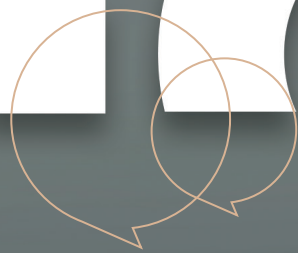


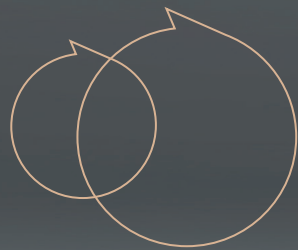


# NCE



As we move into 2025, we are in one of the strongest positions in our history, supported by improving economic stability and business confidence.

**Ashok Pathirage**  
Chairman



# REFLECTIONS FROM OUR CHAIRMAN

Dear Stakeholders,

I am pleased to welcome you to the 26th Annual General Meeting of Softlogic Life Insurance PLC and to present our Integrated Annual Report and Audited Financial Statements for the year ended 31st December 2024. This year, Softlogic Life demonstrated remarkable resilience and strategic agility, solidifying its position as the second-largest life insurer in Sri Lanka and achieving record profitability despite significant industry and economic challenges.

Our disciplined capital allocation strategy, highlighted by a successful share buyback and interim dividend payout, underscores our commitment to maximizing shareholder value while strategically positioning the company for long-term growth. Even after these distributions, we maintained a robust solvency ratio, significantly above the regulatory requirement of 120%, ensuring both financial stability and superior protection for our policyholders.

Our strategic approach led to the highest profit after tax in our history, reflecting our financial strength, operational excellence, and market resilience. Beyond financial performance, we reaffirmed our commitment to governance excellence, diversity, equity, and inclusion, fostering a workplace that empowers employees at every level while enhancing the quality of life for our customers.

## NAVIGATING A CHANGING LANDSCAPE

The year 2024 began amidst political and economic uncertainty in Sri Lanka, yet concluded with a smooth transition of power, bringing a renewed sense of stability. The new administration's proactive policies, aligned with the IMF's guidance, set the stage for sustained economic growth, forecasted at around 5% for 2025.

As the banks start lending, the economy will be kick-started and some of the stalled and new infrastructure projects

will commence. Given this renewed economic activity, the 5% growth target becomes even more realistic, supported by the tangible revival in key sectors.

Key contributors to the economy, such as foreign remittances and a robust tourism sector, and an improving export sector played a pivotal role in this recovery. With the anticipated growth, these sectors are expected to perform well, further stabilising the country's foreign reserves through earnings from tourism, exports, and foreign remittances, which in turn will provide stability to the economy, thereby stimulating economic growth. The early completion of Sri Lanka's international sovereign debt restructuring was a notable achievement, further reinforcing economic confidence.

The restoration of stability and growth has allowed Softlogic Life to approach 2025 with optimism, ready to seize emerging opportunities and drive sustainable growth.

## RECORD-BREAKING FINANCIAL PERFORMANCE

Softlogic Life's financial performance in 2024 was exceptional, achieving a Profit After Tax (PAT) of Rs. 4.5 Bn, a 59% year-on-year growth. Gross Written Premium (GWP) reached Rs. 31.6 Bn, reflecting a 20% increase.

Total assets surged to Rs. 53.5 Bn, further strengthening our financial position, and our Return on Equity (ROE) was an impressive 38.2%, and Earnings Per Share (EPS) rose to Rs. 12.61, a 67% growth compared to the previous year. Despite industry-wide cost pressures, we maintained an operating expense ratio of 18.5%,

demonstrating our focus on cost optimization and efficiency.

Our regulatory Capital Adequacy Ratio (CAR) stood at 298%, more than double the required threshold, highlighting our strong capital base and financial stability.

## DIVERSITY, EQUITY, AND INCLUSION

At Softlogic Life, we are committed to fostering a diverse, equitable, and inclusive workplace. We believe that a fair and inclusive work environment enables our people to reach their full potential. Our policies and processes ensure that diversity is embedded across all levels of the organization, from senior management to branch-level teams. Moreover, diversity, equity and inclusion are proactively promoted within our customer segments, ensuring that our products and services cater to a broad and diverse customer base.

Our '4HER' initiative continues to empower women across all levels of the organization through mentorship programs, leadership training, and policies promoting work-life balance. This approach not only enriches our workplace culture but also enhances our ability to effectively serve a broad and diverse customer base.

## GOVERNANCE AND RISK MANAGEMENT

Governance and risk management remain at the core of our operations, guiding our decision-making and long-term sustainability. We uphold the highest standards of accountability, fostering a culture of integrity and responsibility across all levels of the organization. By ensuring accurate

		2023	2022	G%
Gross Written Premium	Rs. Bn	31.6	26.3	20%
Profit After Tax	Rs. Bn	4.5	2.8	59%
Earnings per Share	Rs	12.6	7.6	66%
Return on Equity	%	38.2	23.5	63%
Operating expenses Ratio	%	18.5	20.3	-9%

and transparent financial reporting, we reinforce stakeholder confidence while aligning with global best practices and regulatory expectations.

In line with global best practices, we are advancing the implementation of SLFRS 17, preparing for its effective date of January 1, 2026, while also aligning with other international standards to enhance financial reporting and regulatory compliance. Additionally, our adherence to the CA Sri Lanka Voluntary Corporate Governance Code of 2023 and early adoption of Section 9 of the Listing Rules underscore our commitment to governance excellence.

Our efforts have been consistently recognized, with our Integrated Annual Report ranking among the top three in Sri Lanka at the CA Sri Lanka TAGS Awards for four consecutive years. In 2024, we received multiple accolades, including the Bronze Award for Overall Excellence in Corporate Reporting and the Gold Award for Digitally Transformative Reporting.

### SUSTAINABILITY COMMITMENT

Our focus on sustainable financial growth was reinforced by the early adoption of SLFRS S1 and S2 with external assurance, ensuring our business model is future-ready. Recognizing the growing importance of climate risk and ESG considerations, we have enhanced our risk management framework to integrate these elements effectively, positioning Softlogic Life for long-term resilience.

Aligned with our long-term strategic plans, we remain committed to strengthening our governance framework through continuous evaluation and improvement. This proactive approach enables us to adapt to evolving regulations and best practices, reinforcing our dedication to corporate excellence and accountability.

### DELIVERING SHAREHOLDER VALUE

Our recent share buyback initiative reflects our confidence in the

company's long-term prospects and our dedication to maximizing shareholder value. By leveraging our excess regulatory solvency, we ensured attractive returns for our shareholders.

An interim dividend of Rs. 4.50 per share was declared for 2024, amounting to a total payout of Rs. 1,424 Mn for the year, further reinforcing our commitment to delivering sustainable returns to our shareholders.

### STRATEGIC OUTLOOK FOR 2025 AND BEYOND

#### Short-Term Strategic Priorities

As we move into 2025, we are in one of the strongest positions in our history, supported by improving economic stability and business confidence.

As the go to Company in health insurance, we currently hold a dominant position, accounting for 36% of the entire health insurance market. We are committed to further strengthening our offerings by introducing innovative solutions that cater to evolving customer needs.

Our multi-channel distribution approach, combined with our commitment to developing innovative and future-ready insurance solutions tailored to evolving market demands, will be instrumental in driving our growth trajectory and enhancing profitability.

#### Long-Term Ambition

Our long-term strategy is centred on leveraging technology and AI to transform the insurance industry through innovation and operational efficiency. By expanding our market presence and strengthening our leadership position, we aim to create lasting value for all stakeholders.

As climate risks continue to grow, we recognize the need for a resilient and adaptive approach to insurance. By staying continuously alert and integrating sustainability into our long-term strategy, we will take proactive measures to address climate-related

risks, ensuring our business remains agile and responsive to the evolving risk landscape.

We expect to sustain a return on equity exceeding 20%, driven by disciplined financial management and strategic growth initiatives. At the same time, we will uphold a strong financial position and maintain robust solvency ratios, ensuring stability, resilience, and long-term value creation for all stakeholders.

### ACKNOWLEDGEMENTS

I would like to express my gratitude to the insurance regulator and the leadership of the Insurance Regulatory Commission of Sri Lanka (IRCSL) for their guidance and support. Our success is a testament to the dedication of our Board of Directors, management team, and employees. Their unwavering commitment and hard work have been instrumental in achieving these remarkable results.

By staying agile and future-focused, we are committed to leveraging innovation, digital transformation, and strategic partnerships to strengthen our market position. Our proactive risk management approach, coupled with a strong governance framework, ensures resilience in an evolving economic landscape. As we move forward, we will continue to drive sustainable growth, create meaningful stakeholder impact, and uphold our commitment to excellence in all aspects of our operations.

Looking ahead, we remain confident in our ability to navigate challenges, capitalize on emerging opportunities, and continue delivering exceptional value to our shareholders, policyholders, and all stakeholders.

Sgd.

**Ashok Pathirage**  
Chairman

Colombo, Sri Lanka.  
04 March 2025