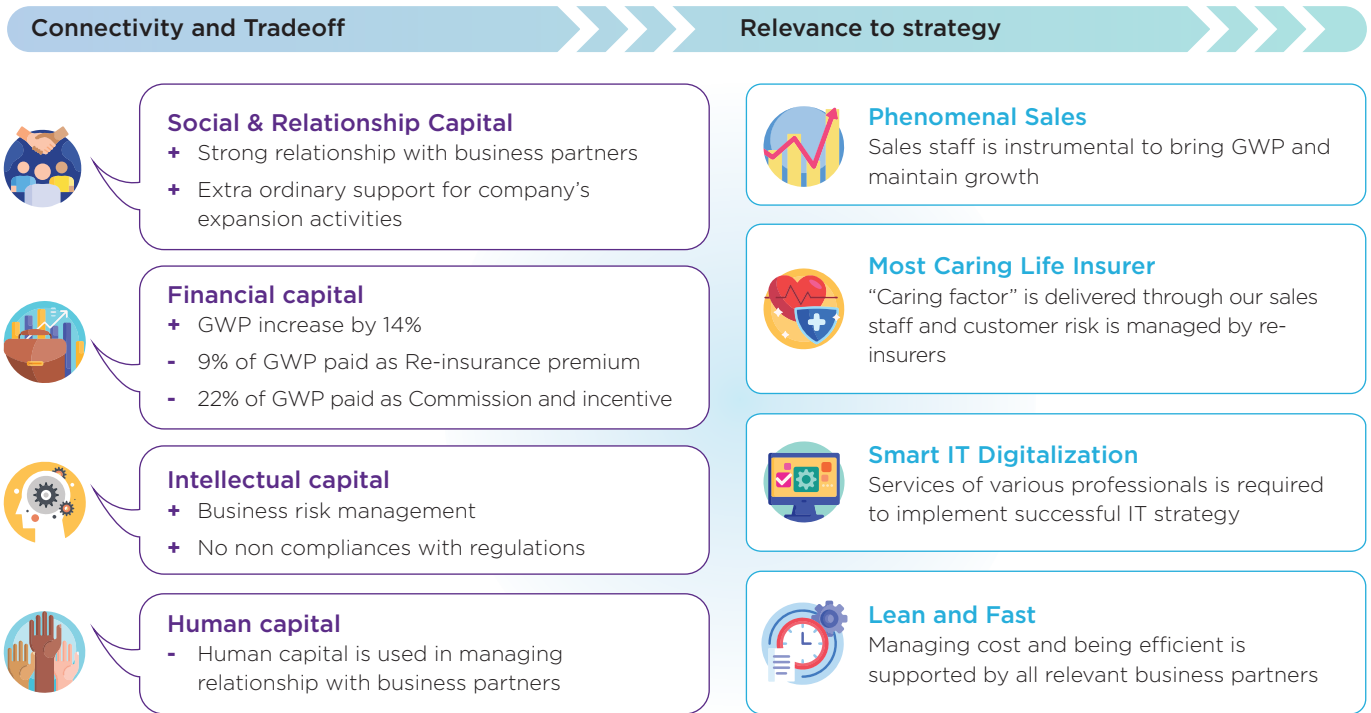


BUSINESS PARTNERS

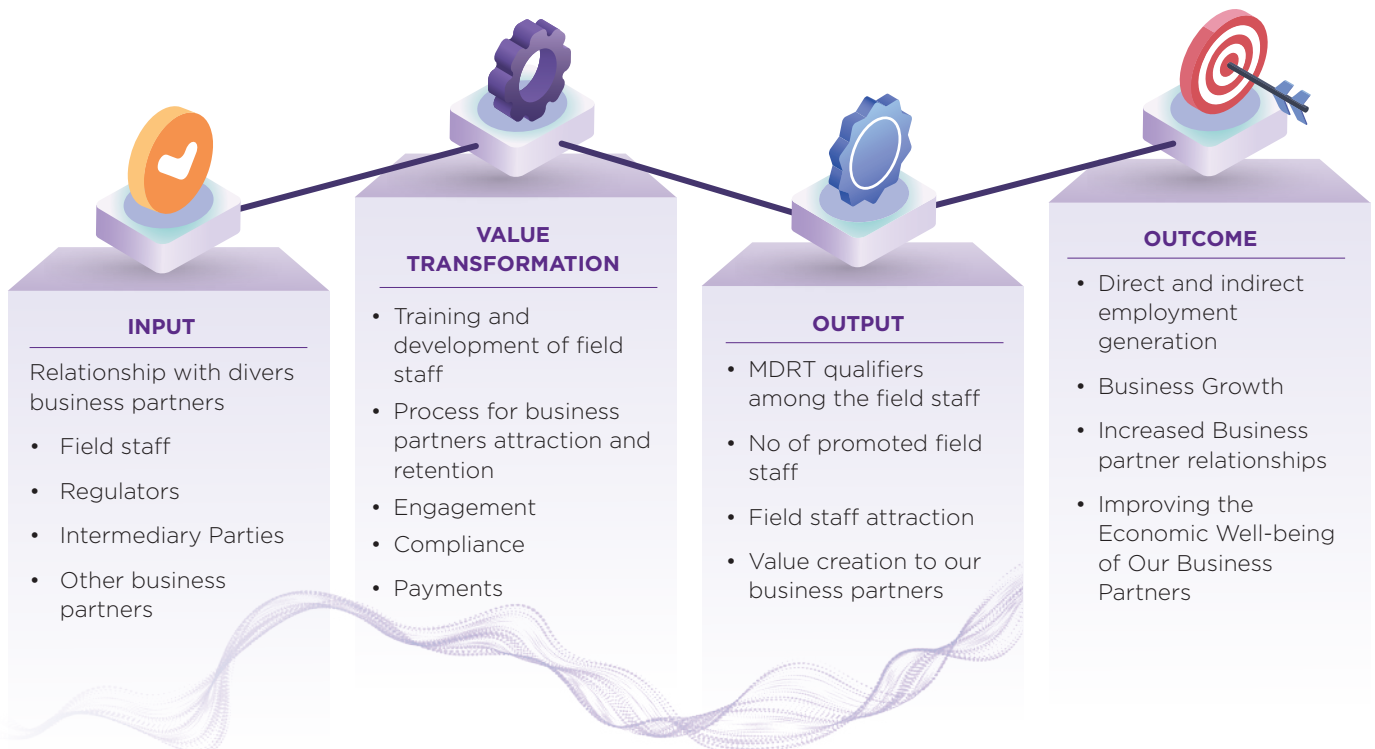
Stronger relationships to achieve shared objectives

We always strive to maintain strong and healthy relationships with our business partners in the value creation process. Intermediary service providers, regulators, Sales force including insurance agents, advisors and MDRT qualifiers and other business partners are included in the Business Partners scope.



Below diagram shows how we engage with business partners and create mutual benefits.

Business Partner Value Creation Process



SOCIAL AND RELATIONSHIP CAPITAL

BUSINESS PARTNERS

OUR BUSINESS PARTNERS

We firmly believe that establishing strong connections with business partners is integral to our success and plays a critical role in the value creation process. In our efforts to maintain healthy relationships with these partners, we transparently communicate our goals, fostering alignment towards a unified direction. At SLI, effective communication is paramount in our engagement with business partners, enabling a comprehensive understanding of their risks, challenges, and interests. This approach ensures a collaborative effort in aligning strategies with mutual business objectives, thereby enhancing the overall success of our partnerships.

Category	Business Partners
Field staff	Insurance Agents, Advisors and MDRT qualifiers
Intermediary parties	Reinsurers
	Actuarial Partners
	Bancassurance partners
	Lenders, Banks, asset management firms and other Financial Institutions
	IT software and hardware providers
Regulators and other association members	Softlogic Group
	Industry specific regulators (Ex: IRCSL)
	Government institutions (Inland Revenue Department, CSE, Central Bank etc.)
	Auditors
Other Business Partners	Association Memberships providers
	Consultancy providers (Ex: Tax advisors)
	Utility providers (Electricity, water, security, and sanitary facility providers)
	Media
	Security services, Courier services, Other suppliers, rating agencies and Competitors
	Competitors

OUR FIELD STAFF

SLI has an outstanding team of sales people who play a key role in our business progress. Despite facing challenges, our sales team stays highly involved and motivated through well-thought-out plans. This approach yielded unmatched results, with SLI achieving growth rates surpassing those of the industry over the past decade.



High attrition among the sales staff is natural to life insurance industry. The main reason is success rate of new recruits from outside the industry is low

MDRT Qualifiers

Qualifying category	2023	2022
TOT Qualifiers	8	7
COT Qualifiers	9	16
MDRT Qualifiers	246	240
Total Qualifiers	263	263

OUR VERY OWN SAJEEWA PUSHPITHA BECOMES
THE BEST LIFE INSURANCE AGENT IN ASIA
AT THE 8TH ASIA TRUSTED LIFE AGENTS & ADVISORS AWARDS - 2023
 HEARTIEST CONGRATULATIONS FROM SOFTLOGIC LIFE

BEST LIFE INSURANCE AGENT IN ASIA

We uphold the highest standards for our sales staff to better serve our customers and ensure they receive accurate advice when purchasing life insurance policies. As a testament to the success of our efforts, our very own Mr. Sajeewa Pushpitha has been recognized as the best life insurance agent in Asia.

Scan above QR is to see success stories of our Field Staff

TRAINING AND DEVELOPMENT FOR FIELD STAFF

We recognize that the success of the company is significantly influenced by the calibre of our sales staff. Serving as the primary point of contact for customers, field staff officers play a crucial role in forming the initial impression of the company. Consequently, we are dedicated to enhancing their capabilities, refining their personalities, and honing the necessary soft skills for effective field interactions. To achieve this objective, we have established a fully equipped training centre devoted to empowering our sales staff. Our team of industry-leading trainers consistently supports our sales staff in their journey toward achieving their aspirations on a day-to-day basis.

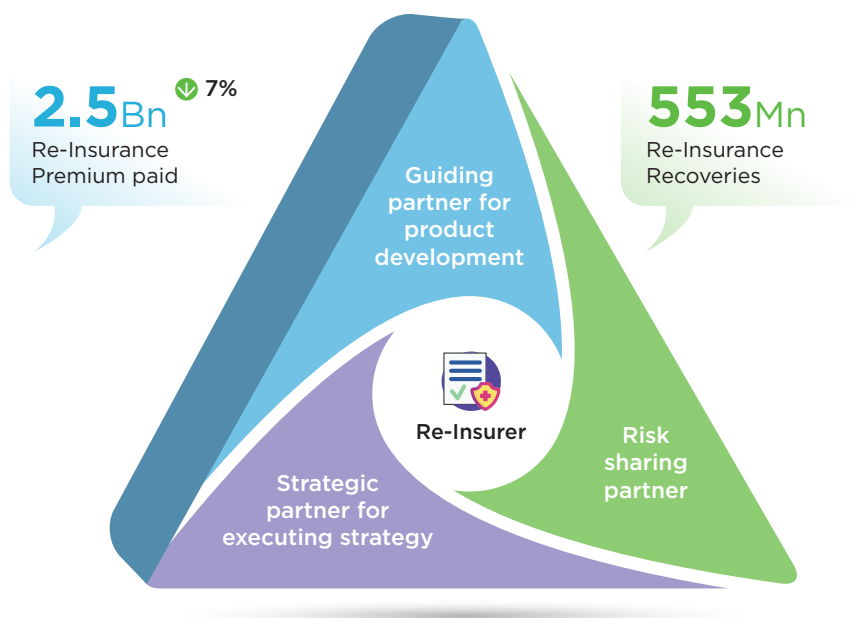
RE-INSURANCE PARTNERS

Reinsurers play a pivotal role as strategic partners in the value creation process for Softlogic Life Insurance PLC. As a life insurer, the company utilizes reinsurance as a crucial risk management tool to effectively spread risk and manage capital. This involves transferring a portion of risks to reinsurance partners, who not only provide guidance but also contribute new

product ideas based on their extensive global experience and expertise. The collaboration with reinsurers has proven instrumental in shaping innovative product designs within the company.

The establishment of appropriate reinsurance arrangements has allowed Softlogic Life Insurance to expand within acceptable risk tolerance limits and achieve the set profitability goals, aligning with the overall business strategy. Over time, the company has successfully built trust with reinsurers, fostering effective engagement and collaboration.

When selecting reinsurers, the company considers crucial factors such as track records, credit ratings, and financial strength. Softlogic Life Insurance maintains a reinsurance panel comprising six of the world's best reinsurers, each with a proven track record, ensuring a robust and reliable partnership for sustained success.



Our Reinsurance Panel

Reinsurer	Logo	Credit Rating		Profile (As at 31.12.2022)
		(A.M. Best)	(FITCH)	
Munich Re		A+	AA	143 Years of risk expertise Total assets - Euro 106,889 Mn
SCOR		A+	A+	52 Years of risk expertise Total assets - Euro 55.3 Bn
TOA		A	-	83 Years of risk expertise Total assets - Yen 905.75Bn
Canopus		A	AA-	20 years of risk expertise Total assets - \$ 6,745Mn
AXA PPP Healthcare Ltd		A+	-	38 Years of risk expertise Total assets - Euro 1.7 Bn

SOCIAL AND RELATIONSHIP CAPITAL

BUSINESS PARTNERS

<p>Actuarial Partners</p> <p>The company collaborates with internationally renowned actuarial partners, Messrs. Willis Towers Watson India Private Limited, a subsidiary of the global advisory firm Willis Towers Watson. This strategic engagement involves providing insights into product development, pricing, and conducting liability valuations. By leveraging their global experience and expertise, these partners contribute significantly to the value creation process of SLI.</p>	<p>Bancassurance partners</p> <p>The company actively collaborates with multiple banks to conduct insurance business and establish bancassurance connections. Bancassurance partnerships play a direct role in generating leads and ultimately driving business growth. The company is steadfast in its commitment to maintaining healthy relationships with all bancassurance partners, recognizing the significance of these collaborations in fostering mutual success.</p>
<p>Softlogic Group</p> <p>Softlogic Group is a highly diversified entity in Sri Lanka, and the inherent synergy within the group serves as a strength for SLI in its value creation process. The advantages of economies of scale through bulk purchasing and access to health care partners bring competitive edge.</p>	<p>Lenders</p> <p>In the year 2020, we have entered in to a subordinated debt instrument with Finnfund and Norfund amounting to USD 15Mn to strengthen the tire II Capital of the company.</p>

10. Employee federation of Ceylon LIMRA

11. Employee federation of Ceylon (EFC)

These memberships reflect our commitment to excellence, industry standards, and collaboration within our professional community. Being part of these esteemed associations allows us to stay at the forefront of industry trends, exchange valuable insights, and contribute to the advancement of our field.

Competitors

As of the reporting date, there are 14 life insurers and 02 composite insurers operating in Sri Lanka. The industry is characterized by heightened competition among players, accentuated by a lower level of product differentiation and overall market penetration. Despite this competitive landscape, we perceive our competitors as facilitators in our value creation process. Recognizing that new industry benchmarks set by competitors contribute to driving the entire industry forward, we view competition as a catalyst for growth and improvement.

Ethical competition

The company engages in ethical competition by consistently enhancing core competencies rather than attempting to control external factors.

Ethical marketing

We are dedicated to upholding transparency and ensuring the privacy of customer data. Our commitment includes providing prompt responses to customer concerns and refraining from making false or exaggerated statements.

Utility providers, consultants, media, and other service providers such as security and carriers are integral components of our extensive network of business partners. We maintain robust and healthy relationships with these entities within the value creation process.

REGULATORS

The Insurance Regulatory Commission of Sri Lanka (IRCSL) serves as the governing body overseeing the insurance industry in the country. It plays a crucial role in monitoring the performance and activities of insurance companies, issuing guidelines and directions as needed. The company diligently adheres to all rules and regulations set forth by the IRCSL, ensuring timely submission of monthly, quarterly, annual, and ad-hoc reports. Actively engaging with the regulator, the company participates in all forums conducted by the IRCSL.

In addition to compliance with IRCSL, the company also aligns with and adheres to the rules and regulations issued by other regulatory bodies, including the Central Bank of Sri Lanka, Securities and Exchange Commission of Sri Lanka, and the Inland Revenue Department wherever applicable. Compliance with the directives of these regulatory bodies

enhances the governance and risk management environment within the organization, contributing to the creation of value in the short, medium, and long term.

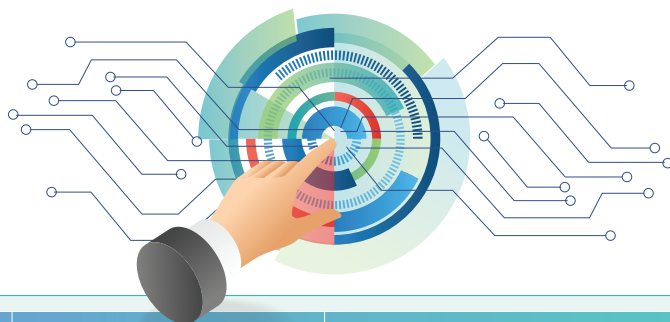
ASSOCIATION MEMBERSHIPS

We are proud to be affiliated with the following prestigious associations

1. The National Chamber of Commerce Sri Lanka
2. Institute of Chartered Accountants of Sri Lanka
3. Insurance Regulatory Commission of Sri Lanka (IRCSL)
4. Insurance Association of Sri Lanka (IASL)
5. Sri Lanka Insurance Institute (SLII)
6. Colombo Stock Exchange (CSE)
7. Central Bank of Sri Lanka (CBSL)
8. Life Insurance Marketing and Research Association
9. Association of Insurance and Reinsurers of developing Countries (AIRDC)

RISK AND CHALLENGES

During the year management of SLI faced many challenges in managing our Business Partner engagement. The impact and action taken are listed below



Risk	Impact	Action Taken
High Inflation and Tax	It was hard to sell new policies during the year. Accordingly many agents who newly entered in to life insurance market was failed to generate adequate new business to meet company standards	<ul style="list-style-type: none"> • Additional focus on field staff who not performed during the year and provided training • Extended contract period allowing people who had the grip of the business
Uncertainty in business landscape	Maintaining mutual beneficial relationship with bancassurance partners were difficult due to drop in DTAP business as well as new lead generation was quite low.	<ul style="list-style-type: none"> • Staff strength was strategically divert to bring other business as well without losing the service quality (Due to low volume) • Increased personal level engagement by sales staff due to financial incentives were not material due to low volume

Field staff

Our primary objective is to enhance the capabilities of its field staff through structured training and development initiatives, thereby equipping them with the necessary skills to tackle future challenges. Specialized training will be provided to enable the field staff to effectively navigate the insurance technology landscape, aligning with organizational goals. Future training programs will prioritize producing a high number of MDRT winners, highlighting

the sales force's excellence. Career advancement opportunities will be available within the company for proficient individuals, who will also be incentivised to maintain competitiveness in the evolving market landscape.

Reinsurers

We remain committed to nurturing strong partnerships with our reinsurers to enhance their contribution to the company's value creation. Leveraging their global experience and expertise, we aim to drive innovative product development initiatives. Moreover, we will prioritize establishing relationships with reputable reinsurers to bolster effective risk management practices within the company. These partnerships are anticipated to foster mutually beneficial outcomes for both parties, creating a win-win scenario.

Intermediary parties, other suppliers and regulators

In our commitment to uninterrupted value creation, we will persist in fostering robust relationships with all our business partners, recognizing their critical roles in our value creation process. We acknowledge the importance of adapting to external changes, and as such, we will accommodate evolving needs where applicable. Upholding ethical standards remains paramount, encompassing adherence to both internal regulations and external laws. We will vigilantly monitor competitor behaviour and act with transparency and integrity.

LOOKING FORWARD

Short Term Target	Medium to Long Term Target
Maintaining the long term business relationship with business partners	The Company will be managing all our business partners towards the Company's growth, safeguarding their growth potential that ultimately drives to harmonize business partnership.
Field staff - Increase MDRT members by 20%	
Reinsurers - Optimize the reinsurance arrangements	
Competitors - Proactive in competitive strategy for their action	
Regulators - Compliance with all legal and regulatory requirements	
Suppliers - Ensure continuous source of supply to smooth functioning of the business and pay dues on time.	