

OUTLOOK

ECONOMIC OUTLOOK

Sri Lanka's economy is projected to transition from stabilisation to sustainable expansion in 2026 and the medium term, supported by continued structural reforms, improved external balances, and strengthening domestic demand. According to the International Monetary Fund (IMF), Sri Lanka's reform program under the Extended Fund Facility (EFF) continues to anchor macroeconomic stability through fiscal consolidation, revenue enhancement, and debt restructuring. Following the strong rebound recorded in 2024 and continued expansion in 2025, real GDP growth is expected to moderate but remain positive (3% -4%) in 2026, supported by services, industry, tourism, and private sector credit recovery. Inflation is expected to remain broadly anchored near 5% over the medium term, assuming prudent monetary management and stable global commodity prices. The economic outlook for 2026 and beyond reflects cautious optimism. While risks remain including global economic volatility, commodity price fluctuations, and climate related disruptions Sri Lanka's reform momentum, improving macroeconomic fundamentals, and renewed investor confidence position the country for sustainable, medium-term growth.

INDUSTRY OUTLOOK

Sri Lanka's life insurance sector has demonstrated robust growth and continues to expand, driven by rising consumer awareness, economic normalisation, and advancements in digital adoption. Industry data shows Gross Written Premium (GWP) rising consistently and in 2025 grew by 25%. Despite this growth, Sri Lanka's insurance penetration remains relatively low compared to regional peers, signalling significant potential for future expansion as financial literacy and disposable incomes rise. Industry forecasts project continued growth in life insurance, supported by both

traditional products (e.g., whole life, endowments) and evolving segments such as unit-linked and protection-oriented offerings.

FUTURE OF SOFTLOGIC LIFE

Our corporate plan emphasises agile growth, disciplined execution, and measurable stakeholder value. Building on a strong track record including consistent shareholder returns we are committed to sustaining profitability, operational excellence, and market leadership.

Growth and Profitability

Softlogic Life expect to deliver strong financial performance, contributing to elevated returns for shareholders and sustain the trajectory by leveraging expanding market demand and expanding our distribution to different geographic areas locally and internationally.

Sales Force Development

Our sales team remains a core competitive asset. Investments in training, professional development, and digital sales tools will deepen engagement quality and support long-term customer relationships.

Customer-Centric Product Evolution

To meet evolving needs, Softlogic Life will expand its product portfolio with a focus on preventive healthcare and dynamic underwriting models. These solutions will foster preventive well-being, improve insurance outcomes, and strengthen client loyalty.

Digital Innovation & AI Integration

The company is accelerating its adoption of digital technologies and artificial intelligence throughout the value chain — from customer acquisition to underwriting and claims management. AI-enabled analytics will enhance risk assessment, personalise product recommendations, and streamline customer interactions.

Operational Excellence & Sustainability

Digital transformation is complemented by systematic process optimisation, governance enhancements, and data-driven decision-making. These initiatives will elevate service quality, improve efficiency, and enhance competitiveness across the insurance landscape.

Market Position & Growth Outlook

Given Sri Lanka's rising insurance demand and low penetration rates, Softlogic Life is well-positioned to capture expanding market share. Strengthened by technology, strong distribution channels, and a customer-first philosophy, the company is poised for sustained growth and industry impact in the years ahead.

The future strategies for value creation are detailed under each capital as listed below.

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