b>	<b>(342,517)</b>	<b>(1,378,567)</b>	<b>(342,517)</b>
<b>Increase in cash and cash equivalents</b>		<b>97,853</b>	<b>230,294</b>	<b>96,799</b>	<b>228,776</b>
Cash and cash equivalents (net of bank overdraft) at the beginning of the year		617,018	386,724	612,455	383,679
<b>Cash and cash equivalents (net of bank overdraft) at the end of the year</b>	16	<b>714,871</b>	<b>617,018</b>	<b>709,254</b>	<b>612,455</b>

The notes on pages 92 to 136 are an integral part of these Financial Statements.

# STATEMENT OF FINANCIAL POSITION – SUPPLEMENTAL

## STATEMENT OF FINANCIAL POSITION – SUPPLEMENTAL

As at 31 December	Note	2024 LKR '000	2023 LKR '000
<b>ASSETS</b>			
Financial investments		83,390,850	65,030,632
Policyholder and other loans		136,264	192,879
Reinsurance receivables		21,505	207,920
Premium receivables		421,889	402,503
Other assets		3,013,091	3,391,610
Cash and cash equivalents		641,684	738,609
<b>Total assets</b>		<b>87,625,283</b>	<b>69,964,153</b>
<b>LIABILITIES</b>			
Insurance liabilities	17	82,494,035	65,677,581
Accruals and other payables		4,875,645	4,121,050
Deferred revenue		54,108	58,972
Bank overdraft		201,495	106,550
<b>Total liabilities</b>		<b>87,625,283</b>	<b>69,964,153</b>

## INSURANCE REVENUE ACCOUNT – SUPPLEMENTAL

For the financial year ended 31 December	Note	2024 LKR '000	2023 LKR '000
Gross written premium	28 (a)	23,573,648	18,799,104
Net written premium (net of premium ceded to reinsurers)	28 (b)	23,550,072	18,434,653
Investment income and other income		10,503,442	9,425,512
Charges deducted from policyholders fund		1,671,501	1,407,431
Net claims and benefits	34	(7,055,253)	(6,808,969)
Net acquisition expenses	35	(2,814,561)	(2,103,022)
Operating and administrative expenses		(11,467,786)	(8,890,957)
		<b>14,387,415</b>	<b>11,464,648</b>
Change in contractual liability	17.1	(12,477,258)	(10,473,788)
<b>Surplus transfer to shareholders' fund</b>		<b>1,910,157</b>	<b>990,860</b>

# NOTES TO THE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

## 1. GENERAL INFORMATION

AIA Insurance Lanka Limited, formerly known as AIA Insurance Lanka PLC, ("the Company") was incorporated as a company with limited liability in Sri Lanka on 12 December 1986 under the Companies Act No. 17 of 1982 and re-registered on 24 August 2009 under the Companies Act No. 07 of 2007 which came in to effect on 03 May 2007. The address of its registered office is AIA Tower, No. 92, Dharmapala Mawatha, Colombo 07, Sri Lanka.

The Company's parent entity is AIA Holdings Lanka (Private) Limited and the ultimate parent entity is AIA Group Limited which is incorporated in Hong Kong, pursuant to the acquisition effective from 05 December 2012.

AIA Insurance Lanka Limited (the Company) and its Subsidiary (together forming "the Group") underwrite life insurance risks, such as those associated with death, health and disability. The Group also provides services in the capacity of a trustee.

The Group Financial Statements for the year ending 31 December 2024 have been authorised to issue by the Board of Directors on 20 February 2025.

## 2. BASIS OF PREPARATION

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). These Financial Statements have been prepared under the historical cost convention except for certain financial assets and liabilities and certain classes of property under Note 2 which are measured at fair value. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's Financial Statements are disclosed in Note 04 to the Financial Statements.

The Financial Statements are presented in Sri Lanka Rupees (LKR) and all values are rounded to the nearest thousand (LKR'000), except when otherwise indicated.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied by the Group in preparing its Financial Statements are depicted in the Notes 3.2 to 4.4 and those policies have been consistently applied to all periods presented.

### 3.1 Changes in accounting policies and disclosures

#### (a) New and amended standards adopted by the Group

##### (i) LKAS 1, "Presentation of Financial Statements" – non-current liabilities with covenants

The Group has adopted the amendments to LKAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

It also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

This amendment is effective for the annual periods beginning on or after 01 January 2024.

**(ii) LKAS 1, “Presentation of Financial Statements” – classification of liabilities as current or non-current**

The Group has adopted the amendments to LKAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the Statement of Financial Position and not the amount or timing of recognition of any asset, liability, income, or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

This amendment is effective for the annual periods beginning on or after 01 January 2024.

**(iii) LKAS 7, “Statement of Cash Flows” and SLFRS 7, “Financial Instruments: Disclosures” – supplier finance arrangements**

The group has adopted the amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

This amendment is effective for the annual periods beginning on or after 01 January 2024.

**(iv) SLFRS 16, “Leases” – lease liability in a sale and leaseback**

The Group has adopted the amendments to SLFRS 16 for the first time in the current year.

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 “Revenue from Contracts with Customers” to be accounted for as a sale. The amendments

require the seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

This amendment is effective for the annual periods beginning on or after 01 January 2024.

**(b) New standards and interpretations issued but not yet effective and not early adopted**

The following standards and interpretations had been issued by IASB (not yet adopted by CA Sri Lanka except for SLFRS 17) and are not mandatory for annual reporting periods ending 31 December 2024.

**(i) SLFRS 17, “Insurance Contracts”**

SLFRS 17 was issued as a replacement for SLFRS 4, “Insurance Contracts”. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- a. discounted probability-weighted cash flows
- b. an explicit risk adjustment, and
- c. a Contractual Service Margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the Statement of Profit or Loss or directly in Other Comprehensive Income. The choice is likely to reflect how insurers account for their financial assets under SLFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the Financial Statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

This amendment is effective for the annual periods beginning on or after 01 January 2026. There has been a considerable amount of preparatory work carried out by the Company for adaptation of this new standard.

## (ii) SLFRS 9, “Financial Instruments”

The Company met the eligibility criteria for temporary exemption under the Amendments of SLFRS 4 “Insurance Contracts” from applying SLFRS 9 “Financial Instruments” in 2018 and has accordingly deferred the adoption of SLFRS 9 until SLFRS 17, “Insurance Contracts” is adopted upon its mandatory effective date. Based on proposed SLFRS 17 “Insurance Contracts” the Company is permitted to apply the temporary exemption as the Company meets the following eligibility criteria.

- The Company has not applied SLFRS 9 before; and
- The Company’s activities are predominantly connected with insurance as the ratio of its liabilities connected with insurance, including investment contracts measured at the fair value through profit or loss compared with total liabilities is greater than 90 per cent. Accordingly, the Company qualifies as a pure insurance company.

As at 31 December	2024 LKR '000
Insurance contract liability	82,494,035
Deferred revenue	54,108
Liabilities connected with insurance	82,548,143
Total liabilities	90,671,908
Predominance ratio	91%

## (iii) IAS 21, “The Effects of Changes in Foreign Exchange Rates” – lack of exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity’s ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity’s objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments are effective for annual reporting periods beginning on or after 01 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

## (iv) IFRS 9 and IFRS 7, “Classification and Measurement of Financial Instruments”

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the Solely Payments of Principal and Interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows [such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets]; and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 01 January 2026, with earlier application permitted.



#### (v) IFRS 18, "Presentation and Disclosures in Financial Statements"

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the Statement of Profit or Loss
- Provide disclosures on Management-defined Performance Measures (MPMs) in the Notes to the Financial Statements
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 01 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

#### (vi) IFRS 19, "Subsidiaries without Public Accountability: Disclosures"

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its Financial Statements.

A subsidiary is eligible for reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces Consolidated Financial Statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- It is a subsidiary (this includes an intermediate parent)
- It does not have public accountability, and
- Its ultimate or any intermediate parent produces Consolidated Financial Statements available for public use that comply with IFRS Accounting Standards.

Eligible entities can apply IFRS 19 in their consolidated, separate, or individual Financial Statements. An eligible intermediate parent that does not apply IFRS 19 in its Consolidated Financial Statement may do so in its separate Financial Statements.

The new standard is effective for reporting periods beginning on or after 01 January 2027 with earlier application permitted.

#### (vii) Annual Improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures and its accompanying guidance on implementing IFRS 7;

IFRS 9 Financial Instruments;

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 01 January 2026 with earlier application permitted.

## 3.2 Consolidation

### 3.2.1 Subsidiaries

Subsidiaries are those entities (including structured entities) over which the Group has control. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group, and continues to be consolidated until the date when such control ceases. The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent company.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred if the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or a liability is recognised in accordance with LKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, unrealised gains and unrealised losses on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### 3.3 Foreign currency translation

The Group's Financial Statements are presented in Sri Lanka Rupees (LKR) which is also the Group's functional currency. That is the currency of the primary economic environment in which the Group operates.

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 retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the Income Statement.

## 3.4 Financial instruments

### 3.4.1 Financial assets

#### 3.4.1.1 Initial recognition and measurement

The Group classifies its financial assets into the following categories;

- (a) Financial assets at fair value through profit or loss (FVTPL),
- (b) Loans and receivables (LR),
- (c) Held to maturity (HTM) and
- (d) Available-for-sale (AFS)

The classification is determined by the management at initial recognition on the trade-date; the date on which the Group commits to purchase or sell the asset, and recognise initially at fair value plus transaction cost except in the case of financial assets at fair value through profit or loss which is recognised at fair value.

#### 3.4.1.2 Subsequent measurement

##### Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading and those designated at fair value through profit or loss at inception.

Investments typically bought with the intention to sell in the near future are classified as held for trading. When the Group is unable to trade these financial assets due to inactive markets and Management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

For investments designated as at fair value through profit or loss at the inception, the following criteria must be met:

- (a) The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or
- (b) The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

The Group classified investments in equity instruments and unit trusts in the life shareholders' fund and unit-linked funds as financial assets at fair value through profit or loss hence those financial assets are managed and performance is evaluated on the fair value basis.

##### Loans and receivables (LR)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Group intends to sell in the short-term or that it has designated as at fair value through profit or loss or available-for-sale. Receivables arising from insurance and reinsurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in investment income in the Income Statement.

### Held-to-Maturity investments (HTM)

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Income Statement. The Group did not have any held-to-maturity investments during the years ended 31 December 2024 and 2023.

### Available-For-Sale Financial Assets (AFS)

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as OCI in the available-for-sale reserve until the investment is derecognised except in the case of AFS assets of the Life policyholders' fund which is transferred to the long term insurance liability through the Statement of Comprehensive Income.

#### 3.4.1.3 Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

#### 3.4.1.4 Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. The impairment assessment is performed at each reporting date.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- (a) Significant financial difficulty of the issuer or debtor;
- (b) A breach of contract, such as a default or delinquency in payments;
- (c) It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- (d) The disappearance of an active market for that financial asset because of financial difficulties; or
- (e) Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - Adverse changes in the payment status of issuers or debtors in the group; or
  - National or local economic conditions that correlate with defaults on the assets in the group.

### Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original EIR. The carrying amount of the asset is reduced and the loss is recorded in the Income Statement.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Income Statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

### Available-for-sale financial assets

The Group assesses at each date of the Statement of Financial Position whether there is objective evidence that a financial asset or a group of financial assets are impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20 per cent or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement. If in a subsequent period the fair value of a

debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Income Statement.

### 3.4.2 Financial liabilities

#### 3.4.2.1 Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and includes directly attributable transaction costs.

#### 3.4.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Income Statement.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

##### Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

#### 3.4.2.3 Derecognition of financial liabilities

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Income Statement.

### 3.4.3 Offsetting of financial assets

Financial assets and liabilities are off-set and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.5 Property, plant and equipment

Property, plant and equipment is stated at cost or revalued amount less accumulated depreciation and any accumulated impairment in value. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses on repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

The Group has adopted a policy of revaluing the assets held at valuation on an annual basis. Revaluation is performed on freehold land by a professionally qualified valuer. Increases in the carrying amount arising on revaluation of land are credited to the OCI and shown as revaluation reserves in shareholders' equity. Decreases that off-set previous increases of the same asset are charged in the OCI and debited against revaluation reserves directly in equity. All other decreases are charged to the Income Statement.

Items of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Income Statement under realised gains. When revalued assets are derecognised, the amounts included in the revaluation surplus are transferred to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows;

	Number of years
Leasehold improvements	3-10
Plant and machinery	5
Computer equipment	3-5
Furniture and fittings	5
Motor vehicles	4-5

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.6 Intangible assets

Intangible assets consist primarily of acquired computer software and contractual relationships, such as access to distribution networks.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category consistent with the intangible asset.

Estimated useful lives of the finite intangible assets are as follows;

	Number of years
Contractual relationships	5 - 20
Computer software	2 - 15

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the changes in useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

### 3.7 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid financial instruments and bank overdrafts.

In the Statement of Financial Position, bank overdrafts are shown as a separate liability.

### 3.8 Stated capital

The Group's Stated Capital comprises of ordinary shares which are classified as equity. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

### 3.9 Insurance contracts

#### 3.9.1 Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the Risk Based Capital (RBC) method plus any other mandatory reserves as required by the regulator. The liability is determined as the sum of the discounted value of the expected future benefits, which are directly related to the contract, less the discounted value of the expected future premiums. The liability is based on current regulatory and best estimate assumptions.

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate via a liability adequacy test using a Gross Premium Valuation (GPV) method. The liability value is adjusted if it is insufficient to meet future benefits and expenses. In performing the liability adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A discounted cash flow valuation method is applied. The interest rate applied is based on current market interest rates. Any inadequacy is recorded in the Income Statement by establishing a technical reserve for the remaining loss. The assumptions do not include a margin for adverse deviation. Impairment losses resulting from liability adequacy testing can be reversed in future years if the impairment no longer exists.



### 3.9.2 Trade receivables (Premium receivables)

Premium receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, premium receivables are measured at amortised cost, using the EIR method. The carrying value of premium receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Income Statement.

Premium receivables are derecognised when the derecognition criteria for financial assets are met.

## 3.10 Reinsurance contracts

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the Income Statement.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented in the Financial Statements on gross basis for ceded reinsurance contracts.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

## 3.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in the OCI or directly in equity. In this case, the tax is also recognised in the OCI or directly in equity, respectively.

### 3.11.1 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

### 3.11.2 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The tax effects of carried forward unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred income tax assets and liabilities are off-set when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax related to fair value remeasurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in the OCI, is also credited or charged directly to the OCI and subsequently recognised in the Income Statement together with respective gains or losses.



### 3.12 Employee benefits

The Group has both defined benefit and defined contribution plans.

#### 3.12.1 Defined benefit plan

A defined benefit plan is a post-employment benefit plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the financial reporting period, together with adjustments for actuarial gains or losses from experience adjustments and changes in actuarial assumptions and past service costs. The defined benefit obligation is calculated annually by a qualified actuary using the "Projected Unit Credit method". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that approximate the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the equity in the OCI in the period in which they arise.

Past service costs are recognised immediately in the Income Statement.

#### 3.12.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company and employees contribute to the Employees' Provident Fund (EPF) in terms of the Employees' Provident Fund Act, No. 15 of 1958 (as amended). Contributions in respect of permanent and contractual employees are remitted to the Central Bank of Sri Lanka. The Company also contributes to the Employees' Trust Fund (ETF) in terms of the Employees' Trust Fund Act No. 46 of 1980 (as amended). The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments are available.

### 3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement. 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 an interest expense.

### 3.14 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

The Group leases various offices and vehicles. Rental contracts are typically made for fixed periods but may have extension options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 01 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### 3.15 Revenue recognition

#### 3.15.1 Insurance related revenue

The premium income is recognised on accrual basis and net of reinsurance premium. The gross written premiums are recognised either where the policy is issued or the installment falls due.

#### 3.15.2 Fee income

Policy administration charges, other contract fees and trust management fees are recognised on an accrual basis. If the fees are for services provided in future periods then they are deferred and recognised over those future periods.

#### 3.15.3 Investment income

##### Interest Income

Interest income is recognised on the time proportionate basis using EIR irrespective of the classification under LKAS 39. The amortisation of discount / premium is also treated as an interest income.

##### Dividend income

Dividend income is recognised when the right to receive payment is established irrespective of its classification of FVTPL or AFS which is the ex-dividend date for equity instruments.

#### 3.15.4 Fair value gains and losses

Fair value gains and losses on AFS securities are recognised in the Statement of Comprehensive Income until such instrument is derecognised or impaired.

Fair value gains and losses on financial assets at FVTPL, are recognised in the Income Statement.

#### 3.15.5 Realised gains and losses

Realised gains and losses recorded in the Income Statement include gains and losses on financial assets, property, plant and equipment, divestment of related entities.

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original cost, amortised cost or carrying amount, depending on the classification of the assets and are recorded on occurrence of the sale transaction.

### 3.16 Claims, benefits and expenses recognition

#### 3.16.1 Gross claims and benefits

Gross claims and benefits for insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on contracts, as well as changes in the gross valuation of insurance and liabilities. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

#### 3.16.2 Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

### 3.17 Share-based compensation plans

AIA Group Limited (AIAGL) operates a number of share-based compensation plans, under which the Company receives services from the employees, directors, and officers as consideration for the shares and / or options of AIAGL. These share-based compensation plans comprise the Share Option Scheme (SO Scheme), the Restricted Share Unit Scheme (RSU Scheme) and the Employee Share Purchase Plan (ESPP).

The share compensation plans of AIA Group (consisting of AIAGL and its subsidiaries) offered to the Group's employees are equity-settled plans. Under an equity-settled share-based compensation plan, the fair value of the employee services received in exchange for the grant of AIAGL's shares is recognised as an expense in profit or loss over the vesting period with a corresponding amount recorded in equity in AIA Group Financial Statements. Any amounts recharged from AIAGL to the Company related to share-based payment arrangements are recognised as an expense in the Income Statement.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share and / or options granted. Non-market vesting conditions are included in assumptions about the number of shares that are expected to be vested. At each period end, the Group revises its estimates of the number of shares that are expected to be vested. Any impact of the revision to original estimates is recognised in profit or loss with a corresponding adjustment to related party payables. Where awards of share-based payment arrangements have graded vesting terms, each tranche is recognised as a separate award, and therefore the fair value of each tranche is recognised over the applicable vesting period.

Where modification or cancellation of an equity-settled share-based compensation plan of AIA Group occurs, the grant date fair value continues to be recognised, together with any incremental value arising on the date of modification if non-market conditions are met.

#### Valuation Methodology

The Group utilises a Monte-Carlo simulation model and / or discounted cash flow technique to calculate the fair value of the RSU and ESPP awards, taking into account the terms and conditions upon which the awards were granted. The price volatility is estimated on the basis of implied volatility of the AIAGL's shares which is based on an analysis of historical data since they are traded in the Stock Exchange of Hong Kong and takes into consideration the historical volatility of peer companies. The estimate of market condition for performance based RSUs is based on one-year historical data preceding the grant date.

## 4. CRITICAL ACCOUNTING ESTIMATES AND THE USE OF JUDGEMENT

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Insurance contracts

#### 4.1.1 Product classification

SLFRS 4; "Insurance Contracts", requires contracts written by insurers to be classified either as insurance contracts or investment contracts, depending on the level of insurance risk. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk.

Accordingly, the Company performs a product classification exercise covering its portfolio of contracts to determine the classification of contracts to these categories. Product classification requires the exercise of significant judgement

to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Company to pay significant additional benefits to its customers. In the event the Company has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract.

The judgements exercised in determining the level of insurance risk deemed to be significant in product classification affect the amounts recognised in the Financial Statements as insurance and investment contract liabilities and deferred acquisition and origination costs.

#### 4.1.2 Life insurance liabilities

SLFRS 4 permits a wide range of accounting treatments to be adopted for the recognition and measurement of insurance contract liabilities, including liabilities in respect of insurance contracts. The Company calculates insurance contract liabilities for traditional life and universal life insurance contracts using an RBC-based method plus any other mandatory reserves as required by the regulator, whereby the liability represents the present value of estimated future policy related outflows, less the present value of estimated future gross premiums to be collected from policyholders. This method uses best estimates assumptions for mortality, morbidity, lapse, expenses and investment yields. Interest rate assumptions can vary by product and are prescribed by regulation. Mortality, morbidity, lapse, and expense assumptions are based on annual experience studies, allowing for risk margins as prescribed by the Regulator. The Company exercises significant judgement in setting appropriate assumptions.

For unit-linked contracts, insurance contract liabilities represent the unit fund value, plus a non-unit reserve to cover the profit and loss account. Significant judgement is exercised in making appropriate estimates of gross profits, which are also regularly reviewed by the Company.

The judgements exercised in the valuation of insurance contract liabilities affect the amounts recognised in the Financial Statements as insurance contract benefits and insurance contract liabilities.

#### 4.1.3 Liability adequacy testing

The Company evaluates the adequacy of its insurance contract liabilities at least annually. Liability adequacy is assessed by portfolio of contracts in accordance with the Company's manner of acquiring, servicing and measuring the profitability of its insurance contracts.

For traditional life insurance contracts, insurance contract liabilities are compared with the gross premium valuation calculated on a best estimate basis, as of the valuation date. If there is a deficiency, the net liability is increased by the amount of the deficiency.

Significant judgement is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. The judgements exercised in liability adequacy testing affect amounts recognised in the Financial Statements as commission and other acquisition expenses and insurance contract benefits and insurance and investment contract liabilities.

## 4.2 Fair value estimation

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels;

Level I	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level II	Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level III	Inputs for the asset or liability that are not based on observable market data

The information regarding fair value hierarchy is given in Note 9.5 to the Financial Statements.

### (a) Financial instruments in level I

The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date. A market is regarded as active 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. The quoted market price used for financial assets held by the Group is the last traded price in an active market. These instruments are included in level I. Instruments included in level I comprise primarily investments in equity instruments traded in the Colombo Stock Exchange.

### (b) Financial instruments in level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level II.

Instruments included in level II comprise primarily investments in Treasury bills and Treasury bonds issued by the Government of Sri Lanka.

Specific valuation techniques used to value financial instruments include:

- Present value of the estimated future cash flows based on observable yield curves;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

## 4.3 Valuation of retirement benefit obligations

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and staff turnover. Due to the long-term nature of these obligations, such estimates are subject to significant uncertainty. Details of the key assumptions used in the estimates are contained in Note 18 to the Financial Statements.

## 4.4 Taxation

Estimates are required relating to the amount of tax that will ultimately be payable and the availability and utilisation of losses to be carried forward. Judgement is required in determining the provision for taxes as tax treatment is often by its nature complex, and may not be finally determined until a formal resolution has been reached with the relevant tax authority. Judgement is also required in assessing the amount of deferred tax asset that can be recognised. Deferred tax assets relating to tax losses carried forward can only be recognised if it is probable that they can be used. A deferred tax asset can be used if there are future taxable profits to offset against the losses carried forward. This requires management to assess the likelihood, timing and expected amount of future taxable profits. Details of the estimates used in taxation are contained in Notes 11 and 38 to the Financial Statements.

## 5. RISK MANAGEMENT

### 5.1 Financial risk management

The primary source of financial risk to an insurer arises from its investment exposures and investment activities. Thus, the investment portfolios maintain a prudent approach in its investment strategy and investment exposures to ensure that investment returns are optimised on a risk-adjusted basis and to ensure the Company operates within its defined risk appetite.

Risk appetite statements communicate the parameters and boundaries within which the business unit has opted to operate in relation to the identified financial risks. In the Company, the risk appetite framework has expressed the business unit's appetite as regards capital risk, liquidity risk, credit risk and market risk. The exposures and management information pertaining to these four risk aspects are within the scope of identified governance committees of the business based on the required technical expertise to provide effective oversight.

Management information is submitted periodically to review and monitor these risks at these governance committees that convene as per their defined frequency of review.

Management of financial risks falls under the purview of the local Financial Risk Committee, which monitors the overall exposure of the Company to financial risks.

Total investments of the Company are managed separately through segregated funds with due consideration to their respective risk profiles, stakeholders and objectives.

The following table contains a high level summary of the investment exposures by the Company's investment portfolios. The Company keeps investment exposures within predetermined strategic asset allocation limits, which are defined in order to generate superior investment returns without excessive exposure to high risk assets.

As at 31 December	2024		2023	
	LKR '000	%	LKR '000	%
Government securities	85,457,220	84.4	65,623,866	82.2
Reverse repurchase agreements	6,879,423	6.8	6,143,037	7.7
Corporate debt	6,852,209	6.8	6,852,209	8.6
Bank deposits	104,613	0.1	104,613	0.1
Equity	1,901,970	1.9	1,152,290	1.4
<b>Total</b>	<b>101,195,435</b>	<b>100</b>	<b>79,876,015</b>	<b>100</b>

In the case of unit-linked funds, the policyholder is the decision maker on asset allocation due to the investment choice provided to the policyholder to choose the preferred unit-linked funds to direct policy premium according to their risk appetite. As such, the unit-linked business' investment portfolios will maintain an exposure to equity investments even during periods of volatile equity markets as long as policyholders opt to remain invested in the unit-linked Growth Fund and unit-linked Balanced Fund. Policyholders opt to invest in these two funds to primarily benefit from "Rupee Cost Averaging" over the long-term investment horizon.

Equity risk of the unit-linked business is managed by close monitoring of the asset class parameters in each unit-linked fund and by investing in equity in line with the equity investment philosophy of the Company. The Management believes that superior investment returns in equity investments can be secured over the long-term investment horizon by investing in fundamentally sound liquid blue-chip counters.

### 5.1.1 Liquidity risk

Liquidity risk is the uncertainty, arising from business operations, investments, or financing activities regarding a company's ability to meet payment obligations in full and on time under both current and stressed conditions. Liquidity adequacy is a measure or assessment of the ability of a company to meet these obligations within a defined time horizon. It is a function of the company's sources of liquidity relative to its liquidity needs. Liquidity sources can be internal or external, immediately available or within the defined time horizon. These include all funds, assets, and arrangements that allow an insurer to meet its liquidity requirements. Liquidity needs encompass all current and expected payment obligations within the defined time horizon.

The Company has established a 12 month time horizon as the appropriate time horizon within which it must be able to meet its liquidity needs, being generally acknowledged as the critical period for companies to weather a stressed liquidity environment if they are to survive. It is expected that the Company will be able to meet its obligations in both current and stressed conditions for at least this time frame.

### Controls in place to mitigate liquidity risk

- Management of liquidity risk is governed by the Liquidity Risk Standard which is a component of the Company's risk management framework and is incorporated in the investment mandates of the business. The Company defines liquidity risk appetite in terms of Liquidity Coverage Ratio which is defined for each core portfolio of the business.
- The liquidity adequacy is reviewed quarterly by the Financial Risk Committee to ensure sufficient liquidity under both current and stressed conditions for the next 12 months.
- The Company maintains a cash flow maturity profile within the investment portfolios of the Company in tandem with the risk appetite of each portfolio and cash flow needs.
- Minimum liquidity levels are incorporated into the Investment Mandate of each portfolio and are monitored on a daily basis.

The following table depicts the maturity profile of the investment portfolio on an undiscounted cash flow basis, designed and actively managed to align with the financial liabilities of the business.

As at 31 December 2024	1 year LKR '000	1 year – 5 years LKR '000	5 years – 10 years LKR '000	Over 10 Years LKR '000	No stated maturity LKR '000	Total LKR '000
<b>FINANCIAL ASSETS</b>						
<b>Available-for-sale</b>						
Government securities	12,685,580	80,707,752	38,347,005	10,296,250	–	142,036,587
Equity instruments	–	–	–	–	39,903	39,903
<b>Loans and receivables</b>						
Reverse repurchase agreements	7,010,738	–	–	–	–	7,010,738
Corporate debt	2,072,783	6,838,510	1,642,500	–	–	10,553,793
Bank deposits	114,906	–	–	–	–	114,906
<b>Fair value through profit or loss</b>						
Equity instruments	–	–	–	–	1,862,067	1,862,067
<b>Other loans and receivables</b>						
Trade receivables (Premium receivables)	421,889	–	–	–	–	421,889
Reinsurance assets	21,505	–	–	–	–	21,505
Policy loans	–	–	–	–	124,517	124,517
Other receivables	30,304	8,173	732	–	–	39,209
Cash and cash equivalents	910,749	–	–	–	–	910,749
	<b>23,268,454</b>	<b>87,554,435</b>	<b>39,990,237</b>	<b>10,296,250</b>	<b>2,026,487</b>	<b>163,135,863</b>
<b>FINANCIAL LIABILITIES</b>						
<b>At amortised cost</b>						
Lease liability	343,191	443,439	–	–	–	786,630
Agency commission payable	480,375	–	–	–	–	480,375
Franchise fee payable	39,195	–	–	–	–	39,195
Bank overdraft	201,495	–	–	–	–	201,495
	<b>1,064,256</b>	<b>443,439</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,507,695</b>
<b>As at 31 December 2023</b>	<b>1 year LKR '000</b>	<b>1 year – 5 years LKR '000</b>	<b>5 years – 10 years LKR '000</b>	<b>Over 10 Years LKR '000</b>	<b>No stated maturity LKR '000</b>	<b>Total LKR '000</b>
<b>FINANCIAL ASSETS</b>						
<b>Available-for-sale</b>						
Government securities	10,607,152	56,046,808	46,522,957	13,446,500	–	126,623,417
Equity instruments	–	–	–	–	37,040	37,040
<b>Loans and receivables</b>						
Reverse repurchase agreements	6,699,622	–	–	–	–	6,699,622
Corporate debt	878,306	6,348,293	4,205,500	–	–	11,432,099
Bank deposits	125,565	–	–	–	–	125,565
<b>Fair value through profit or loss</b>						
Equity instruments	–	–	–	–	1,115,250	1,115,250
<b>Other loans and receivables</b>						
Trade receivables (Premium receivables)	402,503	–	–	–	–	402,503
Reinsurance assets	207,920	–	–	–	–	207,920
Policy loans	–	–	–	–	181,790	181,790
Other receivables	26,834	3,836	945	–	–	31,615
Cash and cash equivalents	743,977	–	–	–	–	743,977
	<b>19,691,879</b>	<b>62,398,937</b>	<b>50,729,402</b>	<b>13,446,500</b>	<b>1,334,080</b>	<b>147,600,798</b>



As at 31 December 2023	1 year LKR '000	1 year – 5 years LKR '000	5 years – 10 years LKR '000	Over 10 Years LKR '000	No stated maturity LKR '000	Total LKR '000
<b>FINANCIAL LIABILITIES</b>						
<b>At amortised cost</b>						
Lease liability	286,432	571,503	5,567	–	–	863,502
Agency commission payable	298,101	–	–	–	–	298,101
Franchise fee payable	23,980	–	–	–	–	23,980
Bank overdraft	131,522	–	–	–	–	131,522
	<b>740,035</b>	<b>571,503</b>	<b>5,567</b>	<b>–</b>	<b>–</b>	<b>1,317,105</b>

The financial assets / liabilities of the subsidiary entity are not significant at Group level. Therefore the financial risk of the Group primarily arise from the disclosed company balances.

### 5.1.2 Credit risk

Credit risk is the risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. Credit risk categories include default risk, spread risk, and rating migration risk, each of which is defined below;

#### Spread risk

The risk of an adverse financial outcome arising from changes in the level or volatility of third party credit spreads. Credit spread moves can be caused by credit concerns (improving or worsening) on the issuer or from market factors (such as risk appetite and liquidity within the market).

#### Default risk

The risk of an adverse financial outcome arising from one or more third party default events. A default event includes a delay in repayments or interest payments, restructuring of borrower repayments / interest schedule, bankruptcy and repudiation / moratorium (for example, for sovereign counterparties).

#### Rating migration risk

The risk of an adverse financial outcome arising from a change in third party credit standing. As well as having a potential knock-on effect on spreads, rating movements can trigger solvency and accounting impacts (for example, where rules are based on counterparty ratings) and can drive management actions and the realisation of losses (for example, where investment mandates set counterparty and portfolio limits based on ratings).

#### Controls in place to mitigate credit risk

The management of credit risk is governed by the Credit Risk Management Policy which is embedded within the Investment Policy and incorporated in the Investment Mandates of the business.

Single counterparty exposures are monitored based on the counterparty exposure in comparison to the net assets of the counterparty.

All investments are denominated in Sri Lanka Rupees (LKR) and the Company does not maintain any investment exposures to assets held overseas.

Minimum investment grade rating criteria have been implemented for determining investment decisions.

The Company maintains a predominant exposure to Government securities and high grade corporate debt thus prudently managing credit default risk from these investments.

The Company places corporate debt investment exposures with counterparties with 'A' (lka) and above as assigned by Fitch Ratings Lanka Ltd. at the time of investment.

Rating movements on the Company's corporate debt investments are monitored on a monthly basis by the Investment Oversight Committee.

The investments portfolios are maintained with the custodian bank, Deutsche Bank AG.

Government securities, including collateral from reverse repurchase agreements are held at Lanka Secure, which is maintained by the Central Bank of Sri Lanka.

All reverse repurchase agreements maintain its exposure to Government securities.

The Company carries out investment transactions through / with Investment Committee approved intermediaries.

The following table reflects the credit ratings of financial assets – debt instruments of the business as per the National Ratings by Fitch Ratings Lanka Ltd. and international ratings by Fitch as at 31 December 2024 and 2023.

As at 31 December 2024	Risk-free LKR '000	AAA LKR '000	AA+ LKR '000	A+ LKR '000	A LKR '000	A- LKR '000	BBB+ LKR '000	BBB LKR '000	BBB- LKR '000	Non-rated LKR '000	Total LKR '000
<b>Available-for-sale</b>											
Government securities	85,457,220										85,457,220
<b>Loans and receivables</b>											
Reverse repurchase agreements	6,879,423										6,879,423
Corporate debt					1,625,000	2,000,000	2,027,209	1,200,000			6,852,209
Bank deposits					50,000	54,613					104,613
Trade receivables (Premium receivables)										421,889	421,889
Reinsurance assets										21,505	21,505
Policy loans										124,517	124,517
Other receivables										222,384	222,384
Cash and cash equivalents	16	6,027	602	3,061	305,326	565,993			29,724		910,749
	<b>92,336,659</b>	<b>6,027</b>	<b>602</b>	<b>3,061</b>	<b>1,980,326</b>	<b>2,620,606</b>	<b>2,027,209</b>	<b>1,200,000</b>	<b>29,724</b>	<b>790,295</b>	<b>100,994,509</b>

As at 31 December 2023	Risk-free LKR '000	AAA LKR '000	AA+ LKR '000	A+ LKR '000	A LKR '000	A- LKR '000	BBB+ LKR '000	BBB LKR '000	BBB- LKR '000	Non-rated LKR '000	Total LKR '000
<b>Available-for-sale</b>											
Government securities	65,623,866										65,623,866
<b>Loans and receivables</b>											
Reverse repurchase agreements	6,143,037										6,143,037
Corporate debt					1,625,000	2,000,000	2,027,209	1,200,000			6,852,209
Bank deposits					50,000	54,613					104,613
Trade receivables (Premium receivables)										402,503	402,503
Reinsurance assets										207,920	207,920
Policy loans										181,790	181,790
Other receivables										203,848	203,848
Cash and cash equivalents	16	3,138	1,276	5,689	152,700	576,656			4,501		743,977
	<b>71,766,919</b>	<b>3,138</b>	<b>1,276</b>	<b>5,689</b>	<b>1,827,700</b>	<b>2,631,269</b>	<b>2,027,209</b>	<b>1,200,000</b>	<b>4,501</b>	<b>996,061</b>	<b>80,463,763</b>

As at 31 December	2024 LKR '000	2023 LKR '000
Carrying value of investments in reverse repurchase agreements *	6,879,423	6,143,037
Fair value of collateral *	7,257,319	7,450,571
Excess value of collateral	377,896	1,307,534
Margin	5%	21%

\* The amounts stated above are inclusive of accrued interest.

### 5.1.3 Market risk

Market risk is the risk of adverse financial impact resulting from fluctuations in the level or volatility of prices of financial instruments and other market factors including interest rates, inflation and foreign-exchange rates. Market risk categories include interest rate risk, equity risk, foreign exchange risk, inflation risk, property risk, commodity risk and other risks arising from alternative investments (for example, hedge funds and private equity). The Company's primary sources of market risks are interest rate risk and equity risk.

Although credit and liquidity risks are defined and managed as separate risks, the assessment of market risk does consider the interdependence between market risk and credit and liquidity risks (for example, market losses caused by illiquidity issues, sovereign default or a default of a systemically important counterparty) and also the capital risk arising from market risk.

#### Interest rate risk

The risk of an adverse financial impact due to changes in the absolute level of interest rates, in the shape or curvature of the yield curve or in any other interest rate relationship including volatility and spread between different yield curves.

The following table summarises the nature of the interest rate risk associated with financial assets.

As at 31 December 2024	Fixed interest LKR '000	Non-interest bearing LKR '000	Total LKR '000
Loans and deposits	280,279	66,622	346,901
Debt securities	99,293,465	–	99,293,465
Trade receivables (Premium receivables)	–	421,889	421,889
Reinsurance assets	–	21,505	21,505
Cash and cash equivalents	733,778	176,971	910,749
	<b>100,307,522</b>	<b>686,987</b>	<b>100,994,509</b>

As at 31 December 2023	Fixed interest LKR '000	Non-interest bearing LKR '000	Total LKR '000
Loans and deposits	294,147	91,491	385,638
Debt securities	78,723,725	–	78,723,725
Trade receivables (Premium receivables)	–	402,503	402,503
Reinsurance assets	–	207,920	207,920
Cash and cash equivalents	541,345	202,632	743,977
	<b>79,559,217</b>	<b>904,546</b>	<b>80,463,763</b>

#### Equity risk

Equity risk is the risk of adverse financial impact due to equity market dynamics (for example, individual spot or derivative price moves, index moves, volatility and correlation changes etc.). This risk applies to direct equity (the holding of equities, embedded equity options in liabilities) and to indirect equity (management fees on equity funds) positions. The information regarding equity is given in Note 9.2 and Note 9.3 of the Financial Statements.

The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

#### Foreign exchange risk

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency.

#### Risk oversight

Evaluating the impact of market risk, credit risk and liquidity risk are inbuilt into the investment decision-making process. The market risk, credit risk and liquidity risk of the investment portfolios are monitored every month by the Investment Oversight Committee, a management level governance oversight committee responsible to oversee investments. The Board of Directors level governance oversight committee responsible to oversee investments is the Investment Committee which is a sub committee of the Board of Directors. The Investment Committee monitors the market risk, credit risk and liquidity risk of the investment portfolios every quarter.

The capital risk of the Company is monitored by the Financial Risk Committee that convenes on a quarterly basis. The Financial Risk Committee also reviews the liquidity risk, credit risk and market risk of the investment portfolios.

### Sensitivity analysis on market, equity, and interest rate risk

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument at the reporting date will fluctuate in response to assumed movements in market interest rate. The management monitors the sensitivity of reported fair value of financial instruments on a regular basis by assessing the projected changes in the fair value of financial instruments held by the portfolios in response to assumed parallel shift in the yield curve by + / - 100 basis points.

As at 31 December Impact to;	2024		2023	
	Net asset value LKR '000	Profit before tax LKR '000	Net asset value LKR '000	Profit before tax LKR '000
<b>Interest rate risk</b>				
+ 100 basis points	(1,133,832)	(1,619,759)	(505,830)	(722,614)
- 100 basis points	1,217,655	1,739,508	621,608	888,011

The sensitivity analysis for equity risk is not illustrated as equity is held mainly in the unit-linked portfolios and the movement in asset values is charged to the respective policy liabilities and therefore does not impact the profit before tax and the net asset value of the Company.

### Controls in place to mitigate market risk

The management of market risk is governed by the Asset Liability Management Standard which is embedded within the Investment Policy and incorporated in the investment mandates of the business.

The Company has defined the appetite for interest rate risk in terms of its impact on the RBC solvency which is reviewed on a monthly basis and is rebased and approved at Financial Risk Committee every quarter.

Also the Company sets itself a target asset duration based on the liability profile of the Company, in order to minimise the adverse impact from varying interest rates.

Monitoring of the equity exposures against the risk limits and benchmarks that are defined and refreshed on a periodic basis, depending on the risk appetite and the market conditions. Review of interest rate risk exposure against the risk appetites is included in the investment approval process of the Company.

All investments are denominated in LKR and the Company does not maintain any investment exposure to assets held overseas.

Fixed income investments are maintained mainly in Government securities which eliminate the credit risk premium volatility from the asset price and in high grade securities with relatively high credit ratings by Fitch Ratings Lanka Ltd.

The exposure to asset classes with high risk such as equity is maintained at a minimum level in portfolios with management discretion. There is no exposure to equity in the policyholders' investment portfolios, except for an equity holding in Serendib Land which is held outside the investment portfolio as at the reporting date.

The Company does not maintain any investment in commodities and any investment in derivative instruments, structured investment instruments or alternative investments.

## 5.2 Insurance risk

### 5.2.1 Life insurance

#### Frequency and severity of claims

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Company's underwriting procedures, with premiums varied to reflect the health condition and family medical history of the applicants. The Company uses reinsurance to manage claim volatility and accumulation risks. Medically impaired lives are charged higher insurance premiums.

Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour.

The Company uses appropriate base tables of standard mortality according to the type of contract being written. An investigation into the actual experience of the Company over the last five years is carried out and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be credible, the statistics generated by the data are used without reference to a benchmark table. Where this is not the case, the best estimate of future mortality is based on benchmark tables adjusted for the Company's overall experience. The Company maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

## Process used to decide on assumptions

### (a) Mortality / morbidity

Internal investigations covering a five year period are conducted by claim type, subdivided by age. From these investigations crude incidence rates are derived. These crude rates are then smoothed via a process of graduation. Finally, a blend of the resultant graduated rates and the benchmark mortality rates are taken, weighted according to the credibility of the own experience.

### (b) Persistency

An internal investigation is conducted by entry year and product type, subdivided by premium mode. From this investigation, crude persistency rates are derived, allowing for all of paid-up, premium holiday, lapse, surrender and revivals. Next, the weighted rates are assessed, and smooth assumptions are set taking into account past trends and the future outlook.

### (c) Investment returns

Investment returns are set based on a long-term basis by considering the outlook of Government securities and other asset classes in the local market.

### (d) Renewal expense level and inflation

Renewal expense levels are set by way of an expense investigation into the expenses of the Company over the last calendar year, with each expense being classified as acquisition / maintenance and then being assigned a driver based on how it may develop into the future. The expense assumptions are verified / adjusted for reasonableness using the latest business plan.

Inflation margins are set based on international economic projections for Sri Lanka.

## Change in assumptions and sensitivity analysis

The main insurance risks to the life business are lapse and expense levels. A sensitivity analysis was conducted in 2024 with three stresses. 110.0 per cent expense levels and 120.0 per cent lapse levels along with the 80.0 per cent lapse levels for persistency. For all cases the impact to the policyholders' liabilities of assuming such a change was reflective of future conditions.

Increasing expense rates by 10.0 per cent would lead to an increase in policy liabilities of LKR 1,137 million; +1.4 per cent of the policy liability. Decreasing lapse rates by 20.0 per cent would lead to a decrease in policy liabilities of LKR 839 million; -1.0 per cent of the policy liability. Increasing lapse rates by 20.0 per cent would lead to an increase in policy liabilities of LKR 757 million; +0.9 per cent of the policy liability.

Approximate converse impact could be expected in the profit / loss and the net assets of the Company.

## 5.3 Capital management

The focus of capital management is to maintain a strong capital base to support the business and business growth, and to satisfy regulatory capital requirements at all times. In view of this the Company has established the following objectives, policies and approach;

- (a) To maintain the required solvency level and provide security to policyholders.
- (b) To allocate capital efficiently and support the growth of the business by ensuring that returns on capital employed meets the requirements of shareholders and policyholders.
- (c) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (d) To maintain healthy capital ratios in order to support business objectives and optimise shareholder value.

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company's approach in managing capital includes managing assets, liabilities and risks in a coordinated manner, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to strengthen the capital position of the Company in view of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds. The capital requirements are routinely forecast on a periodic basis by the Management and the Board of Directors. The solvency margins are calculated on a monthly basis and shared with the Board of Directors on a quarterly basis. The Company maintains its capital base well above the minimum regulatory requirements of the IRCSL.

The responsibility for capital management is entrusted to the Chief Financial Officer (CFO) and as such the CFO is a key participant in discussions and decisions that impact asset-liability management, strategic asset allocation and solvency management.

## 6. INTANGIBLE ASSETS

	Note	Group / Company			
		2024			2023
		Contractual relationships LKR '000	Computer software LKR '000	Capital work in progress LKR '000	Total LKR '000
Cost		7,762,480	1,703,200	67,559	9,533,239
(Less) Accumulated amortisation		(321,447)	(1,227,979)	–	(1,549,426)
<b>Net book value as at 01 January</b>		<b>7,441,033</b>	<b>475,221</b>	<b>67,559</b>	<b>7,983,813</b>
Additions		–	682	124,229	124,911
Amortisation charge	36	(427,013)	(145,737)	–	(572,750)
Amounts capitalised to intangible assets		–	57,321	(57,321)	–
De-recognition during the period		–	–	(21,306)	(21,306)
<b>Net book value as at 31 December</b>		<b>7,014,020</b>	<b>387,487</b>	<b>113,161</b>	<b>7,514,668</b>
Cost		7,762,480	1,761,203	113,161	9,636,844
(Less) Accumulated amortisation		(748,460)	(1,373,716)	–	(2,122,176)
<b>Net book value as at 31 December</b>		<b>7,014,020</b>	<b>387,487</b>	<b>113,161</b>	<b>7,514,668</b>

The useful life of assets relating to contractual relationships are determined by contract type and lie within individual contract terms.

Intangible assets include fully amortised assets still in use, the gross carrying value of which amounting to LKR 939,688,612/- (2023 – LKR 731,533,292/-) as at the reporting date.

The Board of Directors has assessed potential impairment indicators of intangible assets as at 31 December 2024. Based on such assessment, no impairment indicators were identified, that require adjustments.

### 6.1 Disclosure on reporting of amortisation of intangible assets

The amortisation charge of the intangible assets are shown under operating and administrative expenses in the Income Statement.

### 6.2 Capital commitments – intangible assets

Capital expenditure on intangible assets approved by the Board of Directors is as follows:

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Approved and contracted for intangible assets	32,709	17,672



## 7. PROPERTY, PLANT AND EQUIPMENT

	Note	Group / Company						
		2024						2023
		Freehold land	Leasehold improvements	Computer and telecommunication equipment	Furniture, fittings, plant and machinery	Motor vehicles	Capital work in progress	Total
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Cost / revaluation		295,000	285,367	777,685	555,690	206,833	81,343	2,201,918
(Less) Accumulated depreciation		–	(148,045)	(650,885)	(504,270)	(163,453)	–	(1,466,653)
<b>Net book value as at 01 January</b>		<b>295,000</b>	<b>137,322</b>	<b>126,800</b>	<b>51,420</b>	<b>43,380</b>	<b>81,343</b>	<b>735,265</b>
Additions		–	3,940	283,543	17,061	–	232,625	537,169
Amount capitalised in property, plant and equipment		–	152,028	1,143	80,869	–	(234,040)	–
Revaluation surplus	25	23,500	–	–	–	–	–	23,500
Depreciation charge	36	–	(39,895)	(116,008)	(34,906)	(12,480)	–	(203,289)
Disposals		–	–	(42,283)	(7,499)	(26,250)	–	(76,032)
Accumulated depreciation on disposals		–	–	42,278	7,451	13,350	–	63,079
<b>Net book value as at 31 December</b>		<b>318,500</b>	<b>253,395</b>	<b>295,473</b>	<b>114,396</b>	<b>18,000</b>	<b>79,928</b>	<b>1,079,692</b>
Cost / revaluation		318,500	441,335	1,020,088	646,121	180,583	79,928	2,686,555
(Less) Accumulated depreciation		–	(187,940)	(724,615)	(531,725)	(162,583)	–	(1,606,863)
<b>Net book value as at 31 December</b>		<b>318,500</b>	<b>253,395</b>	<b>295,473</b>	<b>114,396</b>	<b>18,000</b>	<b>79,928</b>	<b>735,265</b>

Property, plant and equipment includes fully depreciated assets still in use, the gross carrying value of which amounting to LKR 1,182,219,505/- (2023 – LKR 1,109,734,894/-) as at the reporting date.

### 7.1 Fair value of land and ownership

An independent valuation of the Group's land was performed by valuers to determine the fair value of the land. As per the Group's accounting policy, the revaluation surplus is recognised in the Statement of Comprehensive Income annually.

As at 31 December	Description of the property	Location	Extent	Group / Company			
				2024		2023	
				Revalued amount LKR '000	Carrying value LKR '000	Revalued amount LKR '000	Carrying value LKR '000
AIA Insurance Lanka Limited	Freehold land	No. 76 and No. 80, Kew Road, Colombo 02	25.48 (Perch at the price of LKR 12.5 million)	318,500	318,500	295,000	295,000

#### Valuation techniques used to derive level III fair values

Fair value of land has been derived by using the market comparable approach (Level III – Input for the asset that are not based on observable market data). Sales prices of comparable lands in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is market value per perch.

Description of the property	Effective date of valuation	Valuation technique	Significant unobservable input	Inter relationship between key unobservable inputs and fair value measurement
Freehold land	31 December 2024	Market comparable approach	Market value per perch	Positive correlated sensitivity

### Valuation processes of the group

On an annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's land. As at 31 December 2024 and 2023, the fair value of the land has been determined by an independent valuer, Mr. T.M.H. Mutaliph; Chartered Valuer.

If stated on historical cost basis, the value of the land would be LKR 17,084,105/- (2023 – LKR 17,084,105/-)

## 7.2 Capital commitments – Property, plant and equipment

Capital expenditure on property, plant and equipment approved by the Board of Directors is as follows;

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Approved and contracted for property, plant and equipment	111,885	116,844

## 8. INVESTMENTS IN SUBSIDIARY

As at 31 December	Country of incorporation and place of business	Nature of business	Number of shares	% holding	2024 LKR '000	2023 LKR '000
Rainbow Trust Management Limited (measured at cost)	Sri Lanka	Provision of trust and ancillary services	100,000	100	1,000	1,000
			<b>100,000</b>	<b>100</b>	<b>1,000</b>	<b>1,000</b>

## 9. FINANCIAL INVESTMENTS

Financial investments are summarised by measurement category along with the fair values in the table below.

As at 31 December	Note	Group / Company			
		2024		2023	
		Carrying value LKR '000	Fair value LKR '000	Carrying value LKR '000	Fair value LKR '000
Loans and receivables	9.1	13,836,245	13,920,040	13,099,859	14,249,980
Available-for-sale financial assets	9.2	85,497,123	85,497,123	65,660,906	65,660,906
Financial assets at fair value through profit or loss	9.3	1,862,067	1,862,067	1,115,250	1,115,250
<b>Total financial investments</b>		<b>101,195,435</b>	<b>101,279,230</b>	<b>79,876,015</b>	<b>81,026,136</b>

### 9.1 Loans and receivables

As at 31 December	Group / Company			
	2024		2023	
	Amortised cost LKR '000	Fair value LKR '000	Amortised cost LKR '000	Fair value LKR '000
<b>Amortised cost</b>				
Corporate debt – listed	6,852,209	6,860,199	6,852,209	7,840,459
Reverse repurchase agreements	6,879,423	6,954,926	6,143,037	6,306,388
Bank deposits	104,613	104,915	104,613	103,133
<b>Total loans and receivables</b>	<b>13,836,245</b>	<b>13,920,040</b>	<b>13,099,859</b>	<b>14,249,980</b>

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Loans and receivables at amortised cost</b>		
Current	8,184,035	6,247,649
Non-current	5,652,210	6,852,210
<b>Total loans and receivables</b>	<b>13,836,245</b>	<b>13,099,859</b>

The fair values of loans and receivables have been estimated by comparing current market interest rates for similar instruments with the rates offered when the loans were first recognised, together with appropriate market credit adjustments except for the loans and receivables considered to be current of which fair value approximates the carrying value.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets classified as loans

and receivables. As at the date of the Statement of Financial Position, none of these financial assets are either past due or impaired.

The Company holds collateral for all reverse repurchase agreements. According to CBSL guidelines, collateral should at least be with an excess of four per cent - twelve per cent, depending on the tenure of the collateral, of the investment amount plus the total accruable interest.

The fair value of those collateral held are as follows;

As at 31 December		Group / Company	
		2024 LKR '000	2023 LKR '000
<b>Financial investment</b>	<b>Nature of the collateral</b>		
Reverse repurchase agreements	– Government treasury bills	781,235	279,006
	– Government treasury bonds	6,476,084	7,171,565
		<b>7,257,319</b>	<b>7,450,571</b>

## 9.2 Available-for-sale financial assets

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Government securities	85,457,220	65,623,866
Equity instruments – listed	39,903	37,040
<b>Total available-for-sale financial assets</b>	<b>85,497,123</b>	<b>65,660,906</b>
<b>Available-for-sale financial assets</b>		
Current	2,982,137	2,089,845
Non-current	82,514,986	63,571,061
<b>Total available-for-sale financial assets</b>	<b>85,497,123</b>	<b>65,660,906</b>

The fair values of Government securities have been valued by using the market yield. The fair value of equity instruments are based on their last traded prices at the Colombo Stock Exchange as at the reporting date.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets classified as available-for-sale. As at the date of the Statement of Financial Position, none of these financial assets are either past due or impaired.

### 9.3 Financial assets at fair value through profit or loss

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Equity instruments – listed	1,862,067	1,115,250
<b>Total financial assets at fair value through profit or loss</b>	<b>1,862,067</b>	<b>1,115,250</b>
<b>Financial assets at fair value through profit or loss</b>		
Current	1,862,067	1,115,250
Non-current	–	–
<b>Total financial assets at fair value through profit or loss</b>	<b>1,862,067</b>	<b>1,115,250</b>

Equity instruments classified as fair value through profit or loss are designated in this category upon initial recognition. There are no non-derivative financial assets held for trading.

The fair value of equity instruments is based on their last traded prices at the Colombo Stock Exchange as at the reporting date. Changes in fair values of financial assets at fair value through

profit or loss are recorded in “fair value gains and losses” in the Income Statement.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets classified as fair value through profit or loss. As at the date of the Statement of Financial Position, none of these financial assets are either past due or impaired.

### 9.4 Movement in the Group's financial instruments are summarised in the table below by measurement category:

Note	Group / Company				
	2024				2023
	Loans and receivables LKR '000	Available for sale LKR '000	Fair value through profit or loss LKR '000	Total LKR '000	Total LKR '000
<b>Balance as at 01 January</b>	13,099,859	65,660,906	1,115,250	79,876,015	54,204,899
Purchases	826,445	15,299,353	191,894	16,317,692	21,347,108
(Sales) / (maturities)	(104,612)	(3,354,970)	(158,999)	(3,618,581)	(17,144,768)
Realised gains / (losses)	–	234	567	801	(152,694)
Amortisation of discount	14,553	760,340	–	774,893	319,145
Fair value gains recorded in Income Statement	–	–	713,355	713,355	383,333
Gross fair value gains recorded in the Statement of Other Comprehensive Income 27.1	–	7,131,260	–	7,131,260	20,918,992
<b>Balance as at 31 December</b>	<b>13,836,245</b>	<b>85,497,123</b>	<b>1,862,067</b>	<b>101,195,435</b>	<b>79,876,015</b>

## 9.5 Determination of fair value and fair value hierarchy

As at 31 December	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
<b>Level I</b>			
<b>Loans and receivables</b>			
Corporate debt – listed	9.1	6,860,199	7,840,459
<b>Financial assets at fair value through profit or loss</b>			
Equity instruments – quoted	9.3	1,862,067	1,115,250
<b>Available-for-sale financial assets</b>			
Equity instruments – quoted	9.2	39,903	37,040
<b>Level II</b>			
<b>Loans and receivables</b>			
Bank deposits	9.1	104,915	103,133
Reverse repurchase agreements	9.1	6,954,926	6,306,388
<b>Available-for-sale financial assets</b>			
Government securities	9.2	85,457,220	65,623,866
<b>Total financial assets measured at fair value</b>		<b>101,279,230</b>	<b>81,026,136</b>

There were no transfers between Level I and II during the year.

## 10. POLICYHOLDER AND OTHER LOANS

As at 31 December	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
Policy loans		124,517	181,790
Agent loans		194,099	180,725
Staff loans		39,209	31,615
Other loans		544	–
	10.1	<b>358,369</b>	<b>394,130</b>
(Less) Allowance for impairment losses-Agent loans	10.2	(11,468)	(8,492)
<b>Total policyholder and other loans</b>		<b>346,901</b>	<b>385,638</b>
<b>Policyholder and other loans</b>			
Current		116,250	96,656
Non-current		230,651	288,982
<b>Total policyholder and other loans</b>		<b>346,901</b>	<b>385,638</b>

## 10.1 Movement in policyholder loans and other loans

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	394,130	413,963
Loans granted during the period	336,244	421,852
Loan repayments during the period	(373,468)	(441,325)
Loans written back during the period	256	878
Amortisation of premiums / (discount)	1,207	(1,238)
<b>Balance as at 31 December</b>	<b>358,369</b>	<b>394,130</b>

## 10.2 Movement of impairment on policyholder loans and other loans

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	8,492	8,235
Additional allowance for impairment during the period	2,976	257
<b>Balance as at 31 December</b>	<b>11,468</b>	<b>8,492</b>

A specific impairment allowance has been made against each of the individually impaired financial assets for the full amount of impairment.

## 11. DEFERRED INCOME TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity.

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Deferred income tax liabilities</b>		
On fair value gains from Available-for-sale (AFS) instruments	(386,278)	(6,634)
<b>Total deferred income tax liabilities</b>	<b>(386,278)</b>	<b>(6,634)</b>

The deferred tax liability recognised by the Company during the year 2024 relates to the temporary differences arising from fair value gains on AFS instruments.



## 11.1 Movement in net deferred income tax assets / (liabilities)

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>		(6,634)	1,668,859
<b>Deferred tax (charge) / income recognised during the year</b>			
On unused tax losses	38	(4,455)	(22,679)
Deferred tax asset recognised during the year		4,455	977
		–	(21,702)
<b>Deferred tax (charge) / income recognised in the Statement of Other Comprehensive Income</b>			
On temporary difference from fair value differences		(379,644)	(1,653,791)
		<b>(379,644)</b>	<b>(1,653,791)</b>
<b>Balance as at 31 December</b>		<b>(386,278)</b>	<b>(6,634)</b>

## 12. REINSURANCE RECEIVABLES

Reinsurance receivable balance as at 31 December 2024 and 2023 are due within a period of 12 months, hence classified as current assets.

As per the contractual arrangements, the reinsurer is committed to reimburse the losses only upon payment of claims to the clients and hence not hold any collateral as security against potential default by reinsurance counterparties.

The fair value of the reinsurance receivables approximate to its carrying value largely due to the short-term maturities of these instruments.

## 13. TRADE RECEIVABLES / PREMIUM RECEIVABLES

Total trade receivable balances as at 31 December 2024 and 2023 are due within a period of 12 months, hence classified as current assets.

The fair value of trade receivables approximate to its carrying value largely due to the short-term maturities of these instruments.

### 13.1 Movement in trade receivables

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	403,140	416,961	402,503	416,495
Revenue receivable from customers	2,292,017	2,236,829	2,289,231	2,234,490
Collection of cash from customers	(2,272,592)	(2,250,650)	(2,269,845)	(2,248,482)
<b>Balance as at 31 December</b>	<b>422,565</b>	<b>403,140</b>	<b>421,889</b>	<b>402,503</b>

## 14. OTHER ASSETS

As at 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Inventory	4,589	20,372
Interest and dividend receivable	3,112,156	3,429,818
Advance company tax recoverable	–	66,397
Tax recoverable	1,779,405	1,402,045
Deposits	57,547	64,249
Prepayments and advances	412,035	460,892
<b>Total other assets</b>	<b>5,365,732</b>	<b>5,443,773</b>
<b>Other assets</b>		
Current	2,309,217	3,894,394
Non-current	3,056,515	1,549,379
<b>Total other assets</b>	<b>5,365,732</b>	<b>5,443,773</b>

## 15. OTHER FUND ASSETS

As at 31 December	Group / Company			
	2024		2023	
	Carrying value LKR '000	Cost LKR '000	Carrying value LKR '000	Cost LKR '000
Government securities	494,385	483,540	402,104	393,214
Other assets	2,773	2,773	2,773	2,773
Cash and cash equivalents / (Bank overdraft)	2,167	2,167	(245)	(245)
<b>Total other fund assets</b>	<b>499,325</b>	<b>488,480</b>	<b>404,632</b>	<b>395,742</b>
<b>Other fund assets</b>				
Current	157,984	147,139	38,568	29,678
Non-current	341,341	341,341	366,064	366,064
<b>Total other fund assets</b>	<b>499,325</b>	<b>488,480</b>	<b>404,632</b>	<b>395,742</b>

The maximum exposure to credit risk at the reporting date is the carrying value of the other fund assets. As at the date of the Statement of Financial Position, none of these other fund assets are either past due or impaired.

## 16. CASH AND CASH EQUIVALENTS

As at 31 December	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Short-term investments	739,360	545,872	733,778	541,345
Cash at bank and in hand	177,006	202,668	176,971	202,632
<b>Cash and cash equivalents (excluding bank overdraft)</b>	<b>916,366</b>	<b>748,540</b>	<b>910,749</b>	<b>743,977</b>

Cash and cash equivalents include the following for the purpose of the Statement of Cash Flows;

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Cash and cash equivalents	916,366	748,540	910,749	743,977
Bank overdraft	(201,495)	(131,522)	(201,495)	(131,522)
	<b>714,871</b>	<b>617,018</b>	<b>709,254</b>	<b>612,455</b>

## 17. INSURANCE LIABILITIES AND RELATED REINSURANCE ASSETS

As at 31 December	Note	Group / Company					
		2024			2023		
		Gross LKR '000	Reinsurance LKR '000	Net LKR '000	Gross LKR '000	Reinsurance LKR '000	Net LKR '000
Long-term policy liability	17.1	81,647,483	–	81,647,483	64,975,947	–	64,975,947
Life claims provision	17.2	846,552	21,505	825,047	701,634	207,920	493,714
<b>Total insurance contract liabilities</b>		<b>82,494,035</b>	<b>21,505</b>	<b>82,472,530</b>	<b>65,677,581</b>	<b>207,920</b>	<b>65,469,661</b>

### 17.1 Life insurance fund – Income Statement movement

The movement in the life insurance fund is as follows;

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	<b>64,975,947</b>	<b>40,503,233</b>
<b>Balances that are transferred through Income Statement</b>		
Net income from life fund before surplus and charges	12,715,914	10,057,219
Charges deducted from policyholders fund	1,671,501	1,407,429
Surplus from life insurance fund	(1,910,157)	(990,860)
<b>Change in contractual liability</b>	<b>12,477,258</b>	<b>10,473,788</b>
<b>Balances that are transferred through Statement of Other Comprehensive Income</b>		
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund	5,865,779	15,406,355
<b>Other movements in policyholder liability</b>		
Fees and charges deducted from the life policyholder fund	(1,671,501)	(1,407,429)
<b>Balance as at 31 December</b>	<b>81,647,483</b>	<b>64,975,947</b>

### 17.2 Life claims provision

	Group / Company					
	2024			2023		
	Gross LKR '000	Reinsurance LKR '000	Net LKR '000	Gross LKR '000	Reinsurance LKR '000	Net LKR '000
<b>Balance as at 01 January</b>	<b>701,634</b>	<b>207,920</b>	<b>493,714</b>	<b>633,712</b>	<b>137,581</b>	<b>496,131</b>
Provisions released for claims paid to clients	(6,839,085)	6,698	(6,845,783)	(6,887,440)	364,001	(7,251,441)
Provisions for claims registered during the period	6,984,003	(193,113)	7,177,116	6,955,362	(293,662)	7,249,024
<b>Balance as at 31 December</b>	<b>846,552</b>	<b>21,505</b>	<b>825,047</b>	<b>701,634</b>	<b>207,920</b>	<b>493,714</b>

## 18. RETIREMENT BENEFIT OBLIGATIONS

The Group has a retirement benefit scheme for the gratuity liability of its employees which is wholly unfunded. There is no change in the scheme for the retirement gratuity obligations during the financial year.

The retiring gratuity is a statutory requirement in Sri Lanka under the Payment of Gratuity Act No. 12 of 1983.

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	394,378	255,614
Current service cost	44,438	32,045
Interest cost	51,269	48,488
<b>Amounts recognised in the Income Statement</b>	<b>95,707</b>	<b>80,533</b>
<b>Re-measurements:</b>		
Gains from change in financial assumptions	21,824	79,632
Actuarial losses due to changes in experience	(5,628)	(736)
<b>Amounts recognised in the Statement of Other Comprehensive Income</b>	<b>16,196</b>	<b>78,896</b>
Benefits paid	(30,261)	(20,665)
<b>Balance as at 31 December</b>	<b>476,020</b>	<b>394,378</b>

The principal actuarial assumptions used in determining the retirement benefit obligation are as follows;

	Group / Company	
	2024 % per annum	2023 % per annum
Future salary increase	11.00	11.00
Discount rate	12.00	13.00
Member withdrawal rate	8.00	8.00
Retirement age	57-60 years	57-60 years

Sensitivity analysis of key actuarial assumptions used;

	Group / Company					
	Future salary increase		Discount rate		Member withdrawal rate	
	1% increase LKR '000	1% decrease LKR '000	1% increase LKR '000	1% decrease LKR '000	1% increase LKR '000	1% decrease LKR '000
The effect on;						
– Retirement benefit obligations 2024	23,233	(21,174)	(21,824)	24,354	732	(790)
– Retirement benefit obligations 2023	17,811	(16,276)	(16,674)	18,538	1,662	(1,819)

Amounts for the current and previous five periods are as follows;

	2024	2023	2022	2021	2020	2019
Defined benefit obligation (LKR '000)	476,020	394,378	255,614	333,207	338,709	263,294

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Cost (PUC) method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Statement of Financial Position. There was no change in the methods used in preparing the sensitivity analysis from prior years.

The below table provides the expected maturity analysis of defined benefit obligations.

Defined benefit obligation (LKR'000)	Less than 1 year	1-5 years	Above 5 years	Total
As at 31 December 2024	145,186	19,584	311,250	476,020
As at 31 December 2023	142,723	18,882	232,773	394,378

## 19. LEASES

### 19.1 Group leasing activities

The Group leases various offices and vehicles. Rental contracts are typically made for fixed periods of 6 months to 10 years including extension and termination options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the Lessor. Leased assets were not used as security for borrowing purposes.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor and not expected to have material impact to the Financial Statements.

### 19.2 Amounts recognised in the Statement of Financial Position

#### 19.2 (a) Right-of-use assets-Leases

	Group / Company			
	2024			2023
	Buildings LKR '000	Motor vehicles LKR '000	Total LKR '000	Total LKR '000
Cost	1,516,997	7,548	1,524,545	1,486,296
(Less) Accumulated amortisation	(875,116)	(275)	(875,391)	(739,728)
<b>Net book value as at 01 January</b>	<b>641,881</b>	<b>7,273</b>	<b>649,154</b>	<b>746,568</b>
Additions	157,001	14,361	171,362	120,646
Terminations & lease expiry	(46,670)	–	(46,670)	(82,398)
Amortisation charge	(159,735)	(8,508)	(168,243)	(135,662)
<b>Net book value as at 31 December</b>	<b>592,477</b>	<b>13,126</b>	<b>605,603</b>	<b>649,154</b>
Cost	1,627,328	21,909	1,649,237	1,524,544
(Less) Accumulated amortisation	(1,034,851)	(8,783)	(1,043,634)	(875,390)
<b>Net book value as at 31 December</b>	<b>592,477</b>	<b>13,126</b>	<b>605,603</b>	<b>649,154</b>

## 19.2 (b) Lease liabilities

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>		685,188	819,169
Additions		171,362	120,646
Interest for the period		92,748	89,840
Cancellation & modification		16,550	–
Rentals paid	19.2 (c)	(367,884)	(344,467)
<b>Balance as at 31 December</b>		<b>597,964</b>	<b>685,188</b>
<b>Lease liabilities</b>			
Current		265,149	211,557
Non-current		332,815	473,631
		<b>597,964</b>	<b>685,188</b>

## 19.2 (c) Lease payments

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
Interest paid – leases		92,748	89,840
Short-term lease rentals paid		3,700	1,950
Principal payment of lease liabilities		271,436	252,677
		<b>367,884</b>	<b>344,467</b>

## 19.3 Amounts recognised in the Statement of Profit or Loss

### Amortisation charge of right-of-use assets

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
Buildings		(159,735)	(135,387)
Vehicles		(8,508)	(275)
<b>Amortisation charge of right-of-use assets</b>	36	<b>(168,243)</b>	<b>(135,662)</b>
Interest expense (included in finance cost)		(92,748)	(89,840)
Expenses relating to short-term leases included within administrative expenses		(3,700)	(1,950)
		<b>(264,691)</b>	<b>(227,452)</b>

## 19.4 Amounts recognised in the statement of cash flows

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
Principal payment of lease liabilities		(271,436)	(252,677)
Interest paid – leases		(92,748)	(89,840)
Short-term lease rentals paid		(3,700)	(1,950)
<b>Total cash out flow for leases</b>		<b>(367,884)</b>	<b>(344,467)</b>



## 20. OTHER FUND LIABILITIES

A brief description and the movement of the “Agent Superannuation” fund is given below.

This fund is created for the benefit of the agency force. The Fund accumulates contributions from both the Company and agents, based on a qualifying performance criteria which is a fixed percentage linked to their commissions. The Fund invests in government securities and fixed deposits in licensed commercial banks. Note 15 provides the breakdown of assets of the below fund liability amount.

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	404,632	401,993
Capital deposits	146,188	90,426
Capital withdrawals	(103,665)	(137,529)
Income / gains and losses	52,170	49,742
<b>Balance as at 31 December</b>	<b>499,325</b>	<b>404,632</b>

## 21. ACCRUALS AND OTHER PAYABLES

As at 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Policyholder advance payments		464,161	372,187	464,161	372,187
Agency commission payable		480,375	298,101	480,375	298,101
Franchise fee payable		39,195	23,980	39,195	23,980
Government taxes and levies		240,790	197,990	240,790	197,990
Accrued expenses	21.1	3,143,548	2,793,212	3,142,630	2,792,005
Related party payable		527,382	382,019	527,382	382,019
Other creditors		301,391	369,966	301,391	369,966
		<b>5,196,842</b>	<b>4,437,455</b>	<b>5,195,924</b>	<b>4,436,248</b>
<b>Accruals and other payables</b>					
Current		4,936,473	4,140,293	4,935,555	4,139,086
Non-current		260,369	297,162	260,369	297,162
		<b>5,196,842</b>	<b>4,437,455</b>	<b>5,195,924</b>	<b>4,436,248</b>

### 21.1 Movement in accrued expenses

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	3,175,231	2,464,009	3,174,024	2,463,125
Provisions during the year	4,843,371	3,946,438	4,842,123	3,945,468
Payments and reversals during the year	(4,347,672)	(3,235,216)	(4,346,135)	(3,234,569)
<b>Balance as at 31 December</b>	<b>3,670,930</b>	<b>3,175,231</b>	<b>3,670,012</b>	<b>3,174,024</b>
<b>Accrued expenses</b>				
Current	3,523,198	3,093,012	3,522,280	3,091,805
Non-current	147,732	82,219	147,732	82,219
	<b>3,670,930</b>	<b>3,175,231</b>	<b>3,670,012</b>	<b>3,174,024</b>

## 22. CURRENT INCOME TAX LIABILITIES

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	358,678	114	358,399	–
Provision	1,156,171	1,128,986	1,155,572	1,128,417
Payments	(624,894)	(403)	(624,282)	–
Income tax payable set off against tax credits	(124,114)	(770,019)	(124,112)	(770,018)
<b>Balance as at 31 December</b>	<b>765,841</b>	<b>358,678</b>	<b>765,577</b>	<b>358,399</b>

## 23. DEFERRED REVENUE

### Movement in deferred revenue

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	58,972	58,580
Reinsurance recovered in advance in waiver of premium claims	(839)	5,575
Reinsurance recovered set off against reinsurance assets	(4,025)	(5,183)
<b>Balance as at 31 December</b>	<b>54,108</b>	<b>58,972</b>

## 24. STATED CAPITAL

As at 31 December	Group / Company			
	2024		2023	
	No. of shares	LKR '000	No. of shares	LKR '000
Fully paid ordinary shares	36,227,985	3,201,922	36,227,985	3,201,922

The holder of ordinary shares have the right to receive dividend as declared from time to time and are entitled to one vote per share at the Annual General meeting of the Company.

## 25. CAPITAL RESERVES

### Revaluation reserve

Revaluation reserve consists of net surplus on revaluation of property, plant and equipment.

	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>	277,916	232,916
Revaluation surplus arising during the year	23,500	45,000
<b>Balance as at 31 December</b>	<b>301,416</b>	<b>277,916</b>

## 26. RESTRICTED REGULATORY RESERVE

The RBC one-off Surplus is the difference between policy liabilities computed using the minimum regulatory basis under the previous NPV based solvency regime and the 'distribution basis adopted' as at 31 December 2017, and this was transferred to the 'Restricted Regulatory Reserve' as stipulated by the IRCSL. Direction #16 recommended this to be maintained unchanged until further notice from the IRCSL or until distributed to shareholders upon explicit approval of the IRCSL.

	Group / Company	
	2024 LKR '000	2023 LKR '000
Balance as at 01 January	6,080,848	6,080,848
<b>Balance as at 31 December</b>	<b>6,080,848</b>	<b>6,080,848</b>

## 27. REVENUE RESERVES

As at 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Available-for-sale reserve	27.1	901,317	15,480	901,317	15,480
Retained earnings	27.2	16,810,381	15,106,684	16,806,270	15,103,970
<b>Total revenue reserves</b>		<b>17,711,698</b>	<b>15,122,164</b>	<b>17,707,587</b>	<b>15,119,450</b>

### 27.1 Available-for-sale (AFS) reserve

The available-for-sale reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

	Note	Group / Company	
		2024 LKR '000	2023 LKR '000
<b>Balance as at 01 January</b>		15,480	(3,843,366)
Changes in fair value of available-for-sale financial assets	9.4	7,131,260	20,918,992
Deferred tax asset on AFS reserve	11.1	(379,644)	(1,653,791)
<b>Changes in fair value of available-for-sale financial assets</b>		<b>6,751,616</b>	<b>19,265,201</b>
Changes in fair value of available-for-sale financial assets transferred to the long term insurance fund		(5,865,779)	(15,406,355)
<b>Balance as at 31 December</b>		<b>901,317</b>	<b>15,480</b>

### 27.2 Retained earnings

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
AIA Insurance Lanka Limited	16,806,270	15,103,970	16,806,270	15,103,970
Rainbow Trust Management Limited	4,111	2,714	–	–
<b>Total retained earnings</b>	<b>16,810,381</b>	<b>15,106,684</b>	<b>16,806,270</b>	<b>15,103,970</b>

## 28. NET WRITTEN PREMIUM

### (a) Gross written premium

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Conventional	23,032,804	18,234,730
Unit-linked	540,844	564,374
<b>Total gross written premium</b>	<b>23,573,648</b>	<b>18,799,104</b>

### (b) Gross reinsurance premium

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Conventional	(23,628)	(328,082)
Unit-linked	52	(36,369)
<b>Total gross reinsurance premium</b>	<b>(23,576)</b>	<b>(364,451)</b>
<b>Net written premium</b>	<b>23,550,072</b>	<b>18,434,653</b>

## 29. INVESTMENT INCOME

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Dividend income</b>		
Financial assets at fair value through profit or loss	71,444	41,424
Available-for-sale financial assets	605	605
<b>Total dividend income</b>	<b>72,049</b>	<b>42,029</b>
<b>Interest income</b>		
Available-for-sale financial assets	9,777,718	7,610,954
Loans and receivables	1,766,118	3,995,804
<b>Total interest income</b>	<b>11,543,836</b>	<b>11,606,758</b>
<b>Total investment income</b>	<b>11,615,885</b>	<b>11,648,787</b>

## 30. FEE INCOME

For the financial year ended 31 December	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Policy administration charges and other contract fees	1,671,337	1,413,678	1,671,337	1,413,678
Trust management fees	2,786	2,338	–	–
<b>Total fee income</b>	<b>1,674,123</b>	<b>1,416,016</b>	<b>1,671,337</b>	<b>1,413,678</b>

### 31. NET REALISED GAINS / (LOSSES)

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
<b>Property, plant and equipment</b>		
Net realised gains	50,736	22,284
<b>Financial assets</b>		
<b>Available-for-sale financial assets</b>		
Debt securities	234	(47,311)
<b>Fair value through profit or loss</b>		
Equity instruments	567	(105,383)
<b>Total net realised gains / (losses) from financial assets</b>	<b>801</b>	<b>(152,694)</b>
<b>Total realised gains / (losses)</b>	<b>51,537</b>	<b>(130,410)</b>

### 32. NET FAIR VALUE GAINS

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Fair value gains on financial assets at fair value through profit or loss	713,355	383,333
<b>Total net fair value gains</b>	<b>713,355</b>	<b>383,333</b>

### 33. OTHER OPERATING REVENUE

For the financial year ended 31 December	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Interest income on policy loans	36,159	54,133	36,159	54,133
Interest income on other loans	16,687	12,081	16,687	12,081
Interest income on cash and cash equivalents	21,482	10,745	21,074	10,338
Foreign exchange gains	70,510	92,316	70,510	92,316
Other miscellaneous income	64	1,424	64	1,424
<b>Total other operating revenue</b>	<b>144,902</b>	<b>170,699</b>	<b>144,494</b>	<b>170,292</b>

### 34. NET CLAIMS AND BENEFITS

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Death & disability	(1,679,242)	(1,432,199)
Surrenders & partial withdrawals	(2,238,306)	(2,775,852)
Maturities	(2,362,719)	(2,442,946)
Others	(666,554)	(514,300)
<b>Gross claims and benefits</b>	<b>(6,946,821)</b>	<b>(7,165,297)</b>
Claims ceded to reinsurers	(108,432)	356,328
<b>Net claims and benefits</b>	<b>(7,055,253)</b>	<b>(6,808,969)</b>

## 35. NET ACQUISITION EXPENSES

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Commission and franchise fees	(2,880,689)	(2,139,008)
Reinsurance commission	66,128	35,986
<b>Net acquisition expenses</b>	<b>(2,814,561)</b>	<b>(2,103,022)</b>

## 36. OPERATING AND ADMINISTRATIVE EXPENSES

For the financial year ended 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Employee benefit expenses	36.1	(3,061,931)	(2,401,179)	(3,061,931)	(2,401,179)
Administrative and establishment expenses		(3,508,738)	(3,457,316)	(3,507,706)	(3,456,496)
Selling expenses		(3,649,521)	(2,258,179)	(3,649,355)	(2,258,024)
Amortisation of intangible assets	6	(572,750)	(234,011)	(572,750)	(234,011)
Amortisation of ROU	19.3	(168,243)	(135,662)	(168,243)	(135,662)
Depreciation	7	(203,289)	(130,859)	(203,289)	(130,859)
Other expenses	36.3	(255,135)	(234,222)	(255,135)	(234,222)
<b>Total operating and administrative expenses</b>		<b>(11,419,607)</b>	<b>(8,851,428)</b>	<b>(11,418,409)</b>	<b>(8,850,453)</b>

### 36.1 Employee benefit expenses

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Salaries and bonus	(1,617,570)	(1,283,692)
Contribution to defined contribution plans	(247,986)	(193,174)
Contribution to defined benefit plans	(95,707)	(80,533)
Staff welfare	(203,556)	(148,630)
Staff training	(53,584)	(76,331)
Other staff costs	(843,528)	(618,819)
<b>Total employee benefit expenses</b>	<b>(3,061,931)</b>	<b>(2,401,179)</b>



## 36.2 Share based payments

During the year, the AIA Group made grants of Restricted Share Units (RSUs) and Restricted Share Purchase Units to certain employees, directors and officers of the Group under the RSU Scheme and the ESPP.

### RSU Scheme

Under the RSU Scheme, the vesting of the granted RSUs is conditional upon the eligible participants remaining in employment with the AIA Group during the respective vesting periods. RSU grants are vested either entirely after a specific period of time or in tranches over the vesting period. If the RSU grants are vested in tranches, each vesting tranche is accounted for as a separate grant for the purposes of recognising the expense over the vesting period. For certain RSUs, performance conditions are also attached which include both market and non-market conditions. RSUs subject to performance conditions are released to the employees at the end of vesting period depending on the actual achievement of the performance conditions. During the vesting period, the eligible participants are not entitled to dividends of the underlying shares.

## Employee Share Purchase Plan (ESPP)

Under the plan, eligible employees of the Group can purchase ordinary shares of AIAGL with qualified employee contributions and the AIA Group will award one matching restricted share purchase unit to them at the end of the vesting period for each two shares purchased through the qualified employee contributions (contribution shares). Contribution shares are purchased from the open market. During the vesting period, the eligible employees must hold the contribution shares purchased during the plan cycle and remain employed by the AIA Group. The level of qualified employee contribution is limited to not more than five per cent of the annual basic salary.

## Recognised compensation cost

The total recognised compensation cost (net of expected forfeitures) related to various share-based compensation awards granted under the RSU Scheme and ESPP for the year ended 31 December 2024 is LKR 59 million (2023: LKR 51 million).

## 36.3 Other expenses

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Increase in provision for bad and doubtful debts	(2,976)	(257)
Other technical expenses	(90,897)	(89,671)
Investment expenses	(148,857)	(144,160)
Other non-technical expenses	(12,405)	(134)
<b>Total other expenses</b>	<b>(255,135)</b>	<b>(234,222)</b>

## 37. PROFIT BEFORE TAX

Profit before tax for the year is stated after charging all expenses including the following:

For the financial year ended 31 December	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Auditors' remuneration</b>				
– Audit	7,692	7,632	7,425	7,390
– Non-audit	4,350	2,855	4,256	2,802
Directors' / Chief Executive Officer's emoluments	236,967	200,995	236,967	200,995
Directors' fees	11,600	9,600	11,600	9,600
Legal fees	(17,082)	7,478	(17,082)	7,478
Donations	10,186	6,894	10,186	6,894
Provision for bad and doubtful debts	2,976	257	2,976	257

## 38. INCOME TAX EXPENSES

For the financial year ended 31 December	Note	Group		Company	
		2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
<b>Current income tax</b>					
Current income tax expense		(1,151,716)	(1,107,245)	(1,151,117)	(1,106,715)
Under provision recognised for prior period		–	(39)	–	–
		<b>(1,151,716)</b>	<b>(1,107,284)</b>	<b>(1,151,117)</b>	<b>(1,106,715)</b>
<b>Deferred income tax</b>					
Deferred tax expense	11.1	(4,455)	(22,679)	(4,455)	(22,679)
Over provision reversal for prior period		–	977	–	977
<b>Total income tax expense</b>		<b>(1,156,171)</b>	<b>(1,128,986)</b>	<b>(1,155,572)</b>	<b>(1,128,417)</b>

The applicable tax rate is 30% for 2024 and 2023 in terms of the Inland Revenue Amendment Act No. 45 of 2022.

### 38.1. Reconciliation of tax charge

For the financial year ended 31 December	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Profit before tax	3,890,448	3,596,031	3,888,450	3,594,261
Applicable tax rate (%)	30	30	30	30
<b>Tax at applicable rate</b>	<b>1,167,134</b>	<b>1,078,809</b>	<b>1,166,535</b>	<b>1,078,279</b>
<b>Add / (less) tax effect of the following items:</b>				
Tax free investment (income) / expense	(14,891)	46,182	(14,891)	46,182
Other non-deductible expenses	3,928	4,933	3,928	4,933
Adjustments of prior periods	–	(938)	–	(977)
<b>Tax charge for the year</b>	<b>1,156,171</b>	<b>1,128,986</b>	<b>1,155,572</b>	<b>1,128,417</b>

### 39. PROFIT AFTER TAX

The profit after tax of the Company includes the surplus transferred from its life insurance business. The surplus transferred from the policyholders' fund for the financial year 2024 stood at LKR 1,910 million (2023 – LKR 991 million).

### 40. BASIC / DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

For the financial year ended 31 December	Group		Company	
	2024	2023	2024	2023
Profit attributable to the Company's equity holders (LKR '000)	2,734,276	2,467,045	2,732,879	2,465,844
Weighted average number of ordinary shares in issue (000)	36,228	36,228	36,228	36,228
Basic earnings per share (LKR)	75.47	68.10	75.44	68.06

### 41. DIVIDEND PER SHARE

The dividends paid in 2024 were LKR 1,014 million (LKR 28 per share) and no dividends paid in 2023.

## 42. RELATED PARTY DISCLOSURES

### 42.1 Transactions with related entities

Transactions with related parties are recurring and carried out in the ordinary course of business. Outstanding balances at year end are unsecured and interest free. Settlement will take place in cash.

Details of significant related party disclosures are as follows:

Nature of transaction	AIA Holdings Lanka (Private) Limited		AIA Company Limited		AIA Group Limited		AIA Shared Services (Hong Kong) Limited		AIA Shared Services Sdn. Bhd.	
	Immediate Parent		Parent		Ultimate Parent		Fellow Subsidiary		Fellow Subsidiary	
For the year ended 31 December	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Group recharges – Paid	–	–	343,789	380,495	62,080	45,046	442,794	599,825	16,067	10,840
Dividend paid	860,982	–	153,401	–	–	–	–	–	–	–
RI Premium	–	–	415	425	–	–	–	–	–	–
RI Commission	–	–	(50)	(51)	–	–	–	–	–	–

### 42.2. Transactions with Key Management Personnel of the Company or Parent and their close family members

The Key Management Personnel of the Company are considered to be the Chief Executive Officer (CEO), Board of Directors and those of its Parent and Ultimate Parent.

#### (a) Key Management Personnel compensation

##### Directors' / CEO's compensation

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Directors' / CEO's remuneration	115,735	99,075
Short-term employee benefits	79,677	62,898
Share based payments	37,755	35,200
Premiums paid for Directors and Officers liability policy *	3,800	3,822
Directors' fees	11,600	9,600
	<b>248,567</b>	<b>210,595</b>

\* The insurance policy covers past and present Directors and Officers of the Company and its subsidiaries.

#### (b) Other transactions

Business transactions of Key Management Personnel

For the financial year ended 31 December	Group / Company	
	2024 LKR '000	2023 LKR '000
Premium paid on insurance policies taken by Directors in their individual capacity	762	1,421
	<b>762</b>	<b>1,421</b>

	AIAIT (Guangzhou) Company Limited		AIA Information Technology (Beijing) Company Limited		AIA Information Technology (Chengdu) Co. Ltd		AIA IT (M) SDN. BHD.		AIA Investment Management Private Limited		AIA Reinsurance Limited		PT. AIA FINANCIAL	
	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
	229,321	196,602	128,749	117,150	125,921	42,751	149,929	187,014	1,269	297	–	–	4,659	–
	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	20,669	1,375	–	–
	–	–	–	–	–	–	–	–	–	–	–	–	–	–

### 42.3. Transactions with other related parties

Transactions by Key Management Personnel with other companies (Directors of the Company who were also Directors / Key Management Personnel of the following entities which have had transactions with the Company).

Company	Name of the Director	Position	Relationship	Details of financial dealings
AIA Company Limited	Tan Hak Leh	Director	AIA Company Limited is the parent of AIA Insurance Lanka Limited	This company has Intra-Group master services agreement & SOW relating to Group Distribution organised events with AIA Insurance Lanka Limited
AIA Group Limited	Tan Hak Leh	Regional Chief Executive	AIA Group Limited is the parent of AIA Company Limited	This company has Intra-Group master services agreement & SOW relating to long-term incentive awards of employees of AIA Insurance Lanka Limited
AIA Investment Management Private Limited	Tan Hak Leh	Director	AIA Investment Management Private Limited is a fellow subsidiary of AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with AIA Investment Management Private Limited
Singer Sri Lanka PLC	Deepal Sooriyaarchchi	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with Singer Sri Lanka PLC
Post Graduate Institute of Management of the University of Jayewardenepura (PIM)	Deepal Sooriyaarchchi	Board member	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with Post Graduate Institute of Management
NDB Wealth Management Ltd	Sarath Wikramanayake	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with NDB Wealth Management Ltd.
NDB Investment Bank Ltd	Sarath Wikramanayake	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with NDB Investment Bank Ltd.
NDB Capital Holdings Limited	Sarath Wikramanayake	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with NDB Capital Holdings Limited

Company	Name of the Director	Position	Relationship	Details of financial dealings
Union Bank PLC	Sarath Wikramanayake	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with Union Bank PLC
Sri Lanka Institute of Directors	Chathuri Munaweera	Director	No relationship with AIA Insurance Lanka Limited	AIA Insurance Lanka Limited has transactions in the ordinary course of business with Sri Lanka Institute of Directors

\* Mr Biswa Prakash Misra and Mr Indrajit Asela Wickramasinghe have been appointed to the Company in January 2025.

## 43. CONTINGENT LIABILITIES

### 43.1 Outstanding tax assessments

The Company has received assessments relating to income taxes under I-E basis for the assessment periods from 2010/11 to 2018/19. The Inland Revenue Department (IRD) has disallowed management expenses relating to the life insurance business, in raising assessments in relation to tax returns filed on I-E basis. Further, assessments have been raised for the years of assessment 2018/19, 2019/20 and 2020/21 by disputing tax returns filed on surplus basis. The Company disagreed with these assessments and appeals have been filed, following due process. Based on the stage of the respective appeals against the assessments in accordance with relevant administrative procedures, the appeals have been made before the Court of Appeal, the Tax Appeals Commission and the Inland Revenue Department. Total exposure of the assessment is LKR 11,510 million including penalties.

Based on the information available and expert advice received, the Group is of the strong view that it is probable that the Tax Authority, as defined in IFRIC 23, will accept the tax treatment adopted by the Group in the Financial Statements and its tax returns. Therefore, no further accounting provisions or adjustments are required, in accordance with IFRIC 23.

However, in an event that the appeals against the assessments are not favorably concluded by the Authorities, the income tax losses that have been indicated in the income tax returns will cease to exist. In such an event, the deferred tax asset on tax losses that had already been recognised (LKR 2,367 million), will required to be reversed and charged to the Income Statement together with any additional tax liabilities.

The IRD has also issued assessments in relation to VAT on Financial Services (FS) and NBT on FS for financial years ending 2014, 2016, 2019 and 2021. The IRD is taking the position that AIA Insurance Lanka Limited is to be considered under the criteria of 'any person who carries on the business of supplying financial services in Sri Lanka' and is hence liable to pay VAT and NBT on FS. The Company disagreed with these assessments and appeals have been filed, following due process. Total exposure of such assessments is LKR 803.4 million. Based on the information available and expert advice received, the Directors are of the considered opinion that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the Financial Statements of the Company. Hence no provision has been made in the Financial Statements.

### 43.2 Bank guarantees

The Company has provided bank guarantees to third parties amounting to LKR 436 million as at 31 December 2024. None of these guarantees were in relation to any facilities obtained by the Group. The expiration date of these guarantees are based on those legal and contractual requirements of each instance where the Group was required to provide such guarantees. The Directors do not expect any claim on these guarantees. Accordingly, no provisions have been made in the Financial Statements.

### 43.3 Pending litigation

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.

## 44. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors recommended the distribution of an interim dividend of LKR 33 per share on 20 February 2025, as authorised by the Articles of Association of the Company, to be paid out of the profits for the year.

As required by Section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007, and has obtained a certificate from the Auditors, prior to recommending the interim dividend of LKR 33 per share. Further, the Company has also complied with the requirements specified in the Regulation of Insurance Industry Act No. 43 of 2000 (as amended) and such other requirements set out by the Insurance Regulatory Commission of Sri Lanka prior to declaring such dividends.

In accordance with LKAS 10, 'Events After the Reporting Period', the interim dividend that has been recommended by the Board of Directors has not been recognised as a liability in these Financial Statements as at 31 December 2024. No other events have occurred since the date of the Statement of Financial Position that necessitates adjustments to / or disclosure in the Financial Statements.



# SUPPLEMENTARY INFORMATION



## FIVE YEAR SUMMARY

As at 31 December	2024 LKR '000	2023 LKR '000	2022 LKR '000	2021 LKR '000	2020 LKR '000
<b>Statement of Financial Position</b>					
<b>Group</b>					
<b>Assets</b>					
Investments	95,108,291	75,029,665	49,581,522	58,283,182	57,972,437
Investments – Unit-linked	6,087,144	4,846,350	4,625,793	5,338,806	5,121,630
Property, plant and equipment	1,079,692	735,265	584,490	604,169	709,407
Other assets	15,692,665	16,226,610	10,848,490	8,042,632	8,589,039
<b>Total assets</b>	<b>117,967,792</b>	<b>96,837,890</b>	<b>65,640,295</b>	<b>72,268,789</b>	<b>72,392,513</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Stated capital	3,201,922	3,201,922	3,201,922	511,922	511,922
Capital reserves	301,416	277,916	232,916	228,416	216,236
Restricted regulatory reserve	6,080,848	6,080,848	6,080,848	6,080,848	6,080,848
Available-for-sale reserve	901,317	15,479	(3,843,367)	38,257	1,766,854
Retained earnings	16,810,381	15,106,685	12,718,536	12,894,106	12,006,976
<b>Total equity</b>	<b>27,295,884</b>	<b>24,682,850</b>	<b>18,390,855</b>	<b>19,753,549</b>	<b>20,582,836</b>
<b>Liabilities</b>					
Insurance provision – Conventional	76,379,483	60,379,364	36,433,870	40,649,872	40,437,972
Insurance provision – Unit-linked	6,114,552	5,298,217	4,703,075	5,369,872	5,149,442
Other liabilities	8,177,873	6,477,459	6,112,495	6,495,496	6,222,263
<b>Total liabilities</b>	<b>90,671,908</b>	<b>72,155,040</b>	<b>47,249,440</b>	<b>52,515,240</b>	<b>51,809,677</b>
<b>Total equity and liabilities</b>	<b>117,967,792</b>	<b>96,837,890</b>	<b>65,640,295</b>	<b>72,268,789</b>	<b>72,392,513</b>
<b>Long-term – supplemental</b>					
<b>Assets</b>					
Investments	77,303,707	60,184,282	36,163,680	41,429,475	40,089,171
Investments – Unit-linked	6,087,144	4,846,350	4,625,793	5,338,806	5,121,630
Other assets	4,234,432	4,933,521	4,642,527	3,708,496	4,258,318
<b>Total assets</b>	<b>87,625,283</b>	<b>69,964,153</b>	<b>45,432,000</b>	<b>50,476,777</b>	<b>49,469,119</b>
<b>Liabilities</b>					
Insurance provision – Long-term	76,379,483	60,379,364	36,433,870	40,649,872	40,437,971
Insurance provision – Unit-linked	6,114,552	5,298,217	4,703,075	5,369,872	5,149,442
Other liabilities	5,131,248	4,286,572	4,295,055	4,457,033	3,881,706
<b>Total liabilities</b>	<b>87,625,283</b>	<b>69,964,153</b>	<b>45,432,000</b>	<b>50,476,777</b>	<b>49,469,119</b>

For the financial year ended 31 December	2024 LKR '000	2023 LKR '000	2022 LKR '000	2021 LKR '000	2020 LKR '000
<b>Income Statement</b>					
<b>Total business (Group)</b>					
Gross written premium	23,573,648	18,799,104	17,568,325	16,517,328	14,049,559
Gross reinsurance premium	(23,576)	(364,451)	(639,339)	(466,810)	(408,860)
<b>Net written premium</b>	<b>23,550,072</b>	<b>18,434,653</b>	<b>16,928,986</b>	<b>16,050,518</b>	<b>13,640,699</b>
Other revenue	14,199,802	13,488,425	8,806,719	7,423,528	6,407,862
<b>Total revenue</b>	<b>37,749,874</b>	<b>31,923,078</b>	<b>25,735,705</b>	<b>23,474,046</b>	<b>20,048,561</b>
Net claims and benefits	(7,055,253)	(6,808,969)	(6,446,807)	(4,771,809)	(4,453,740)
Change in contractual liability	(12,477,258)	(10,473,788)	(10,282,388)	(7,393,495)	(6,748,859)
Net acquisition expenses	(2,814,561)	(2,103,022)	(2,029,806)	(2,088,963)	(1,688,611)
Finance costs	(92,748)	(89,840)	(93,391)	(105,393)	(114,532)
Operating and administrative expenses	(11,419,607)	(8,851,428)	(5,789,987)	(6,545,621)	(6,317,003)
<b>Profit before tax</b>	<b>3,890,447</b>	<b>3,596,031</b>	<b>1,093,326</b>	<b>2,568,765</b>	<b>725,816</b>
Income tax expense	(1,156,171)	(1,128,986)	(287,777)	(796,754)	(276,195)
<b>Profit for the period</b>	<b>2,734,276</b>	<b>2,467,045</b>	<b>805,549</b>	<b>1,772,011</b>	<b>449,621</b>
Surplus / (deficit) transfer to / (from) shareholders' fund	1,910,157	990,860	(963,104)	1,129,751	(660,093)

## INVESTOR INFORMATION

Financial year		2024	2023	2022	2021	2020
Return on net assets	%	10.52	11.45	4.22	8.79	2.18
Net assets per share	LKR	753.45	681.32	507.64	642.40	669.27
Basic earnings per share	LKR	75.47	68.10	22.24	57.63	14.62
Dividend per share	LKR	28.00	–	35.00	30.00	50.00
Dividend payout ratio	%	37.10	–	133.60	52.06	341.95
<b>Employee Information</b>						
Revenue per employee	LKR mn	39.24	37.65	35.94	34.32	28.12
Net profit per employee	LKR '000	2,842	2,909	1,125	2,591	630
Number of permanent employees	Nos.	962	848	716	684	713

# DISTRIBUTION NETWORK

## HEAD OFFICE

AIA Insurance Lanka Limited,  
AIA Tower,  
92, Dharmapala Mawatha,  
Colombo 07

Tel : 011 231 0000  
Fax : 011 244 7620  
E-mail : lk.info@aia.com  
Web : www.aialife.com.lk  
Hotline : 011 231 0310  
Hotline Fax : 011 471 5892

## BRANCH OFFICE NETWORK

### Ambalantota

143, Main Street, Ambalantota  
Tel : 047 771 0200/771 0201/771 0202

### Ambalantota Region 1

143, Main Street, Ambalantota  
Tel : 047 771 0225/771 0226/771 0227

### Anuradhapura

523/7, Maithripala Senanayake Mawatha,  
Anuradhapura  
Tel : 025 771 0200/771 0201/771 0202

### Anuradhapura Region 1

523/7, Maithripala Senanayake Mawatha,  
Anuradhapura  
Tel : 025 771 0250/771 0251/771 0252

### Avissawella

37, Kudagama Road, Avissawella  
Tel : 036 771 0200/771 0201/771 0202

### Badulla

175, Sooriya Tower,  
Mahiyanganaya Road, Badulla  
Tel : 055 771 0200/771 0201/771 0202

### Badulla Region 1

175, Sooriya Tower,  
Mahiyanganaya Road, Badulla  
Tel : 055 771 0250/771 0251/771 0252

### Bandarawela

444/1, Badulla Road, Bandarawela  
Tel : 057 771 0200/771 0205/771 0208

### Bandarawela Region 1

444/1, Badulla Road, Bandarawela  
Tel : 057 771 0200/771 0205/771 0208

### Battaramulla Region 1

1006 /4 A, Pannipitiya Road,  
Battaramulla  
Tel : 011 771 0412/771 0413/771 0414

### Batticaloa

290/1, Trinco Road, Batticaloa  
Tel : 065 771 0200/771 0201/771 0202

### Chilaw

58, Colombo Road, Chilaw  
Tel : 032 771 0200/771 0201/771 0202

### Colombo City

815, Ethul Kotte, Sri Jayawardenapura,  
Kotte  
Tel : 074 356 3368

### Colombo Main 1

815, Ethul Kotte, Sri Jayawardenapura,  
Kotte  
Tel : 077 759 3079

### Colombo Main 2

815, Ethul Kotte, Sri Jayawardenapura,  
Kotte  
Tel : 071 485 5807

### Colombo Main 3

815, Ethul Kotte, Sri Jayawardenapura,  
Kotte

### Colombo Metro

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 2310289/231 0748

### Colombo Region 1

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0411

### Colombo Region 2

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0289/231 0748

### Colombo Region 4

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0290

### Colombo Region 5

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0237/231 0250

### Colombo Region 6

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0250

### Colombo Region 7

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 077 303 2253

### Colombo Region 9

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0610/231 0875

### Colombo Region 10

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0578

### Colombo Region 11

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 071 427 8832

### Colombo Region 12

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 077 272 1610

### Colombo Region 14

815, Ethul Kotte, Sri Jayawardenapura,  
Kotte

### Colombo Region 15

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 0290

**Colombo Region 16**

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 2754

**Colombo Region 17**

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07  
Tel : 011 231 2750

**Dambulla Main**

723/1, Anuradhapura Road, Dambulla  
Tel : 066 771 0200/771 0201/771 0202

**Dambulla Region 1**

723/1, Anuradhapura Road, Dambulla  
Tel : 066 771 0225/771 0226/771 0227

**Embilipitiya**

210, in front of B M C, Pallegama,  
Embilipitiya  
Tel : 047 771 0255/771 0260

**Embilipitiya Region 1**

210, in front of B M C, Pallegama,  
Embilipitiya  
Tel : 047 771 0275/771 0276

**Galle**

31, Colombo Road, Kaluwella, Galle  
Tel : 091 771 0200/771 0201/771 0202

**Gampaha**

07, Mangala Road, Gampaha  
Tel : 033 771 0200/771 0201/771 0202

**Gampaha Region 1**

07, Mangala Road, Gampaha  
Tel : 033 771 0250 /771 0251/771 0252

**Gampaha Region 2**

07, Mangala Road, Gampaha  
Tel : 033 771 0250

**Gampola**

8/37, Nawalapitiya Road, Gampola  
Tel : 081 771 0200/771 0201/771 0202

**Horana Metro**

240, Rathnapura Panadura Road, Horana  
Tel : 034 771 0220/771 0221/771 0222

**Horana Region 1**

240, Rathnapura Panadura Road, Horana  
Tel : 034 771 0200/771 0201

**Horana Region 2**

240, Rathnapura Panadura Road, Horana  
Tel : 034 771 0200/771 0201

**Horana Region 3**

240, Rathnapura Panadura Road, Horana  
Tel : 034 771 0200/771 0201/771 0202

**Ja-Ela**

112C, Negombo Road, Ja Ela  
Tel : 011 771 0450/771 0451/771 0452

**Jaffna**

233, Stanley Road, Jaffna  
Tel : 021 771 0200/771 0201/771 0202

**Jaffna Metro**

233, Stanley Road, Jaffna  
Tel : 021 771 0250/771 0251/771 0252

**Kaluwanchikudy**

1/1, Main Street, Kaluwanchikudy  
Tel : 065 771 0260/771 0261/771 0262

**Kalutara**

195/2, Galle Road, Kalutara South  
Tel : 034 771 0230/771 0231/771 0232

**Kalutara Region 1**

195/2, Galle Road, Kalutara South  
Tel : 034 771 0260/771 0261/771 0262

**Kalutara Region 3**

195/2, Galle Road, Kalutara South  
Tel : 034 771 0280/771 0281/771 0282

**Kandana**

304/1/1, Negombo Road, Nagoda  
Junction, Welisara  
Tel : 011 771 0481/771 0482/771 0483

**Kandy**

63, King's Street, Kandy.  
Tel : 081 771 0230

**Kandy Region 1**

63, King's Street, Kandy.  
Tel : 081 771 0281

**Kandy City**

63, King's Street, Kandy.  
Tel : 081 771 0256

**Karapitiya**

244/C/3, Second and Third Floor,  
Hirimbura Road, Karapitiya  
Tel : 091 771 0254 / 771 0255

**Karapitiya Region 1**

244/C/3, Second and Third Floor,  
Hirimbura Road, Karapitiya  
Tel : 091 771 0275/771 0276

**Kegalle Region 1**

447/8, Main Street, Kegalle  
Tel : 035 771 0225/771 0226/771 0227

**Kegalle Region 2**

447/8, Main Street, Kegalle  
Tel : 035 771 0225/771 0226/771 0227

**Kegalle Region 3**

447/8, Main Street, Kegalle  
Tel : 035 771 0255/771 0250

**Kilinochchi**

470/2, Kandy Road, Kilinochchi  
Tel : 021 771 0300/771 0301/771 0302

**Kiribathgoda Metro**

412/2, Galla Junction, Kandy Road,  
Kiribathgoda  
Tel : 011 771 0505/771 0506/771 0507

**Kiribathgoda Region 1**

412/2, Galla Junction, Kandy Road,  
Kiribathgoda  
Tel : 011 771 0512/771 0513/771 0514

**Kiribathgoda Region 2**

412/2, Galla Junction, Kandy Road,  
Kiribathgoda  
Tel : 011 771 0525/771 0526/771 0527

**Kuliyapitiya**

215, Hettipola Road, Kuliyapitiya  
Tel : 037 771 0200/771 0201/771 0202

**Kuliyapitiya Region 1**

215, Hettipola Road, Kuliyapitiya  
Tel : 037 771 0225/771 0226/771 0227

**Kurunegala**

110/1, Noel Senevirathne Mawatha,  
Colombo Road, Kurunegala  
Tel : 037 771 0250

**Kurunegala Region 1**

110/1, Noel Senevirathne Mawatha,  
Colombo Road, Kurunegala  
Tel : 037 771 0300

**Kurunegala Region 2**

110/1, Noel Senevirathne Mawatha,  
Colombo Road, Kurunegala  
Tel : 037 771 0325

**Kurunegala Region 3**

17, Rajapihilla Road, Kurunegala  
Tel : 037 222 2668/222 2868

**Maharagama Main**

132 1/1, High Level Road, Maharagama  
Tel : 011 771 0555/771 0556/771 0557

**Maharagama Region 2**

132 1/1, High Level Road, Maharagama  
Tel : 011 771 0555/771 0556/771 0557

**Mahiyanganaya City**

13, First Floor, Kandy Road,  
Mahiyanganaya  
Tel : 055 771 0300/771 0301 / 771 0302

**Mahiyanganaya Metro**

13, First Floor, Kandy Road,  
Mahiyanganaya  
Tel : 055 771 0300/771 0301/771 0302

**Matale**

181, Trincomalee Street, Matale.  
Tel : 066 771 0275/771 0276

**Matara**

26 ½ Anagarika Dharmapala Mawatha,  
Matara  
Tel : 041 771 0200/771 0201/771 0202

**Matara Region 1**

26 ½ Anagarika Dharmapala Mawatha,  
Matara  
Tel : 041 771 0250/771 0251/771 0252

**Meerigama**

33, Negombo Road, Meerigama  
Tel : 033 771 0275/771 0276

**Meerigama Region 1**

33, Negombo Road, Meerigama  
Tel : 033 771 0275

**Monaragala**

39, Wellawaya Road, Monaragala  
Tel : 055 771 0350/771 0351

**Moratuwa City**

553, Galle Road, Rawathawatta,  
Moratuwa  
Tel : 011 771 0570/771 0571/771 0572

**Moratuwa Region 1**

459 1/1, Galle Road, Rawathawatta,  
Moratuwa  
Tel : 011 771 0601/771 0602/771 0603

**Moratuwa Region 3**

553, Galle Road, Rawathawatta,  
Moratuwa  
Tel : 011 771 0581/771 0582/771 0583

**Mannar**

66 A, Pallimunai Road, Uppukulam,  
Mannar

**Negombo**

349/17, Main Street, Negombo  
Tel : 031 771 0200

**Negombo Region 1**

349/17, Main Street, Negombo  
Tel : 031 771 0225

**Nelliady**

56, 58 & 60, Alavi Road (Maya Vidyalaya  
Road), Karaveddy  
Tel : 021 771 0350/771 0351/771 0352

**Nugegoda**

586, 586/1/1, High Level Road,  
Nugegoda  
Tel : 011 771 0630/771 0631/771 0632

**Nugegoda City**

586, 586/1/1, High Level Road,  
Nugegoda  
Tel : 011 771 0630

**Nugegoda Region 1**

586, 586/1/1, High Level Road,  
Nugegoda  
Tel : 011 771 0630/771 0631/771 0632

**Nuwara Eliya**

86, Kandy Road, Nuwara Eliya  
Tel : 052 771 0200/771 0201/771 0202

**Nuwara Eliya Region 1**

86, Kandy Road, Nuwara Eliya  
Tel : 052 771 0200/771 0201/771 0202

**Polonnaruwa**

13 C, Crown Building, Hospital Junction,  
Polonnaruwa  
Tel : 027 771 0200

**Polonnaruwa Region 1**

13 C, Crown Building, Hospital Junction,  
Polonnaruwa  
Tel : 027 771 0250

**Ragama City**

61 A/1/1, Mahabage Road, Ragama  
Tel : 011 771 0655/771 0656/771 0657

**Ratnapura**

23 A, Bandaranayake Mawatha,  
Ratnapura  
Tel : 045 771 0200/771 0201/771 0202

**Trincomalee**

253, North Coast Road, Trincomalee/  
No. 253, 2/1, N C Road, Trincomalee  
Tel : 026 771 0200/771 0201/771 0202



**Vavuniya**

66, Station Road, Vairavapuliyankulam,  
Vavuniya  
Tel : 024 771 0200/771 0201/771 0202

**Wennappuwa**

275/A/1 at Colombo Road, Wennappuwa  
Tel : 031 771 0275/771 0276/771 0277

**AREA DEVELOPMENT  
OFFICE NETWORK****Akuressa**

96, First Floor, Matara Road, Akuressa  
Tel : 041 228 4898

**Ampara 1**

149, Nidahas Mawatha, Ampara  
Tel : 063 222 3664/222 3663/222 2554

**Ampara 2**

149, Nidahas Mawatha, Ampara  
Tel : 063 222 2630

**Ampara 3**

149, Nidahas Mawatha, Ampara  
Tel : 063 771 0200

**Baddegama**

Hikkaduwa Road, Baddegama  
Tel : 091 229 2499

**Balangoda**

26 A, Weerasundararama Road,  
Balangoda  
Tel : 045 228 9516/228 95167

**Beliatte**

14, First Floor, Dikwella Road, Beliatte  
Tel : 047 225 1126

**Battaramulla**

1006/4A, Pannipitiya Road, Battaramulla  
Tel : 011 288 9810/771 0400

**Colombo 7**

76/2/2, Dharmapala Mawatha, Colombo 3  
Tel : 011 231 0264/231 0767

**Dehiattakandiya**

4, New Town, Dehiattakandiya  
Tel : 027 225 0026/225 0448

**Homagama**

113/A/1, Avissawella Road, Homagama.  
Tel : 011 771 0446/285 7160

**Homagama City**

113/A/1, Avissawella Road, Homagama.  
Tel : 011 771 0439/275 5987/275 5972

**Kandy**

15/2/1, Fourth Floor, Cross Street, Kandy  
Tel : 077 604 6057

**Matara**

366/1/2, Galle Road, Pamburana, Matara  
Tel : 041 223 8540

**Mathugama**

60, Neboda Road, Mathugama  
Tel : 034 224 9955

**Mawanella**

253, Second Floor, New Colombo Kandy  
Road, Mawanella  
Tel : 035 224 8760

**Moratuwa**

559, Galle Road, Rawathawatte,  
Moratuwa  
Tel : 011 771 4801

**Panadura**

575/C, Galle Road, Panadura  
Tel : 038 224 8120

**Panadura City**

150, Old Galle Road, Walana, Panadura  
Tel : 038 211 7744

**Piliyandala**

82, First Floor, Horana Road, Kesbawa,  
Piliyandala  
Tel : 011 270 3644

**Thissamaharama**

173/1, Iresha Building,  
Kachcheriyagama, Thissamaharama  
Tel : 047 223 9096

**Wariyapola**

90, Putthalam Road, Wariyapola  
Tel : 037 771 0350/771 0351

**REGIONAL DEVELOPMENT  
OFFICE NETWORK****Anuradhapura**

562/106/N2/ Technical Site, Stage III,  
Anuradhapura (Dahaiyagama Junction)

**Bandarawela**

451, Badulla Road, Bandarawela  
Tel : 057 750 8020/750 8021/750 8022/  
750 8023

**Hatton**

189/A, First Floor, Dimbulla Road, Hatton  
Tel : 051 772 2796/772 2791/772 2796/  
772 2796

**Kadawatha**

179/1D, Kandy Road, Mahara,  
Kadawatha.  
Tel : 011 745 5230/745 5231/  
745 5232/745 5233

**Kandy**

278, First Floor, Katugastota Road, Kandy.

**Malabe**

463/1, Athurugiriya Road, Malabe  
Tel : 011 788 5860/788 5887/  
788 5884/788 5865

**Marawila**

17/D/1, Mudukatuwa North, Marawila  
Tel : 032 747 2230/747 2231/747 2232/  
747 2233

**Matara**

537, Galle Road, Walgama, Matara.  
Tel : 041 763 7650/763 7651/763 7652/  
763 7653

**Minuwangoda**

191, Colombo Road, Minuwangoda

**Panadura**

525, Galle Road, Panadura.  
Tel : 038 753 4202/753 4203/753 4204/  
753 4205

**Vavuniya**

27, Second Cross Street, Vavuniya

# CORPORATE INFORMATION

## NAME OF THE COMPANY

AIA Insurance Lanka Limited  
Company Registration No – PQ 18 PB

## LEGAL FORM

A Limited Liability Company.

Incorporated in Sri Lanka on  
12 December 1986 under the Companies  
Act No. 17 of 1982.

Re-registered under the Companies Act  
No. 07 of 2007.

Life Insurance Company licensed by the  
Insurance Regulatory Commission of  
Sri Lanka.

## TAX PAYER IDENTIFICATION NUMBER (TIN)

134001356

## DIRECTORS

Biswa Prakash Misra  
Chathuri Munaweera  
Stuart Anthony Spencer  
Deepal Sooriyaarachchi  
Sarath Wikramanayake  
Indrajit Asela Wickramasinghe  
Upul Wijesinghe

## CHIEF EXECUTIVE OFFICER / PRINCIPAL OFFICER

Chathuri Munaweera

## DEPUTY CHIEF EXECUTIVE OFFICER

Upul Wijesinghe

## COMPANY SECRETARY

Thusara Ranasinghe

## CHIEF FINANCIAL OFFICER

Sampath Thushara

## SPECIFIED OFFICER

Suresh Edirisinghe

## ACCOUNTING YEAR

31 December

## SUBSIDIARY

Name of the Company	Holding	Principal Activity
Rainbow Trust Management Limited	100%	Trust Management

## REGISTERED OFFICE / HEAD OFFICE

AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07, Sri Lanka  
Tel : 011 231 0000  
Fax : 011 244 7620  
E-mail : lk.info@aia.com  
Web : www.aialife.com.lk

## COMPANY REGISTRARS

SSP Corporate Services (Private) Limited  
101, Inner Flower Road, Colombo 03,  
Sri Lanka  
Tel : 011 257 3894/011 257 6871

## AUDITORS

Messrs. Deloitte Partners  
PO Box 918  
100, Braybrooke Place  
Colombo 02, Sri Lanka

## APPOINTED ACTUARY

Samath Perera  
AIA Insurance Lanka Limited  
AIA Tower, 92, Dharmapala Mawatha,  
Colombo 07, Sri Lanka

## LAWYERS

Julius & Creasy  
Attorneys-at-Law & Solicitors  
371, R. A. De Mel Mawatha,  
Colombo 03, Sri Lanka

## REINSURANCE PANEL – LIFE INSURANCE

Zurich Insurance Company Ltd  
AIA Company Limited  
AIA Reinsurance Limited

## BANKERS

- Bank of Ceylon
- Commercial Bank of Ceylon PLC
- Deutsche Bank AG
- DFCC Bank PLC
- Hatton National Bank PLC
- National Development Bank PLC
- National Savings Bank
- Nations Trust Bank PLC
- Pan Asia Banking Corporation PLC
- People's Bank
- Sampath Bank PLC
- Seylan Bank PLC
- Standard Chartered Bank
- The Hongkong & Shanghai Banking Corporation Limited (HSBC)
- Union Bank of Colombo PLC
- Cargills Bank PLC

## CUSTODIAN BANK

- Deutsche Bank AG



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