



INTELLECTUAL CAPITAL

MANAGEMENT APPROACH

We manage our intellectual capital by continuously innovating to meet evolving customer needs and enhance operational efficiency. Our approach centres on developing proprietary systems, safeguarding our brand reputation, and fostering a culture of innovation that has led to industry-first digital solutions. We protect our intellectual property and track the effectiveness of our investments through indicators such as the number of new products launched, customer adoption rates of digital services, and brand value recognition from independent industry awards recognition.



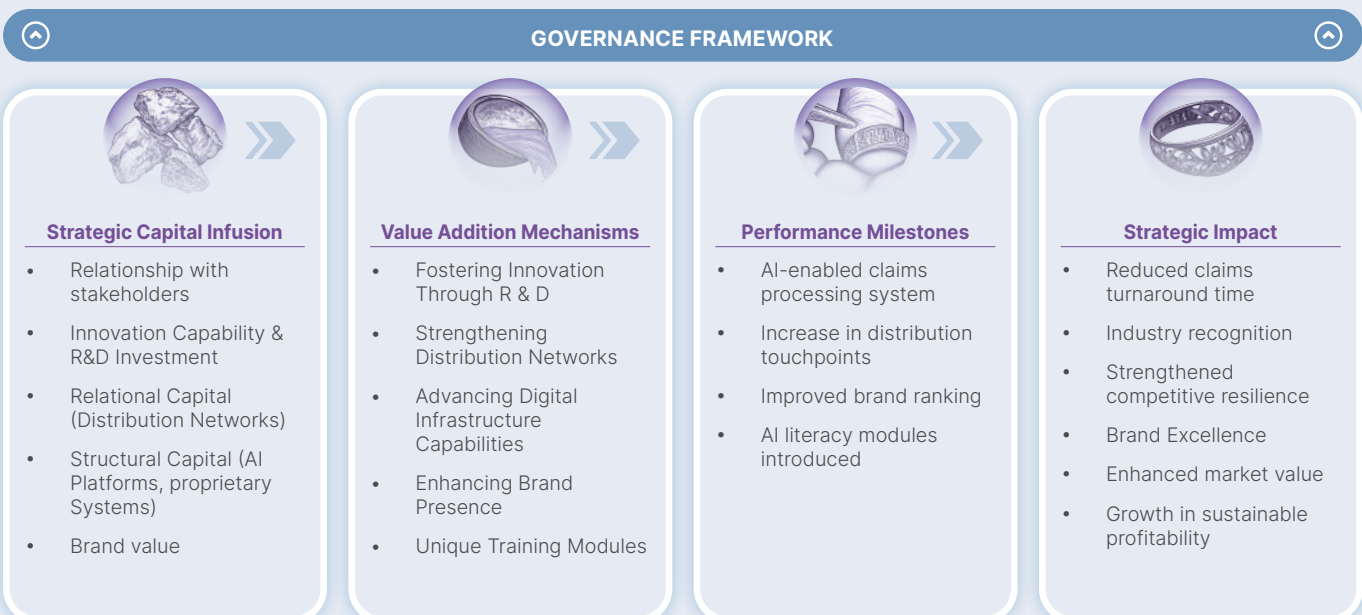
Ancient Irrigation Engineering: Yoda Ela

Yoda Ela, or Jaya Ganga, flows with quiet precision, its near-invisible gradient carrying water across great distances with remarkable accuracy. A triumph of foresight and calculation, it was engineered to serve generations. Intellectual capital works the same way: insight structured into systems, strategy applied with care, and ideas guided steadily toward enduring, long-term value.

300+ Agentic AI workforce
work together with our employees

Recognition as **Asia's best AI initiative**,
signify our impactful innovations

VALUE DRIVERS TO STRATEGIC IMPACT



1. GOVERNANCE OF INTELLECTUAL CAPITAL

Intellectual capital is critical to the Company's ability to innovate, enhance underwriting and claims efficiency, strengthen customer engagement, and maintain competitive differentiation. Intellectual capital is therefore managed as a long-term value driver, balancing current performance delivery with sustained capability development across the short, medium, and long term.

The governance and management of intellectual capital are structured through a clearly defined oversight framework that links Board accountability with executive execution and operational integration to drive sustainable long-term value creation.

1.1 Governance & Board Oversight

The Board of Directors remains accountable for intellectual capital stewardship within its oversight of strategy, enterprise risk management, and disciplined capital allocation. Through the Board Risk Committee the Board reviews the strategic alignment and expected return profile of digital and innovation investments, monitors cybersecurity resilience and data governance effectiveness, oversees the ethical and responsible deployment of artificial intelligence, and evaluates emerging technology risks relative to the Company's defined risk register. This oversight ensures that financial capital is prudently deployed to strengthen intellectual assets while safeguarding long-term value creation capacity.

1.2 Executive Stewardship & Enterprise Integration

Executive stewardship of intellectual capital is led by the Chief Digital Innovation Officer and supported by a dedicated digital transformation team responsible for advancing AI integration, automation architecture, analytics capability, and enterprise-wide digital enhancement.

1.3 Technology Governance & Information Security Oversight

A structured IT governance and data protection framework underpins the Company's digital ecosystem, safeguarding platforms, ensuring regulatory compliance, and preserving data integrity. These policies detailed in the Social and Relationship Capital section provide disciplined oversight over technology deployment and digital risk management (refer page 158).

The framework addresses key risks including cybersecurity threats, system obsolescence, and operational disruption through continuous monitoring, and control validation. Performance oversight is supported by defined indicators such as automation efficiency metrics, turnaround time improvements, innovation milestone achievement, and cybersecurity trend analysis.

This governance discipline ensures that digital advancement remains secure, controlled, and strategically aligned, strengthening operational resilience and supporting sustainable long-term value creation.

2. MANAGING OUR INTELLECTUAL CAPITAL

To preserve and enhance Intellectual capital, the Company has implemented structured governance, strategic investment, and risk management mechanisms designed to strengthen operational efficiency, support business model execution, and sustain competitive differentiation in an evolving external environment.

2.1 Strategic Relationship with Stakeholders

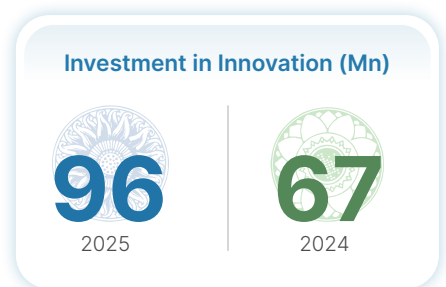
The Company's approach to intellectual capital value creation is significantly influenced by the quality of relationships maintained with key stakeholders, including employees, customers, investors, business partners, and the wider community.

Insights derived from structured stakeholder engagement processes are systematically integrated into product development, underwriting refinement, service enhancement, and strategic decision-making. By embedding stakeholder-driven knowledge into organisational systems, analytics frameworks, and innovation processes, the Company strengthens its institutional knowledge base and enhances long-term value creation capacity (Refer page 58 for stakeholder engagement process).

2.2 Pioneering Innovation through Research and Development

Softlogic Life's research and development philosophy is anchored in a culture where innovation is systematically encouraged and institutionally supported. The Company promotes continuous experimentation, data-driven refinement, and technology-led process redesign as part of its structured R&D agenda rather than ad-hoc improvement efforts.


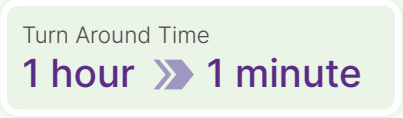

This disciplined innovation framework has enabled the development of proprietary digital solutions and process enhancements that improve efficiency across the entire insurance value chain from underwriting and policy administration to claims management and customer servicing. Through automation, advanced analytics, and integrated digital platforms, the Company has reduced turnaround times, strengthened decision accuracy, optimised cost structures, and enhanced operational resilience.



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2.3 Driving Operational Excellence Through Digitalisation

Building on prior system enhancements, we further strengthened our digital ecosystem by accelerating digitalisation and innovation across the entire insurance value chain as shown below. This integrated approach enhanced responsiveness to evolving customer behaviours, emerging regulatory expectations, and rapid technological advancement.

Value Chain Area	Initiative / Platform	Description / Innovation Focus	Strategic Impact / Outcome
Onboarding & Underwriting	DTAP Digital Bank System	Digital onboarding and underwriting platform	Strengthened market leadership and improved operational agility
	E-advisor (1st time in Sri Lanka)	End-to-end proposal digitisation	100% digital proposal processing; improved processing efficiency
	Data Scientist integration to underwriting (1st time in Sri Lanka)	Traffic Light predictive model to forecast policy lapses	Enhanced risk assessment and retention strategy through data intelligence
Claims	InstaClaim (1st time in Sri Lanka)	SL's first Instant OPD Claims App	40% of claims processed through AI; turnaround improved from 1 day to 1-2 minutes 
	Claim-it (1st time in World)	AI-driven automation of cashless hospitalisation claims	Turnaround time reduced from 1 hour to 1 minute 
	Honouring the Right Claim	Ethics-based AI models for duplicate and suspicious claim identification	Eliminated manual review hours (approx. 300 daily human hours saved); strengthened fraud governance Duplicate Claims Identified Alteration Claims 2025 – 2.9Mn 2025 – 1.48% 2024 – 1.3Mn 2024 – 0.35%
Servicing	Life-Up (1st time in Sri Lanka)	SL's first Life Insurance mobile application	Enhanced customer accessibility and digital engagement
	Human & Digital Employee Collaboration	Robotic Process Automation (e.g., payments, bank reconciliation)	Improved back-office efficiency and process accuracy
	AI Sentiment Analysis	AI-driven customer service monitoring	Enhanced service responsiveness and experience management
	Own LLM & Agentic AI	+ 300 AI agents and workflows in production	 20% overall efficiency improvement; embedded enterprise intelligence

2.4 Advancing Digital Infrastructure Capabilities

Investment in digital infrastructure and related intangible assets during the year supported system modernisation, analytics capability expansion, and cybersecurity reinforcement. The following key digital infrastructure initiatives have been instrumental in advancing SLI's transformation roadmap.

- Automation of Signature Verification
- InstaClaim app
- e-Advisor
- Health Score app
- Lifeup
- Robotic process automation
- Omni-Channel
- Claimit
- Microsoft Azure OpenAI
- Digital Workplace



2.5 Other Processes and Cutting-Edge Technological Solutions Introduced to the Industry

Objective	Application / Initiative	Purpose & Strategic Contribution
Customer Experience & Claims Excellence	AI-Based Claim Settlement	End-to-end AI automation of claims processing enabling instant CEFT payments, reduced turnaround times, and improved customer trust.
	Preventive health through Health Score App	AI-powered wellness tracking solution promoting proactive health management and customer engagement.
	Fully Automated Savings Plan Journey	Seamless digital onboarding, instant receipts, and automated policy issuance enhancing customer convenience.
	Automated Signature Verification	Secure digital verification improving servicing efficiency and customer convenience.
Data & Decision Intelligence	Fraudulent Identification Module	AI-driven duplicate and anomaly detection strengthening claims governance and system integrity.
	PowerBI & Qlik Dashboards	Real-time analytics deliver business insights, claims trends, and operational visibility.
	AI-Powered Annual Report Analyser	Automated interpretation of financial reports supporting advanced data intelligence.
	Sanctions Screening & Stakeholder Due Diligence Platform	Real-time screening of customers, suppliers, and stakeholders against global sanctions lists, strengthening regulatory adherence, governance integrity, and reputational risk management.
Workforce & Productivity Enablement	LMS (24/7 Digital Learning Platform)	Continuous digital capability development reducing reliance on physical training infrastructure.
	Co-Pilot & Agentic AI	Enterprise AI agents enhancing decision support and overall productivity.
	Workflow Automation Tools	Automation of 50+ daily operational processes improving productivity and cost efficiency.

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2.6 Strengthening Distribution Networks

In 2025, strengthening distribution capability remained central to enhancing market penetration within a highly competitive and mature insurance landscape. The Company advanced beyond incremental expansion strategies by focusing on structural growth, capability integration, and knowledge-driven market engagement to reinforce business model resilience and long-term value creation.

Acquisition of Allianz Life Insurance Lanka Ltd

A key milestone in this transformation was the acquisition of Allianz Life Insurance Lanka Ltd, marking a significant step in the Company's growth trajectory. The acquisition expanded Softlogic Life's distribution footprint by integrating experienced advisors, established operational systems, and long-standing customer relationships. This integration enhanced scale efficiencies, strengthened brand visibility, and accelerated penetration across targeted geographic and customer segments, contributing to revenue growth capacity and market share expansion.

Introduction of Research-Focused Sales Unit

In parallel, the Company introduced a research-focused sales unit designed to enhance market intelligence within the distribution framework. This specialised team applies data-driven insights and structured market research methodologies to identify emerging customer behaviours, segment-specific needs, and opportunity clusters. By embedding knowledge-centric sales practices into frontline engagement, the Company strengthens product positioning, improves advisor effectiveness, and enhances customer acquisition efficiency.

The combination of expanded distribution reach and knowledge-driven sales execution reinforces intellectual, human, and social capital while supporting sustainable financial performance. Through disciplined integration and continuous capability enhancement, the Company strengthens its competitive positioning and ensures adaptability to evolving market conditions.

3. ENHANCING BRAND PRESENCE

During 2025, Softlogic Life strengthened its brand equity through strategically aligned initiatives designed to support business growth, digital transformation, and societal impact. Brand investments were purpose-driven and integrated with the Company's broader value creation strategy, focusing on predictive healthcare awareness, youth engagement, national disease prevention advocacy, child well-being, and cultural unity.

Through this integrated approach, Softlogic Life continued to position

itself not merely as an insurer, but as a trusted partner in enabling healthier, more secure, and more resilient communities contributing to sustainable long-term value creation for all stakeholders.

WHAT MADE US UNIQUE?

- Sponsorship for Olympian Athlete
- Sponsorship for elite school Rugby teams in the 2024/25 schools Under 19 Rugby League.
- "Dengeez & Chikky G" – Chikungunya Awareness campaign
- BadExamples – Children's Day Social Reflection Initiative
- Hope Carols – A Message of Unity and Resilience



"ME RATE MINISSU" REBUILDING THE NATION CAMPAIGN

During 2025, as Sri Lanka navigated a period of economic and social uncertainty following the Ditwah cyclone effects, Softlogic Life implemented the nationwide "Me Rate Minissu" campaign to promote unity, resilience, and renewed confidence. The initiative celebrated the warmth and perseverance of Sri Lankan communities, highlighting everyday stories of strength and kindness. Through this purpose-driven communication, the Company strengthened emotional brand affinity, reinforced stakeholder trust, and enhanced Social and Relationship Capital, supporting sustainable long-term value creation.



Scan this QR code to see the campaign video

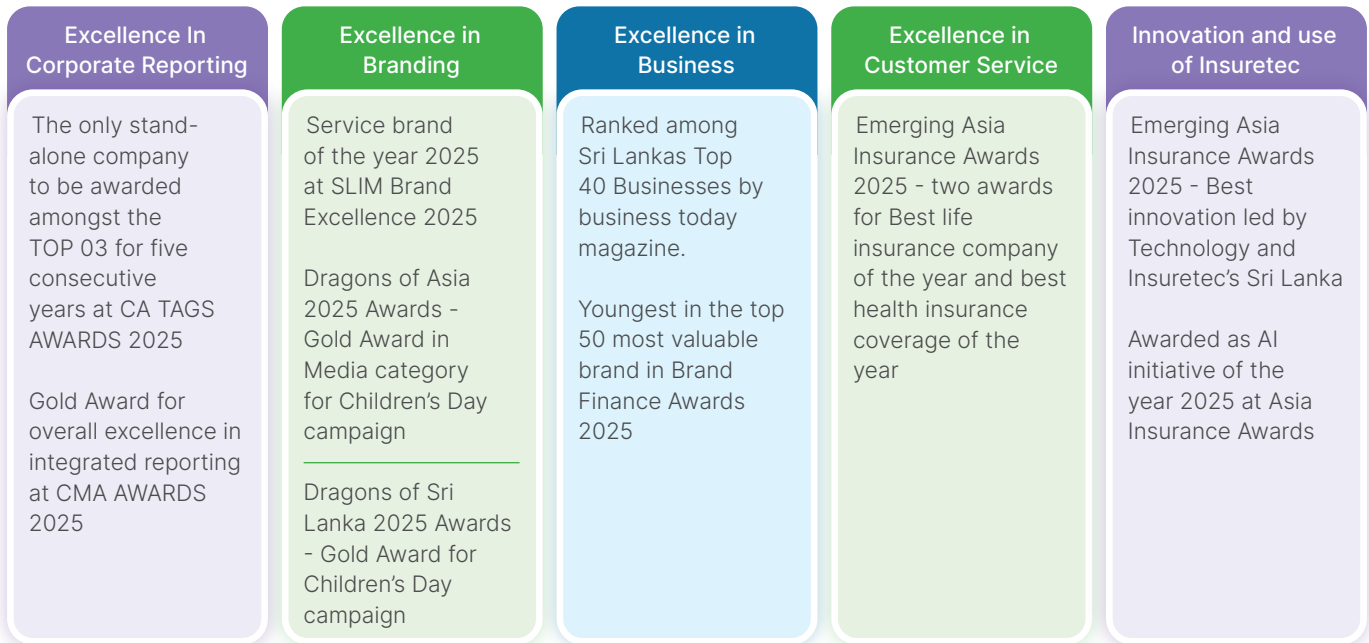
3.1 Compliance and Ethics

3.1.1 Ethical Marketing

Ethical marketing continues to serve as a cornerstone of Softlogic Life’s brand and business practices. Prior to the launch of any marketing or communications initiative, proposals are meticulously evaluated by the Marketing and Communications team against rigorous ethical standards to ensure integrity, transparency, and fairness. This process safeguards the trust and confidence of customers, stakeholders, and the broader community. The Head of Marketing holds ultimate accountability for ensuring that all activities consistently align with these principles, reinforcing the Company’s commitment to responsible and credible brand communication.

3.1.2 Industry Recognition

A. Awards and Accolades



3.1.3 Brand

A. Our Brand Promise

Refer Social and Relationship Capital on page 164 for information of our brand promise.

B. Our Brand Philosophy

Our brand philosophy reflects purpose-driven commitment to enhance the quality of life of all Sri Lankans. The brand is strategically positioned not merely as a provider of life insurance, but as a proactive enabler of health, protection, and long-term financial security. Its progression to become the second largest life insurer in Sri Lanka demonstrates the strength of its brand equity, customer trust, and innovation-led differentiation.

To consistently reinforce this positioning, SLI adopts an integrated communication strategy various channel. Through purpose-led messaging and ethically governed brand communication, SLI ensures alignment between its strategic intent, stakeholder expectations, and market presence thereby strengthening relational capital and sustaining long-term brand value.

Our communication channels

- Mass Media
- Outdoor Visibility
- Digital Channel
- Social Media

C. Softlogic Life Brand Value



(Source – Brand Finance Top 100, 2025)




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4. RISKS AND CHALLENGES

Risk	SLI Response
Cybersecurity the increasing reliance on advanced digital tools and cloud-based platforms heightens exposure to cyber threats and system vulnerabilities.	The Company continues to invest in advanced cybersecurity technologies, including AI-driven threat detection, data encryption, and multi-factor authentication, to strengthen data protection and system resilience. In parallel, structured cybersecurity awareness programmes are conducted to equip employees with the knowledge and skills required to identify, prevent, and mitigate cyber risks, thereby reducing human-related vulnerabilities.

5. FUTURE OUTLOOK AND STRATEGIC PRIORITIES

Strategic Pillar	Short-Term Goals 	Long-Term 
Preventive Health and Wellness	Accelerate AI-driven enhancements strengthening underwriting precision, claims efficiency, and predictive health analytics capabilities. Develop targeted wellness programmes encouraging healthier lifestyles and early disease detection among policyholders.	Lead the market through AI-driven innovation and advanced health risk modelling solutions. Establish Softlogic Life as the preferred partner for comprehensive health management beyond traditional insurance coverage.
Personalisation and Customer-Centric Products & Services	Deploy real-time data analysis, predictive risk assessment, and workflow optimisation tools to enhance customer engagement and service responsiveness.	Deliver hyper-personalised insurance solutions through expanded AI integration and advanced behavioural analytics.
Digital Transformation and InsurTech	Transform all business units into AI-enabled Smart Departments	Build SLI's own LLM and agentic AI ecosystem as a proprietary intellectual asset
Sustainability	Operate under defined governance, ethical, and oversight frameworks for AI deployment, ensuring transparency and fairness in algorithm-driven decisions. Enhance climate risk disclosures and integrate sustainability metrics into performance management.	Build a secure, data driven enterprise with strong cybersecurity, enhanced compliance intelligence, and future ready digital talent. Achieve measurable reductions in environmental footprint while deepening social impact through inclusive insurance solutions.

6. CONTRIBUTION TO VALUE CREATION (TRADEOFF)

INTELLECTUAL CAPITAL

FINANCIAL CAPITAL

- + Sustainable profitability growth driven by AI-enabled knowledge-based underwriting and claims management.
- + Improved cost efficiency and margin expansion through automation, process intelligence, and scalable digital infrastructure.
- Short-term financial trade-offs arising from strategic investments in AI systems, digital platforms, and capability development to strengthen long-term intellectual assets.

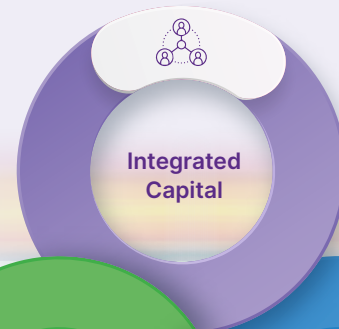
SOCIAL & RELATIONSHIP CAPITAL

- + Enhanced stakeholder trust and confidence through data transparency, predictive insights, and responsible AI governance.
- + Strengthened engagement with customers and business partners via intelligent digital platforms and personalised, knowledge-driven service delivery.

- + Improved accessibility and service consistency across physical and digital touchpoints.

HUMAN CAPITAL

- + Strengthened workforce capability through AI literacy programmes, advanced analytics training, and continuous digital upskilling initiatives.
- + Enhanced employee productivity and decision quality through access to knowledge systems and intelligent automation tools.
- + Fostered a culture of innovation and human-AI collaboration, reinforcing long-term organisational learning and adaptive capacity.



Knowledge & Analytics Advancement

- Enhanced predictive accuracy in underwriting and claims
- Stronger fraud detection and risk intelligence

Innovation & Process Optimisation

- Improved operational efficiency through automation
- Real-time data-driven decision-making capabilities

Customer Insight & Engagement

- Deeper behavioural insights and personalised service delivery
- Strengthened customer trust through transparency and reliability

Sustainable Innovation Governance

- Responsible AI oversight and regulatory alignment
- Long-term resilience through knowledge-driven adaptability

Preventive Health and Wellness

Development of AI-powered predictive health models, Health Score analytics, and data-driven risk profiling systems to enable proactive health management and early risk identification

Personalisation and Customer-Centric Products & Services

Advanced data intelligence and life-stage analytics to design tailored insurance solutions, enhance underwriting precision, and deliver personalised customer journeys.

Digital Transformation and InsurTech

Enterprise-wide AI integration, automation architecture, fraud analytics engines, secure cloud infrastructure, and real-time decision-support systems embedded across underwriting, claims, and engagement platforms.

Sustainability

Integration of ESG analytics, responsible AI governance frameworks, and environmentally conscious technology infrastructure to ensure long-term resilience and ethical innovation.