SLECIC

ANNUAL REPORT - 2024
SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

The Sri Lanka Export Credit Insurance Corporation (SLECIC) plays a pivotal role in strengthening the country's export sector by mitigating risks associated with international trade, enhancing exporter confidence, and facilitating access to trade finance. As global trade dynamics become increasingly volatile due to geopolitical tensions, economic disruptions, and credit uncertainties, the presence of a robust export credit agency having strong a tandem with overseas counterparts become crucial for sustained export growth.

SLECIC provides comprehensive export credit insurance against both commercial risks (such as buyer insolvency, protracted default, and contract repudiation) and political risks (including war, import restrictions, expropriation, or currency inconvertibility). By ensuring export receivables, SLECIC lowers the perception of risk, enabling firms especially SMEs to compete more effectively on a global scale.

SLECIC works closely with the government and trade bodies to support national export strategies with the line ministry of Finance, Planning & Economic Development. Its contributions include identifying high-opportunity but high-risk markets, supporting sector-specific export development programs, encouraging value-added and non-traditional exports and contributing to policy advocacy for trade facilitation. SLECIC is not just a financial enabler, but a strategic policy tool for economic development.

Furthermore, SLECIC provides services in enhancing foreign earnings through various other means such as Cost of Passage (APARA) for foreign job seekers, Export Performance Guarantees (EPG), Logistic Services and Export of Services (Software, Constructions etc.).

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Act No: 15 of 1978

Sri Lanka Export Credit Insurance Corporation (SLECIC) is an enterprise established by the Sri Lanka Export Credit Insurance Act No: 15 of 1978 and commenced operations on 08th February 1979. The Corporation is a statutory body that falls under the purview of Ministry of Finance, Planning and Economic Development. SLECIC is a member of the International Union of Credit & Investment Insurers (The Berne Union).

Our Vision

Strive to fuel economic growth through International Trade by promoting and protection in the global market.

Our Mission

We are in the business of providing protection, support and information for exporters, banks and other financial institutions and importers. In search of excellence in offering – personalized customer services.

Chairman's Review

It is with immense pride and satisfaction that I present the Annual Report of the Sri Lanka Export Credit Insurance Corporation (SLECIC) for the fiscal year 2024. This year, we marked a historic milestone by recording our highest-ever operational revenue, while also addressing the longstanding need to strengthen our organizational structure through strategic staff recruitment drive. These achievements significantly enhanced our capacity to support and facilitate international trade—despite facing one of the most challenging global economic pressures in recent past and years to come by.

Services extended by SLECIC is vital in the circumstances that the year under review is shaped by considerable global disruptions, including the ongoing recession in Europe stemming from the war in Ukraine, the conflict in Gaza, and shipping constraints in the Red Sea—all of which significantly impacted global trade flows. These developments resulted in elevated freight costs and extended shipping times, further burdening Sri Lankan exporters amid already difficult economic conditions.

Supporting Exporters amidst Adversity

Amid these turbulent conditions, exporters encountered a wide range of challenges—from supply chain breakdowns to fluctuating international demand. In response, SLECIC intensified its support by offering flexible, customized insurance solutions. Whether through trade credit insurance, political risk cover, or facilitating access to finance via pre-shipment and post-shipment guarantees, we remained a steadfast partner to our clients round the clock.

Additionally, the appreciation of the Sri Lankan Rupee adversely impacted exporter revenues by way of executing all pending orders, consequently, our premium collections. These currency shifts also resulted us in an exchange loss of Rs. 259.26 Mn in 2024, compared to an exchange loss of Rs. 294.01 Mn in 2023.

Despite these setbacks, we upheld our core mission: to promote and protect Sri Lankan exports over credit term shipments through comprehensive risk management solutions.

Resilient Financial Performance

I am pleased to report that, notwithstanding a volatile operating landscape, SLECIC maintained its financial strength. Prudent internal risk management, strategic investments, and a disciplined cohesive operational approach enabled us to record the highest net operational revenue in our 45-year history — Rs. 604.23 million.

Expanding Horizons: Foreign Employment Market

A growing trend of Sri Lankans seeking employment abroad presented an opportunity for SLECIC to facilitate the foreign employment for Sri Lankans through our Cost of Passage Guarantee (APARA). Unique support extended to this segment realized mammoth revenue of Rs. 234.39 Mn in 2024, up from Rs. 79.99 Mn in the previous year with a significant increase of 193%.

Human Capital Development

15 permanent vacancies were filled within the year 2024 including key positions of the Corporation particularly in operations, claims and marketing.

To foster team spirit and a positive work culture, we continue customary staff engagement activities, including an annual trip and a special celebratory lunch hosted by the Board of Directors in honor of SLECIC's 45th Anniversary.

Digital Transformation & IT Infrastructure

Digital transformation is crucial for enhancing economic progress of the country. Government has understood the requirement of a National Digital Economy Strategy to create an economy earning higher revenue by the year 2048. As a key stake holder, SLECIC is already taken steps in digital transformation of its core functions during the year under review, uplifting the services provided to exporters, migrant workers, banks and other financial institutions enabling robust online system access for them.

Furthermore, the Corporation has already taken steps to coordinate with ICTA and Ministry of Digital Economy in order to establish new systems using newest development tools and security technologies. In line with the above developments, Corporation is planning to uplift the IT infrastructure by upgrading the Hardware Firewalls, Manageable Switches and end user Computing.

As the final goal Corporation is planning to link with "GovPay" online payment platform designed to facilitate digital transactions for government services. This will enables all our partners to do transaction more securely and conveniently.

Marketing and Outreach Initiatives

- SLECIC remained committed to strengthening the export sector through strategic partnerships, innovative product offerings, and proactive risk mitigation. Among our notable achievements in this year:
- Signed an MOU with the Industrial Development Board (IDB) to promote regional opportunities for SME exporters.
- Extended ATA Carnet Guarantee to facilitate transporting of an electric vehicle to India for an international competition—broadening the scope of the product to market our commitment to fostering innovation.
- Re launch Export Performance Guarantee targeted at shipping and freight forwarders addressing much important logistics sector.
- Renewed the strategic partnership was established with the National Chamber of Exporters, reinforcing our engagement with the export industry stakeholders.
- Additionally, SLECIC launched our first-ever programmatic digital advertising campaign in September 2024, under the APARA brand (Cost of Passage), to create awareness and to enhance outreach and visibility.

Policy and Guarantee Manuals

Corporation has initiated to establish long awaited Guarantee underwriting and Guarantee Claims manuals as well as to update the existing Buyer Underwriting and Policy Claims Manuals, in discharging the services offered by the Corporation with enhanced professionalism.

Looking Forward

Economic development is an urgent priority of the Government of Sri Lanka. The economic strategy of new government presented in the "A thriving Nation, A Beautiful life" policy framework includes a new approach to growth, based on the principles of a market economy. This will seek to foster innovation and entrepreneurship to facilitate skilled – based technologies changers as a driver of productivity and economic growth in the new global economic landscape.

The new government is focused on identifying and implementing policies that will create an enabling environment for trade to realize US$ 40 Bn in export revenue by the year 2030. The National Export Strategy (NES) intends to provide the necessary direction to facilitate achieving key economic targets.

The NES consolidates national level findings and priorities into a coherent road map to achieve Sri Lanka's export vision. This vision is guided by four strategic objectives, they are; creating a predictable and transparent policy and regulatory framework, drive export diversification through innovation, strengthening emerging export sectors by improving market entry and compliance capacities, and to be an efficient trade and logistic hub.

At SLECIC, in addition to the services offered by us we recognize that our role is to help exporters to make aware about inherent risks, including risk indicators in overstocking, overtrading, debt, losses, delayed financial reports, change of buyer behavior - to understand that early identification is key. We continue to reinforce to our exporters they need to act quickly as soon as risk is apparent, to reduce loss resulting from disturbed trade and seeking either renegotiations, repayment plans or timely interjections to avoid deeper losses.

Let us work together to realize a better future for Sri Lanka with economic development at the forefront, through increased export earnings by building capacity, facilitating advancement and creating opportunities in the years to come.

Acknowledgements

In closing, I extend my heartfelt gratitude to the Board of Directors, our valued employees, the Secretary to the Ministry of Finance, Planning and Economic Development, Management Services and Public Enterprises Departments of the Ministry, and most importantly, our valued customers. Your trust and continued support have been instrumental in our progress. As we enter a new chapter in SLECIC's journey, let us move forward with unity, purpose, and a shared vision for excellence.

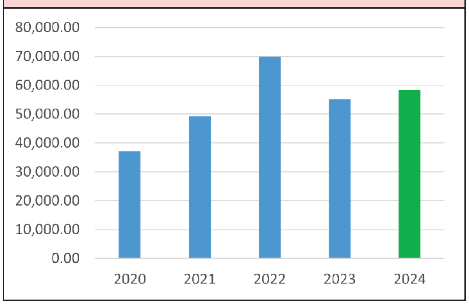
Prof (Dr.) A. Aruna Shanthaarchchi *B.A,PGD,MSc,MSSc,PhD*
Chairman & Managing Director

Five Years at a Glance

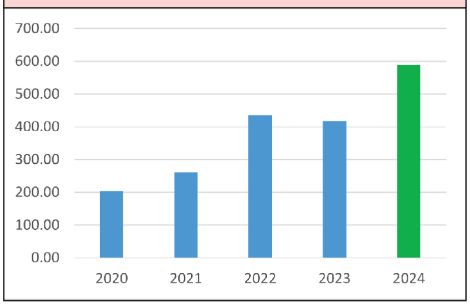
SLECIC Performance Overview 2020 - 2024 (Rs. Million)

Description	2020	2021	2022	2023	2024
Insured Business	37,107.76	49,298.69	70,002.35	55,545.76	58,305.87
Gross Premium Income	204.00	261.00	436.00	418.00	587.10
Operating Expenses	177.00	233.00	170.00	165.00	250.40
Operating Surplus / (Loss)	288.00	334.00	1,889.00	1,055.00	851.90
Investment Income	215.00	209.00	528.00	787.00	498.20
Net Surplus / (Loss)	223.00	249.00	1,643.00	480.00	322.60
Capital & Reserves	2,826.00	3,073.00	4,660.00	4,365.00	4,790.70
Taxes & Levies	90.00	111.00	309.00	281.00	270.00

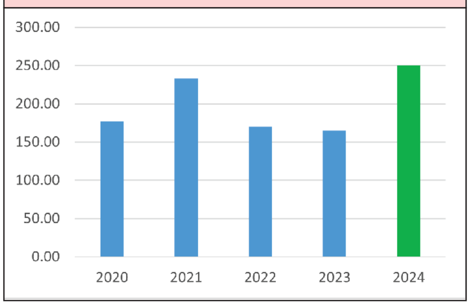
Insured Business (Rs. Million)



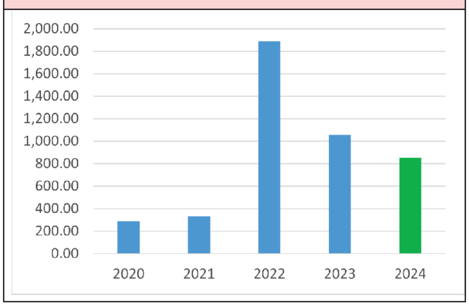
Gross Premium Income (Rs. Million)



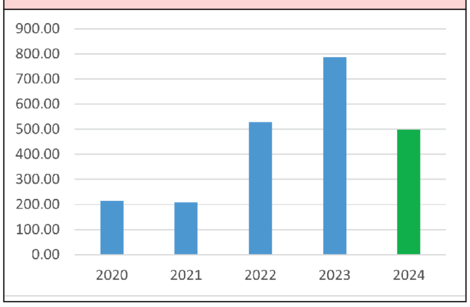
Operating Expenses (Rs. Million)



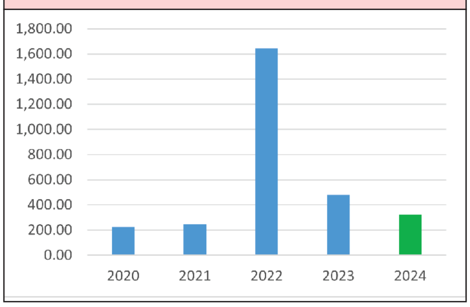
Operating Surplus / (Loss) (Rs. Million)



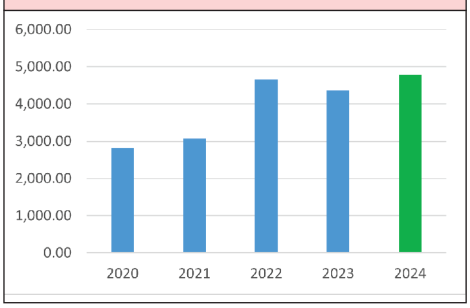
Investment Income (Rs. Million)



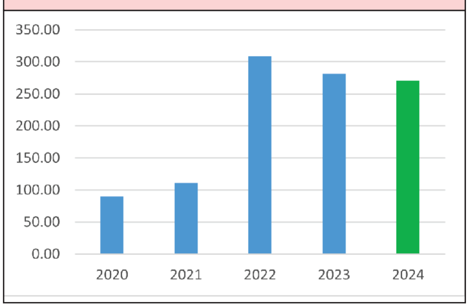
Net Surplus / (Loss) (Rs. Million)



Capital & Reserves (Rs. Million)



Taxes & Levies (Rs. Million)



PREMIUM INCOME

The Premium rates structure is based on the No profit No loss principle. In spite of rapidly weakening business environment with major trading markets, the Corporation continued to maintain the same country classifications with a view to assist local exporter clients to be competitive during difficult economic times. However, risk assessment of buyer underwriting was strengthen during last couple years by adopting score card based model. The Corporation has achieved premium income of Rs 594.9 Million during 2024 in comparison to the last year's corresponding amount of Rs.411.93 Million.

TOTAL INCOME

The total income, which is comprised of premium income, other operational income and investment income and other income for the year 2024 amounted to Rs. 1102.45 Million as compared to Rs. 1220.88 Million in 2023.

TOTAL EXPENDITURE

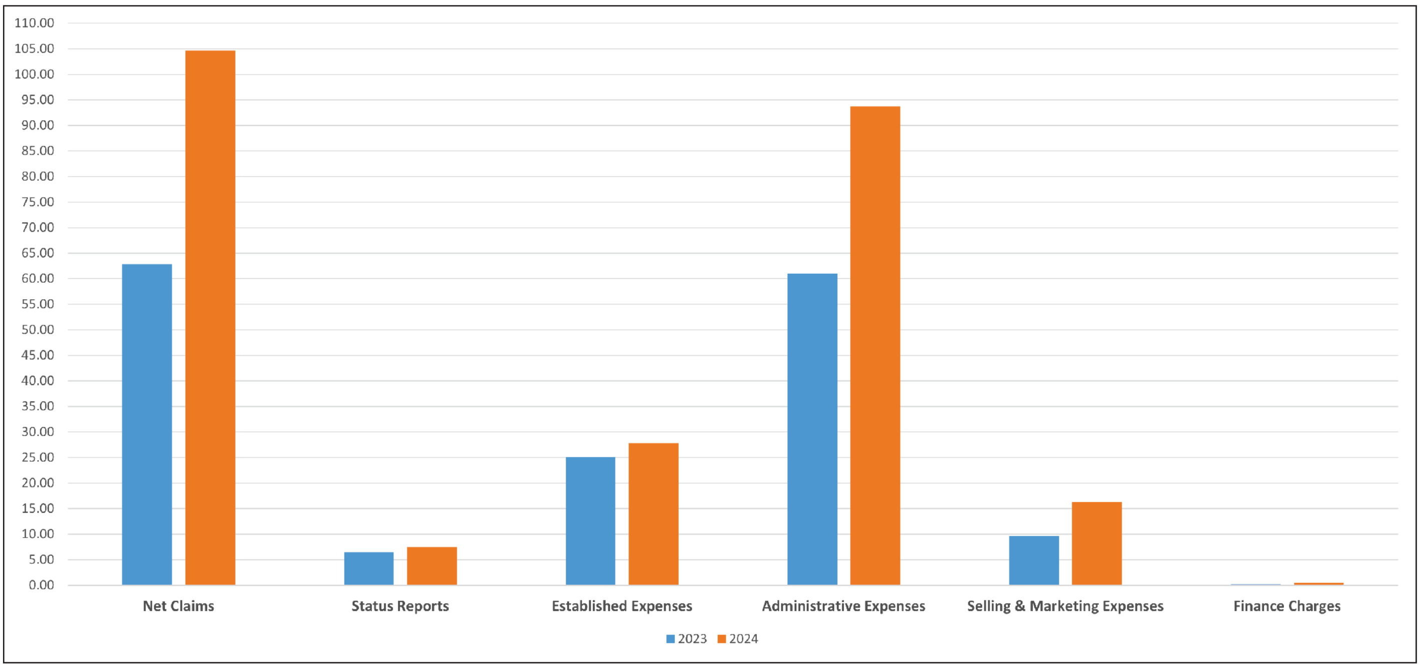
The total expenditure consists of direct expenditure and other management expenditure. The expenditure comprises of Claim Expenditure and Status Report Costs others are Establishment expenditure, Administrative expenditure, selling & Marketing Expenditure & Finance Charge. The total expenditure for the year 2024 amounted to Rs. 250.46 Million in comparison to Rs. 165.26 Million in 2023.

CONTRIBUTION TO THE GOVERNMENT REVENUE

SLECIC has continuously contributed towards the public finances as a responsible state owned enterprise without being a burden to the Treasury in an environment where public corporations are criticized for relying on hand-outs from the Treasury for existence, thus becoming a source of massive burden to the public.

As per the Operational Manual for State Owned Enterprises (SOE's) issued in November 2021, by the Department of Public Enterprises, the SOEs are expected to generate reasonable return on the investment ,with part of the surpluses or profits being chanelled to the consolidated fund/shareholder's by way of levy or dividends. During the year under review, the Corporation has contributed Rs. 265 Million.

Although SLECIC was required to build an adequate fund over the years from their earnings to cushion the future liabilities, with a view to facilitate this objective, the legislators at that time exempted SLECIC from paying various taxes to the Government. However, the Tax Authorities do not consider SLECIC as an export Supporting Agency hence the Corporation continued to contribute to the various Government Taxes.



The Board of Directors

Chairman & Managing Director
Prof. (Dr) Aruna Shanthaarchchi is an economist and researcher with almost 30 years of professional experience on development projects with clients ranging from the WB and ADB to the Central Environmental Authority, Ministry of Finance, Road Development Authority, and Mahaweli Authority of Sri Lanka. He focuses area include project evaluation with economic and financial analysis, economic social and environmental impact assessment & is knowledgeable of the institutional and development issues. He is a PhD holder in Business economics and MSc and MPhil holder in natural resource management.

Board Member
Mr. Priyantha Perera is a long-standing professional in the General-Insurance business, who counts over 35 years of service in the Industry. He commenced his career at the insurance division of Mercantile Credit Ltd, way back in 1985 and has held several responsible positions across diverse organizations within the industry. During his illustrious career, he has held various Senior Managerial positions covering Underwriting, Claims, Re-insurance & Portfolio Management and, he served as the Chief Technical Officer of Fairfirst Insurance Ltd prior to joining Sri Lanka Insurance Corporation and presently serving as Chief Officer – General Insurance.

Mr. Perera is a Chartered Insurer and holds Associate Memberships at Chartered Insurance Institute UK. He obtained his MBA from Cardiff Metropolitan University UK.

Board Member
Dr. Amarasekara is currently the Assistant Governor of the Central Bank of Sri Lanka overseeing the Departments of Economic Research, Statistics, and Market Operations, as well as the Secretary to the Monetary Policy Board (MPB). He was previously on release to the International Monetary Fund (IMF), Washington DC, USA, as the Alternate Executive Director for the constituency of Sri Lanka, India, Bangladesh and Bhutan (January 2022-February 2024).

Dr. Amarasekara has served the Central Bank for more than 22 years, working in the Economic Research Department in different capacities specializing in monetary policy and research, and was the Central Bank's Director of Economic Research prior to commencing his assignment with the IMF. He is currently a member of the Board of Governors of the Institute of Policy Studies (IPS) and Board of Directors of the Sri Lanka Export Credit Insurance Corporation (SLECIC). He was previously a member of the Board of Governors of the Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI).

Dr. Amarasekara's research on monetary policy and other central banking themes has been published in several international and local journals and is widely acknowledged and cited. He was the Editor of Staff Studies, the Central Bank's Journal, during 2015-2020. He has volunteered as a guest lecturer, examiner, and quiz master at various academic and professional institutions, including various universities, the Institute of Bankers of Sri Lanka (IBSL), the Centre for Banking Studies (CBS), and the Bandaranaike International Diplomatic Training Institute (BIDTI). Dr. Amarasekara holds a PhD in Economics from the University of Manchester, United Kingdom, a Master of Science Degree in Economics from the University of Manchester, United Kingdom, and a Bachelor of Arts Degree in Economics from the University of Peradeniya. He is also an Attorney-at-Law.

Board Member
Ms. Kuloja Gamindi Peiris is an officer of the Sri Lanka Planning Service and currently serves as a Director of the Department of Development Finance at the Ministry of Finance in Sri Lanka. She has been working in the public service for 15 years, starting as an Assistant Director at the Western Provincial Council in 2009. Over the years, she has worked in the Department of External Resources and the Department of Development Finance of the General Treasury. In addition, she has served and contributed in policy related development matters of the country and also represented the General Treasury as a Board Director in statutory institutions.

Ms. Kuloja Peiris holds two master's degrees: a Master's in Public and Economic Policies from the University of Tsukuba, Japan and a Master's in Economics from the University of Kelaniya. She is a graduate of the University of Colombo and earned a BA (Hons) degree in economics. Further, she has undergone training and gained experience in countries such as Australia, Japan, China, Singapore, and South Korea.

Board Member
Mr. Abhayasinghe is an accomplished public sector professional with extensive experience in planning and development, particularly within the realms of trade, commerce, and food security. He currently serves as the Director General (Planning) at the Ministry of Trade, Commerce, Food Security & Co-operative Development of Sri Lanka, a position he has held since May 2022.

Mr. Abhayasinghe holds a Master of Arts in Social Science from the University of Kelaniya. He also earned a Postgraduate Diploma in Sub-National Level Development Planning with Distinction from the University of Colombo. His academic journey began with a B.Sc. in Public Administration (Second Class Upper Division) from the University of Sri Jayewardenepura.

Board of Directors - 2024

Mr. Senarath Devendra
Former Chairman & Managing Director

Fellow Chartered & Management Accountant who has over 35 Years' Experience as a Board Member in Multinational , International & Leading Conglomerates. Internationally trained by IBM on IT Infrastructure & HSBC on Cross Border Treasury Management. In addition being a Financial Expert , Experience in International Marketing, a Multidiscipline Professional.

During his career span, worked for many Multinational, International & Blue Chip Companies covering several sectors of Businesses. Previous position held was the Director /CEO of a Group of Company in charge of a Listed Plantation Company and Leisure Sectors. Appointed as the Chairman / Managing Director of SLECIC in April 2023.

Mr. A.A.M. Thassim
Former Board Member

Mr. A.A.M. Thassim has been in the service of Central Bank of Sri Lanka (CBSL) for over 31 years and is currently the Assistant Governor and he is also the Secretary to the Governing Board and Monetary Policy Board. Prior to this appointment he served as the Director of Bank Supervision Department for 4 years and was responsible for the regulation and supervision of the banking sector in the country and strengthening the resilience of the banking sector. Further, he was also the Director of International Operations and was responsible for the investments and management of foreign reserves of the country and managing the exchange rate.

Mr. Thassim has also gained experience and knowledge in the field of payment systems and was a Director of LankaClear (Pvt) Ltd., which is the national clearing house and was involved in the implementation of the Cheque Imaging and Truncation System. He was also a board member of the Credit Information Bureau of Sri Lanka. Currently he is a board member of the Sri Lanka Export Credit Insurance Corporation and the Vice Chairman of the Institute of Bankers of Sri Lanka.

Mr. Thassim is an Associate member of the Chartered Institute of Management Accountants UK and possesses a Masters in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He has also completed a programme on Gold Reserves Management from Hass School of Business, University of California, Berkeley, USA. He is also an Alumni of Harvard University USA having successfully completed the executive programme on Leaders in Development conducted by the John F. Kennedy School of Government.

Mrs. A. A. I. Dilrukshi
Former Board Member

Mrs. A.A.I.Dilrukshi has been in the service of Director, Department of Treasury Operations for over 03 years . Prior to this appointment she served as the Government Audit Service for 3 years and was responsible for the regulation and supervision of the State sectors' organization. Further, She was also the Government Accountants Service for 19 years.

Mrs. Dilrukshi obtained her first degree in B.Com Special Degree (1st Class) at University of Kelaniya and is an Associate member of the Institute of Chartered Accountants of Sri Lanka and possesses a Masters in Arts specialized in Economics from the University of Kelaniya.

Mrs. B. M. S. Bandara
Former Board Member

Mrs. B M S Bandara joined to the Sri Lanka administrative service in 1995, and served in the Land Commission as an Assistant Land Commissioner. Afterwards She served the position in the Ministry of Education, Public Service Commission, Ministry of Higher Education, Ministry of Sports, Department of Management Service and Department of Excise.

She has been graduate from the University of Kelaniya in the year 1991 and followed B.Sc (Sp.) - Botany.

Senior Management

Seated (L to R): Mr. Ravin Ovitigala (Assistant General Manager - Finance), Mr. Manjula Wickramasinghe (Assistant General Manager - Claims & Recoveries), Mr. Yushan Tharanga Abeykoon (General Manager (Actg.)), Prof (Dr.) A. Aruna Shanthaarchchi (Chairman & Managing Director), Mr. Mohan Silva (Deputy General Manager - Operations (Actg.)), Ms. Shama Selvaratnam (Assistant General Manager - Marketing), Mr. Wasantha Manthripala (Assistant General Manager - Operations).

Middle Management

Standing (L to R): Mr. A. H. Obadage (Manager - IT), Mrs. I. A. Amaratunga (Board Secretary), Mr. D.V. Kahavita (Internal Auditor), Mrs. S. Matharage (Asst. Manager - Human Resource & Administration), Mr. T. D. B. Peiris (Asst. Manager - Operations), Mr. D. U. Wickramasinghe (Asst. Manager - Operations), Mrs. K. T. Gunatunga (Asst. Manager - Claims & Recoveries), Mrs. N. Thowfeek (Asst. Manager - Marketing), Ms. W. A. W. L. Jayarathne (Asst. Manager - Operations), Ms. L.W.O. Pabasara (Asst. Manager - Marketing), Mr. D. S. A. Fernando (Asst. Manager - Finance), Mrs. K.G.A. Priyangika (Asst. Manager - Operations *Absent)

Products & Services

Export Credit Insurance, branded as the Seller's Risk and Credit Guarantees to banks constitute the main thrust of services provided by SLECIC to the well-being of the exporter community and other related stakeholders in foreign earnings of the country. Our services protect the financial security of exporters whilst enabling them to expand the scope of their operations by making it easier to obtain loans from commercial banks without much hassle and inconvenience.

SELLER'S RISK

Seller's Risk is the fundamental cornerstone of our products and services to the exporter community. Seller's Risk serves the purpose of protecting the exporter from the risk of non-payment or delayed payment by the overseas buyer due to commercial and political risks.

Commercial Risks

- Insolvency and bankruptcy
- Payment default
- Repudiation of Contract

Political Risks

- Delays in foreign exchange remittance
- Cancellation of import license
- Import ban
- Payment moratorium
- War, revolution, riot and natural disasters

Of the wide range of policies offered by the corporation, the most popular is its Whole Turnover cover policies. Tailor made facilities are also available to cater for the unique needs of specific sectors.

Following are the categories of Export Credit Insurance offered to exporters.

WHOLE TURNOVER Policy - ALL BUYERS

Insurance to protect the exporter from commercial risk & political risk. Under this we will cover the total shipments on deferred payment terms.

BUYER SPECIFIC Policy

Insurance to protect the exporter from commercial risk & political risk of one or more specific buyers.

COUNTRY SPECIFIC Policy

Insurance to protect the exporter from commercial risk & political risk of buyers of a specific country.

POLITICAL RISK Policy

Insurance to protect the exporter from political risk of a specific country.

GLOBAL COVER Policy

Insurance is provided for off-shore export companies' domicile in Sri Lanka.

SUBSIDIARY RISK Policy

Cover the risk of the exporters of a subsidiary company domicile in another country where the parent company is in Sri Lanka.

COVERING ULTIMATE BUYERS Policy

Insurance to protect Sri Lankan exporters, covering commercial & political risk of ultimate buyers where shipments have been effected to a fully owned subsidiary in the buyer's country.

CONSIGNMENT OF STOCKS Policy

Cover the Sri Lankan exporter on commercial risk & political risk of consignment of stocks.

ENTREPOT TRADE Policy

Cover the commercial risk & political risk of a Sri Lankan exporter arising from entrepot trade.

SELLER'S RISK COMPREHENSIVE SERVICE Policy

Insurance to protect the service sector exporters from the commercial risk & political risk.

DOMESTIC CREDIT INSURANCE Policy

Insurance to protect the policy holder from commercial risk associated with dispatching goods & rending services to their buyers in Sri Lanka.

Export Credit Guarantees offered to Banks

The credit guarantees to banks mitigate the losses suffered by banks on account of non-payment of advances by the exporter owing to protracted default and insolvency of exporters. Our credit guarantees to banks facilitate the financial requirements of exporters by removing the necessity to place collaterals and expensive deposits. SLECIC undertakes to reimburse 66.66% to 85% of losses suffered by banks, caused by insolvency of exporters or protracted default on their part.

Following are the categories of Export Credit Guarantees offered to banks.

Pre Shipment Credit Guarantees (Individual)

Individual counter party risk can be covered up to 66.66% in Rupees and other foreign currencies. These guarantees facilitate financial institutions to grant pre shipment facilities to exporters against letters of credit or confirmed orders for purchasing of raw materials, manufacturing and processing of goods and packing of exports.

Post Shipment Credit Guarantees (Individual)
These guarantees are offered to commercial banks. These guarantees ensure exporters can access banks to obtain finance in order to meet their working capital requirements at the post shipment stage by way of purchase, negotiate or discount of export bills.

Whole Turnover Pre/Post Shipment Credit Guarantees
These guarantees facilitate banks to cover the entire export credit portfolio granted by way of Pre/Post shipment advances to the exporter or an indirect exporter at a higher coverage and a lower premium rate.

Export Production Credit Guarantees
This scheme facilitates financial institutions to finance working capital to producers to manufacture goods and services for exporters without much emphasis on collaterals.

Export Performance Guarantees
This is a counter guarantee issued to commercial banks against the guarantees and bonds that they issue on behalf of their clients to overseas buyers or government authorities guaranteeing the due performance of contracts entered into for the export of goods and services from Sri Lanka. The areas include benchmark performance export contracts via construction work as well as the export of goods and services.

Export Performance Credit Guarantee covering the due performance of Freight Forwarders
This guarantee is a counter guarantee issued to a bank, in consideration of the bank issuing a bank guarantee to an airline that extends credit facilities to a freight forwarder.

Other Services

Cost of Passage – APARA
SLECIC operates a bank guarantee scheme covering Cost of Passage advances for migrant workers .This was introduced in May 1992 to cover advances granted by commercial banks for the purchase of air tickets of migrant workers and now operates as a Whole Turnover Credit Guarantee Scheme with minimal documentation and cushion the risk for the banks in granting facilities to this sector.

The APARA scheme enables the ambitious and aspirant citizens in the nation to obtain employment abroad and lift themselves out of poverty. SLECIC is pleased to assist these determined Sri Lankans to improve their standard of living and contribute towards safeguarding the well-being of economy by enhancing the remittances and boosting the foreign reserves.

Direct Export Performance Guarantee covering the ATA Carnet System
The ATA Carnet is an international customs documents that permits duty free and tax free temporary import of goods and commercial samples can be effectively exported for use in trade fairs ,exhibitions and for trade promotional purposes and imported duty free for a specified period.

ATA Carnet cover commercial samples, Professional equipment and goods for presentations or use at trade fairs, shows, exhibitions and the like. If an exporter wishes to cross borders with commercial samples and exhibits for trade fairs, ATA Carnet will save his or her time in customs clearance and expedite journey.

Users of ATA Carnet

The user of ATA Carnet may be an individual or a company registered in Sri Lanka

- Travelling Business/Sales Executives
- Technicians
- Fair Exhibitors & Professional individuals and teams such as film crew, Surgeons, Artists Architects, Engineers, Educationalists, Entertainers etc.
- If the Carnet is to be used by any other person, he should carry a letter from the Carnet holder on his behalf provided he holds a letter of Authority

The Direct Export performance Guarantee covering the ATA carnet System to the International Chamber of Commerce – Sri Lanka (ICC-SL) enabling exporters, especially the Gem and Jewellery sector to obtain the ATA Carnet custom document without collateral security.

This custom document enables exporters to participate in Trade fairs and exhibitions abroad and win export contracts to maximize profits. The Corporation could issue only one direct Guarantee to ICC Sri Lanka.

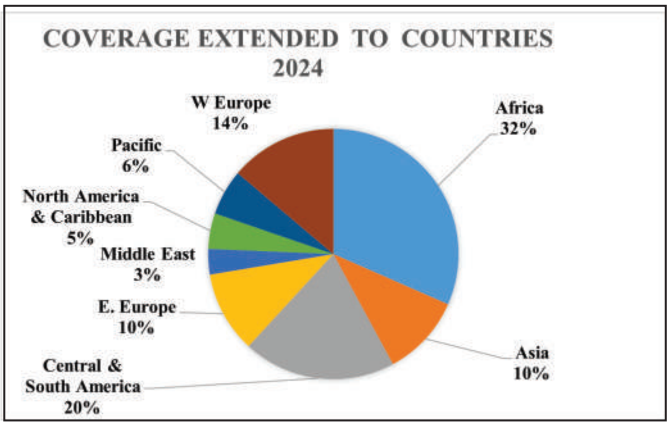
Biz info – Credit and financial information

This product provides Credit and Status reports on overseas customers of Sri Lankan exporters and importers to the banking sector. SLECIC functions as a provider of Credit and Status reports from a network of principals worldwide.

SLECIC COVERAGE

At present SLECIC covers political risk of 152 countries under various "Sellers' Risk" credit insurance policies, including the Middle East countries despite the political uncertainties in the region to support the Sri Lankan exporters and these are classified into 7 groups as A1, A2, A3, A4, B, C and D based on their individual risk profiles. Distribution of coverage across 8 regions by 2024 is shown in the chart.

Regions	No of Countries
Africa	48
Asia	16
Central & South America	30
E. Europe	16
Middle East	5
North America & Caribbean	7
Pacific	9
W Europe	21
Total	**152**

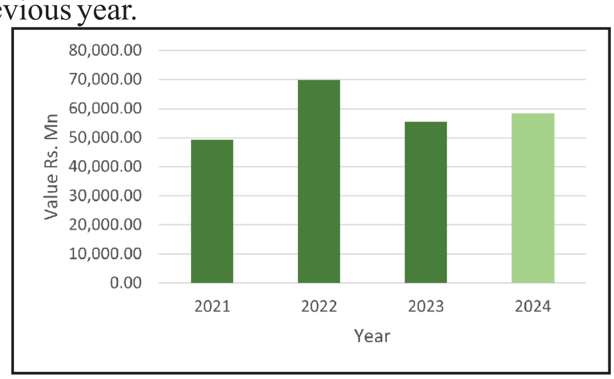


By looking at the above chart, it is visible that SLECIC has a good coverage especially in the high risk African & Middle East region. We cover 48 countries in the African region, Central & South America 30, Western Europe 21, Asia 16, Eastern Europe 16 and Pacific countries. This can be considered as favourable sign for Sri Lankan exporters who are willing to enter into new markets to gain higher returns with confidence.

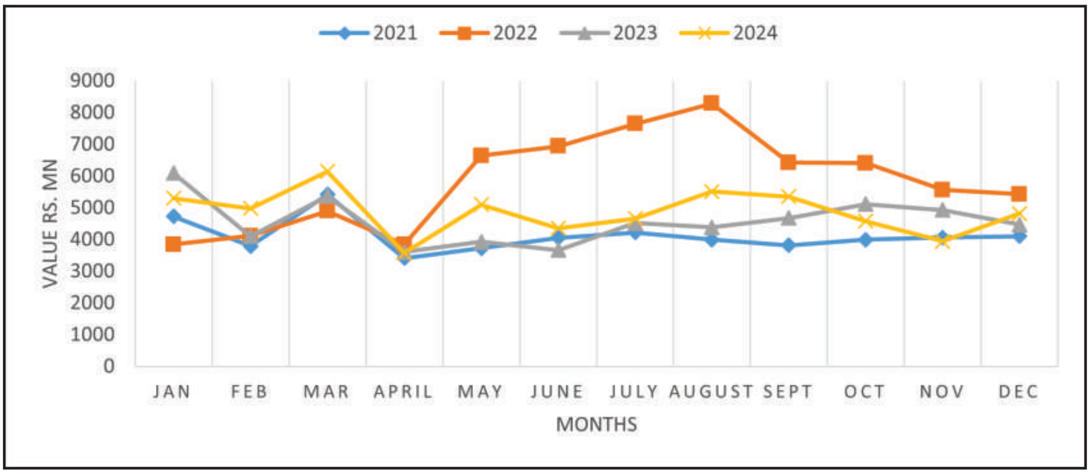
Insured Business

In the challenging market environment, the Corporation reported insured business of Rs. 58,305.87 Mn, which represented a increase of Rs.2760.0 Mn (5%) over the previous year.

Insured Business Rs. (Mn)	
Year	**Total**
2021	49,298.69
2022	70,002.35
2023	55,545.76
2024	58,305.87



The below graph shows the monthly insured business of SLECIC over the period of January to December 2024.



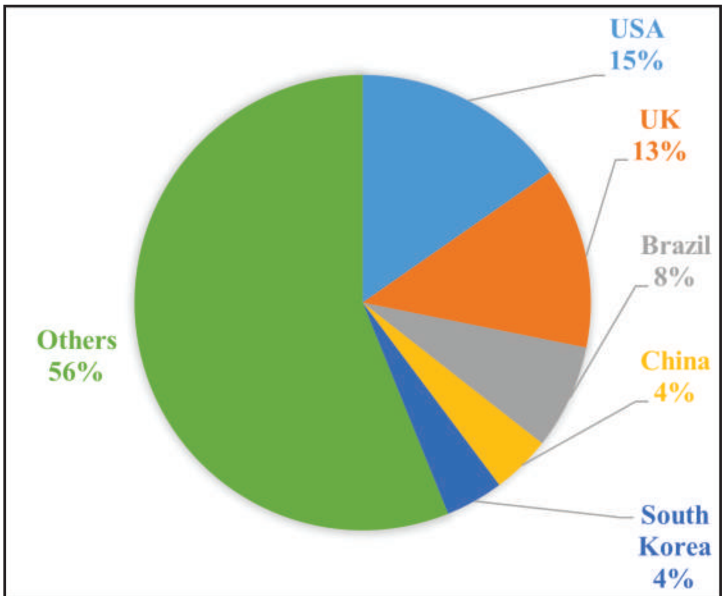
Insured Business 2021-2024 (Rs. Mn)												
Year	**Jan**	**Feb**	**Mar**	**April**	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**
2021	4,729.88	3,788.81	5,415.03	3,412.22	3,720.86	4,053.11	4,222.10	3,989.66	3,811.73	3,992.61	4,064.15	4,098.54
2022	3,842.71	4,114.43	4,897.13	3,837.54	6,636.66	6,937.00	7,647.40	8,281.27	6,418.73	6,399.94	5,561.18	5,428.35
2023	6,092.10	4,105.87	5,366.44	3,607.96	3,926.17	3,663.98	4,511.87	4,382.06	4,674.69	5,351.54	5,166.96	4,696.13
2024	5,301.72	4,982.25	6,139.73	3,568.87	5,095.51	4,357.05	4,657.51	5,507.80	5,352.79	4,575.94	3,944.74	4,821.94

TOP 5 Markets – Insured Business

Country	2024 Rs.Mn	Share of Insured Business	2023 Rs. Mn	Share of Insured Business
USA	8,917.44	15.30%	9,466.83	17%
UK	7,509.79	13%	6,623.98	12%
Brazil	4,330.72	7.40%	4,699.85	8%
China	2,438.33	4.20%	3,668.54	7%
South Korea	2,393.26	4.10%	1,702.89	3%
Others	32,716.32	56%	29,383.67	53%
Total	**58,305.87**	100%	**55,545.76**	100%

Mainly exports to UK and South Korea were increased by 13.37% and 40.54% and exports to USA, Brazil and China were decreased by 5.80%, 7.85% and 33.53% respectively in the financial year 2024 compared to 2023.

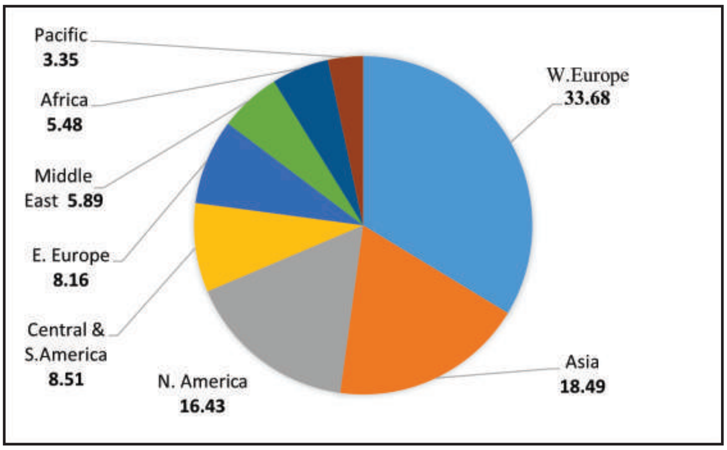
We also observed exports to countries like Germany, Russia, France, Netherlands, Singapore, UAE, Turkey, South Africa, Morocco and Sweden reported significant increase in insured business during the year under review against last year.



Distribution of Insured Business – Region wise - 2024

Distribution of Insured Business of SLECIC across 8 regions in 2024 is shown below.

Insured Business 2023 - 2024 (Region Wise)			
Region	Share (Rs. Mn)		Share (%)
	2023	2024	2024
W.Europe	10,630.14	19,637.28	33.68
Asia	3,365.84	10,783.36	18.49
N. America	10,746.74	9,580.84	16.43
Central & S.America	11,259.08	4,961.24	8.51
E. Europe	2,101.47	4,758.54	8.16
Middle East	625.82	3,434.46	5.89
Africa	12,410.24	3,194.14	5.48
Pacific	4,406.43	1,956.01	3.35
Total	**55,545.76**	**58,305.87**	**100**



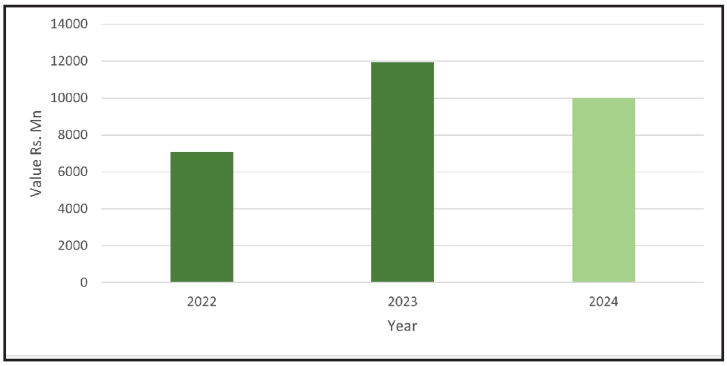
Western Europe accounted for 33.68% of the insured business and recorded over 84.73% increase during 2024 compared to the previous year. Asia accounted for 18.49% of the insured business and also recorded very significant growth of 220.37% during the year under review. Similarly, E. Europe and Middle East accounted for 8.16% and 5.89% of the insured business in 2024 and recorded a significant growth of 126.43% and 448.79% respectively compared to previous year. North America accounted for 16.43% of the insured business. Central & South American region accounted 8.51% share of insured Business. Similarly, African region accounted for 5.48% and Pacific region accounted for 3.35% of insured business in 2024.

It is important that the Corporation should maintain coverage of risks country wise in such a way to ensure that it operates with much wider markets reducing the concentration of risks attached to some of volatile markets. Continuously encourage and promote our valued policy holders to secure better international markets.

Credit Limits

The Corporation continued to support exporters by issue of Seller's Risk Insurance cover, underwriting buyers by issuing credit limits on creditworthy buyers. Underwriting decisions are basically through an analysis of information available on the buyer. The underwriting process is carried out in three major steps. The first being the creation of buyer overall profile and the second being the preparation of score card and the final being decision on the exposure to be taken on the buyer following proper guidelines based on the underwriting manual. Basically, the focus is on identifying the ability of the buyer to meet payment commitment in future based on the data available at present. The analysis should help in identifying the acceptability of a buyer based on credit risk when issuing credit limits as well as advising our valued policy holders on adverse status of the same accordingly.

Total Credit Limits Issued and Enhanced (RS. Mn)	
Year	Amount
2022	7,100
2023	11,920
2024	10,009



SLECIC firmly believes that educating the exporter community on effective credit control, loss minimization and adaptation of appropriate methods in handling apparent buyer defaults is just as important as obtaining insurance cover to overcome credit risks. With the right knowledge, exporters are in a much better position to deal with defaulting buyers. Corporation's underwriting strategy seeks diversity to ensure a balanced portfolio of risks covered. As such, it is believed that this reduces the variability of liability. In providing our policy holders with effective credit management service, we are fully committed to continue our professionalism in risk assessment and maintain a prudent and proactive underwriting approach. Successfully upholding this commitment not only, demands, excellent underwriting skills but also requires us to access the most trustworthy and most cost effective sources of global credit information.

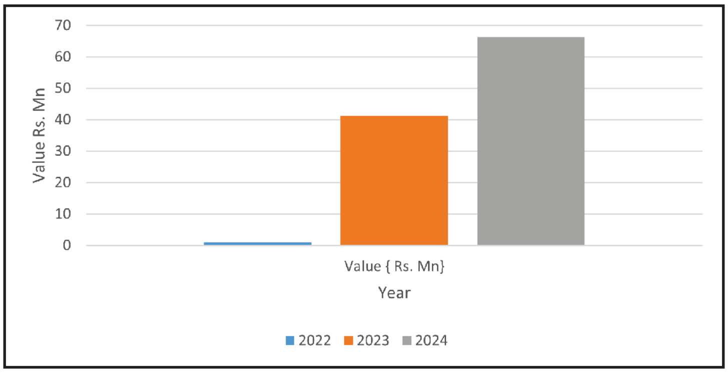
Underwriters are delegated with underwriting authorities that set out the limits that they can issue according to their rank and experience. In 2024, 356 Buyer Liability Limits (BLL) were issued and enhanced to the value of Rs 10,009.29 Mn as compared to Rs. 11,923.33 Mn In 2023.

ATA Carnet Guarantee

Corporation promote exporters in the Gem & Jewellery sector to participate at foreign exhibitions in showcasing their valued products with respective ATA Carnet Guarantee issued by the ICC, Sri Lanka upon the counter guarantee issued to the same by the Corporation.

Speedy and trusted service offered by the Corporation is valued by the exporters in this growing sector.

ATA Carnet Guarantee		
Year	No of Guarantees Issued	Value (Rs. Mn)
2022	1	1
2023	26	41.21
2024	35	66.29



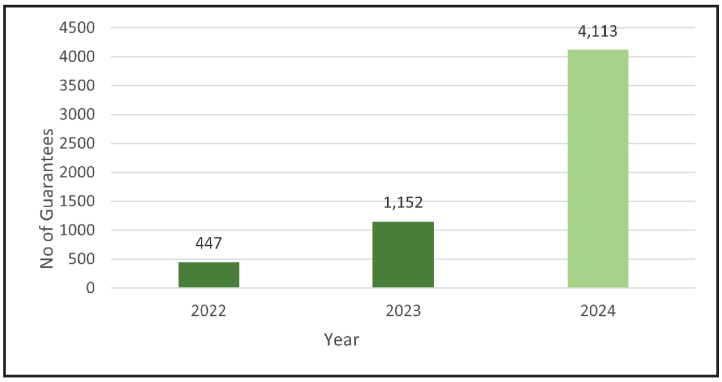
Corporation issued 35 ATA Carnet Guarantees to the value of Rs. 66.29 Mn in 2024 compared to 26 ATA Carnet Guarantees issued to the value of Rs. 41.21 Mn in 2023 recording a value wise growth of 60.85% over the previous year.

Cost of Passage (APARA) Guarantee

During the year under review, Corporation has been able to provide noteworthy assistance to the migrant workers focusing on skill category to avail them cost of passage from banks under the APARA Guarantee scheme.

Year	No of Guarantees Issued	Value (Rs. Mn)
2022	447	227.73
2023	1,152	1,469.36
2024	4,113	4,144.84

Total no of Guarantees issued under this product category is 4,113 to the value of Rs. 4,144.84 Mn in 2024 compared to 1,152 Apara Guarantees to the value of Rs. 1,469.36 Mn in 2023. This is a remarkable increase of 257% in terms of facilitating new applicants over previous year.



International Relations:
In a world increasingly characterized by protectionism, geopolitical tension, and economic instability, the need to build, strengthen, and maintain global relationships have never been more pressing. The Corporation demonstrated its unwavering commitment to internationalization; by way of building close global interrelation with related international bodies to foster mutual benefits among the institutions. Some of the valued foreign Institutions that SLECIC maintain close rapport are:

International Union of Credit & Investment Insurers (Berne Union)
The Berne Union is the world's leading association for international export credit and investment insurers and the central body for collaboration, policy work, and the advancement of good practices in the industry. Since 1983, SLECIC has been a full member of the Berne Union which shows its commitment to stay informed about developments in export credit insurance and operate according to international standards.

As a group, Berne Union members provide around $2.5 trillion in payment risk coverage each year to exporters, banks, and investors - a level of coverage that represents almost 13% of global cross-border trade in goods and services. The membership of the Union is comprised of a combination of official export credit agencies, multilateral financial institutions and private sector insurers from all regions of the world, including SLECIC's counterpart in India, ECGC which is also a full member. Currently, the Berne Union has 86 full members, including SLECIC.

Being full member of the Berne Union, SLECIC could access to Berne Union data and reap the benefits of it in mitigating credit risks. Furthermore, they have provided SLECIC an exclusive network access to Berne Union information and that could be utilized to mitigate inherent export credit insurance risks in processing credit limits overdue situations etc. This membership could be considered as an international license and recognition given to SLECIC to provide export credit insurance services locally.

Regional Co-operation Group (RCG)
The Regional Cooperation Group (RCG) is a Group of 12 member institutions in the Asia-Pacific region, established in 1986 as part of the Berne Union for conducting a regional cooperation with the aim of closer cooperation and international links between export credit agencies in the region. The RCG provides a regionally based forum for dialogue, knowledge sharing, and member institutions developing best practices associated with the region's economic and trade relationships. As such, the RCG is well suited to provide a forum addressing regional distinctiveness and developing the future role of export credit agencies in the Asia Pacific region.

Asian Credit Supplementation Institution Confederation (ACSIC)
Asian Credit Supplementation Institution Confederation (ACSIC) has been the largest Asian Cooperative body for the Small & Medium Sized Enterprises (SMEs) since 1987. At present, there are 17 credit guarantee institutions from 12 Asian countries including Sri Lanka Export Credit Insurance Corporation. SLECIC obtained the membership of this association in 2016.

The main goal of ACSIC is to encourage sustainable growth and institutional strengthening of credit supplementation systems for SMEs in the region, and to achieve this by way of organizedsharing of technical viabilities, policy dialogue, collaborative research, and human resource exchange, among member institutions. Ultimately, ACSIC will increase SLECIC's capacity to enhance the provision of finance to SMEs, and further assist regional economic integration, and financial sector development.

Asian EXIM Banks Forum (AEBF)
SLECIC has a strong partnership with the Asian EXIM Banks Forum (AEBF) as an Export Credit Agency (ECA). Formed as a collaborative forum of EXIM Banks and ECAs from Asia that was initiated by the Export-Import Bank of India in 1996, the AEBF has been meeting every year since its formation, with each member country serving as the host of the meeting on a rotational basis. Each annual meeting takes on new topics as part of the continuing agenda exploring policy, knowledge collaboration, and collaborative discussions on trade and investment promotion in the region.

The Commonwealth Secretariat
The Commonwealth Secretariat is the primary institution of the Commonwealth of Nations, made up of 56 countries with a shared commitment to universal values of democracy, development and economic co-operation. The Secretariat's most crucial priority is promoting sustainable development including the advancement of good governance and capacity-development opportunities for its members.

The Commonwealth Secretariat has provided extensive assistance to the Sri Lanka Export Credit Insurance Corporation (SLECIC) over the years, which has included both technical and financial support with the objectives of fostering institutional capacity and enhancing operational effectiveness. i.e., specialized international training opportunities provided for SLECIC staff, financial assistance extended to establish procedural Manuals of SLECIC etc.

Claims Paid

The settlement of claims under credit insurance during the year under reviewenabled exporters to maintain continuity in their export operations, while banks reimbursed exporters for amounts disbursed in accordance with the Corporation's coverage.

It is imperative that policyholders strictly adhere to the terms and conditions of the insurance contract to avoid claim rejections arising from non-compliance. Once the insurance cover is in force and a claimable event occurs resulting in a financial loss, the insured must diligently fulfill all post-contractual obligations to benefit from the policy. While unforeseen challenges may arise, such risks can often be mitigated through robust credit control mechanisms, sound credit insurance procedures, and proper documentation. A structured system adapted to remind policyholders of critical deadlines related to policy terms and claims handling further enhance the enforceability of claims.

SLECIC paid a claim to M.s Edibles Exports (Pvt) Ltd o/a of a buyer in the United Arab Emirates

Additionally, the timely and accurate written disclosure of all material facts remains vital to preserving the validity of the insurance contract and ensuring the legitimacy of any claim lodged.

In the financial year 2024, net claims settled amounted to Rs. 27.30 Mn, compared to Rs. 40.90 Mn in 2023.

Since its inception, SLECIC has disbursed a total of Rs. 1,473.17 Mn in claims, reflecting the Corporation's unwavering commitment to supporting Sri Lanka's export sector and mitigating commercial risks. Timely settlements of these claims were made possible due to consistent and robust fund Management strategies employed by the Corporation.

Training and Development – 2024

Investing in the continuous development of employees is fundamental to ensuring the efficiency and effectiveness of organizational operations. Throughout 2024, a structured approach to training has been implemented, equipping officers with the necessary skills and knowledge to excel in their respective roles.

A diverse range of training programs was conducted, covering key areas such as taxation, financial accounting, cyber security, transport management, and operational manual preparation. These programs aimed to strengthen expertise in specialized fields, enhance job performance, and foster innovation within the organization.

Key training initiatives included:

- Certificate Course on Practical Application of Income Tax: Designed to provide essential knowledge on income tax regulations, benefitting officers dealing with financial operations.
- Certificate Course of Risk & Cyber Security Fundamentals: Focused on equipping employees with knowledge of cyber security threats and mitigation strategies, ensuring data security within the organization.
- A Short Course in Financial Accounting: Delivered in a three-month period to enhance accounting proficiency and financial management capabilities.
- Certificate Course of Vehicle Fleet Management: Provided essential insights into efficient transport management, benefiting departments overseeing logistics and fleet operations.
- Certificate Course in Taxation: A comprehensive four-month program designed to enhance understanding of taxation procedures and compliance.
- Training Program on Export Credit Insurance: Conducted to support employees handling international trade finance, ensuring they are well-versed in export credit policies.
- Certificate Course of Advanced Excel: Empowered employees with advanced Excel skills, enhancing data analysis and report generation capabilities.
- Income Tax Return Training: A specialized program aimed at improving proficiency in tax filing procedures.
- Finance for Non-Financial Professionals: Designed to provide fundamental financial knowledge to employees working outside financial departments.
- File Management Training Program: Enhanced organizational efficiency by refining employees' document management skills.
- Operational Manual Workshop: Conducted to support the preparation and reviewing of operational manuals, ensuring standardized procedures across departments.

- 32nd ACSIC Training – Japan: An international training opportunity extended to selected officers to broaden their expertise in global business standards.

This Program focused on the theme "Unique Initiatives Based on Recent Economic Situations, etc. – Pursuing sustainability and best practices for SMEs through the Credit Supplementation System".

These training initiatives reflect the organization's commitment to fostering a culture of continuous learning and professional development. By investing in skills enhancement, employees are better equipped to navigate industry challenges and contribute meaningfully to the organization's success.

As the organization moves forward, ongoing training efforts will continue to be a priority, ensuring employees remain at the forefront of industry advancements and operational excellence.

Strategic Direction: Growth, Innovation and Outreach

SLECIC's strategic priorities will focus on strengthening core clients, product penetration, and brand awareness.

- Strengthening Existing Seller's Risk policy holders:
  SLECIC will focus on streamlining processes internally, client management, and customized support presents an opportunity to strengthen and grow our portfolio of existing Sellers Risk policy holders.

- Targeting new business:
  Due to the rise in migrant worker deployment, there will be a greater focus on promoting the APARA Guarantee Product (Cost of Passage). We plan to actively pursue new business across all product lines, and through key relationships created with banks and financial institutions to open us up to new market avenues.

- Innovation in products:
  SLECIC will continue to grow its portfolio by introducing new insurance and guarantee products to suit current market need. SLECIC will have a strong focus on developing a new product directed to the SME market to generate more engagement in international trade within this vital part of the economy.

- Brand Reinforcement and Regional Outreach
  A key initiative will be the reinforcement of the brand visibility of SLECIC, Seller's Risk and APARA. Engaging potential markets regionally throughout Sri Lanka requires us to effectively broaden brand awareness for all our products and services, while also outlining our extensive role in supporting exporters and export related service providers.

- Shaping the future Export Earnings with SLECIC
  While instability is still evident across the globe, SLECIC remains positive and committed to supporting exporters in Sri Lanka. Exporters of goods and services are fundamental in narrowing the trade account deficit of Sri Lanka, SLECIC will continue to provide uncompromising assistance to businesses, particularly as they look to capitalise on emerging global opportunities with appetite to risk taking, particularly in fast-growing markets in Asia and emerging markets in other parts of the world.

Good Corporate Governance

Good Corporate Governance contributes to sustainable development of SLECIC by enhancing the performance and to reach strategic goals and objectives. Our corporate governance concerns the relationships among the Board of Directors, Management and other stakeholders.

Internal Instruments
- Sri Lanka Export Credit Insurance Act No: 15 of 1978
- Terms of references of Board and Sub committees
- Board approved policies and policy manuals
- Delegation of Financial Authority

External Instruments
- Finance Act No 28 of 1971
- Public Enterprises Guidelines for Good Governance
- Treasury /Government Circulars
- Code of Best Practice on Corporate Governance Issued by CA Sri Lanka

Our governance principles focus on promoting and maintaining objectivity, transparency, accountability that ensure corporate success, sustainable growth and meets its statutory and regulatory obligations.

Corporate Governance framework has been guided by the principles and requirements contained on the internal and external instruments.
Corporate Governance guide lines sets out our approach to governance in practice, the method Board discharged their responsibilities.

Board of Directors

Board of Directors is the main driving force of the Corporation who makes decisions on strategic, Financial and reputational matters.

The Board ensures that there is a culture of good governance which is reflected in its work ethos, its value and robust framework of accountability and transparency that is continuously tested and improved.

Directors Independence

The Board Consists Chairman & Managing and Director and non-executive directors are independent and free of any business or other relationship that could materially affect the decisions of their independent judgment.

Board Meetings

Regular Board Meetings were held monthly, while special Board Meetings are convened as and when required. Corporate and Senior Managers attend meetings on invitations. The Board meetings are conducted on a formal agenda and Directors are provided with relevant Comprehensive background information by Corporate Managements prior to the meetings. During the year under review 11 board meetings were held.

All information is furnished by the Corporate management and if required, from external expertise/professionals to all Directors prior to Board or Sub - Committee meetings for the effective decision making. The Corporate management is responsible to provide appropriate information and the information requested by the Board of Directors to the Board on time enabling the board to effectively discharge individual and collective responsibilities of the board.

Role of the Chairman

The Chairman shall, subject to the general directions and control of the Board, be charged with the direction of the business of the Corporation, the organization and the exercise, discharge and performance of the powers, functions and duties of the Corporation and the administrative control of the employees of the Corporation.

The Chairman may, with the approval of the Board, whenever he considers it necessary to do so delegate in writing to any employee any power, function or duty, conferred or imposed on or assigned to him by this Act and such employee shall exercise, discharge and perform such power, function or duty subject to the general or special directions of the Chairman.

Sub Committees

Board sub committees have been established by the Board of Directors for the specific tasks to support the Board of Directors to discharge their responsibilities effectively.

Audit Committee Report

The Audit Committee is a subcommittee of Board of Directors. The Board of Directors nominated non-executive directors with necessary skills and expertise to the Audit Committee, and the Committee reports to the Board. The major responsibility of the Audit Committee, which submits its findings and recommendations to the Board of Directors, is to assure the integrity of the financial reporting and audit procedures, as well as the maintenance of solid internal controls and risk management systems.

The Purpose of the Audit committee as follows.

Provide assistance to the Board of Directors (BOD) in fulfilling its responsibility for the;

- Preparation, presentation and adequacy of disclosures in the Financial Statement, in accordance with the Sri Lanka Accounting Standards.
- Compliance with financial reporting requirements, information requirements of the Establishment Act, Companies Act, and other relevant financial reporting related regulations and requirements
- Process to ensure that the entity's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards.
- Ensuring performance of the entity's internal audit function.
- Identification, monitoring and management of significant business/financial risk when there is no Risk Committee (RC) in place.
- Reporting on related party transactions of Board members and key management personnel.

Composition of the Committee

The Audit Committee is comprised of three Board members. Non-Executive Directors were appointed as Committee Members by the Board of Directors.

- Ms A.A.I Dilrukshi - Chairperson of the Audit Committee (Period - 2024 Full Year)
- Mr. Priyantha Perera - Member (Period - 2024 Full Year)
- Ms. B M S Bandara - Member (Period - 2024 First 6 months)
- Ms. Aravindi De Silva - Member(Period - 2024 Second six months)

The Committee's Charter has been established to encompass the scope of responsibilities, authority, and particular obligations outlined in the Treasury Circular issued by the Department of Public Enterprises relating to the conduct of Audit Committees.

Meetings

During the year under review, four (04) Audit Committee meetings have been conducted to discharge responsibilities entrusted to them as noted above.

Tasks Performed by the Committee

The Committee reviewed the financial reporting system adopted for the preparation and presentation of the financial statements. It also ensures consistence of accounting policies adopted and compliance with the financial reporting system including SLFRS/LKAS used for preparation of financial statements including disclosures and other regulatory requirements. The Committee also examines the adequacy, timeliness, and presentation of the Corporation's internal control systems. Apart from the activities listed above, the Committee completed the following tasks in order to successfully fulfil its obligations.

- Oversaw the summary of audit reports presented in 2024. (10 audit reports)
- Oversaw the summary of review audit reports & Special Investigation reports presented in 2024.
- Reviewed & approved The Internal Audit plan 2025.
- Reviewed the delegation of authority FR-135, Action plan, Corporation budget & Procurement plan for the year 2025
- Reviewed the Financial statements for the year ending December 31, 2023 as well as the relevant corrections required to be done as per SLFRS & LKAS.
- Discussed the risk analysis & mitigation measures on the relevant weakness areas which were highlighted by internal auditor & submitted its recommendations to the management to take necessary actions.
- Reviewed The Auditor General's Report for the financial year ending December 31, 2023 and discussed the current status of issues highlighted therein.
- Reviewed the other operational and compliance matters arose during the year.
- Committee personal as well as collective experience in financial, operational, governance and insurance issues helped them to effectively discharge their responsibilities.

Internal Audit Function

The role of the Internal Audit includes assessing effectiveness of the internal controls, identifying risk areas and verifying the accuracy and completeness of transactions in order to provide a reasonable assurance to the Board of Directors.

The Audit Committee approves the audit plan created by Internal Audit at the beginning of the year, and a summary of the audit reports is evaluated to ensure the internal control system is in place to preserve the Corporation's assets. Aside from the above, the Internal Audit Function conducts special investigations as directed by Management in order to give observations and suggestions. Periodic reviews are planned to ensure that audit recommendations are implemented.

Summary of tasks performed by the Internal Audit during the year under review.

- Reviewed the adequacy of internal controls system and communicate weaknesses to rectify.
- Carried out 12 divisional audits as per the approved Audit Plan 2024 as well as 10 reports issued for major issues which were identified.
- Discussed Internal Audit Reports at the Audit Committee meeting.
- Discussed Auditor General's Report and current position of the findings in the report.
- Carried our review audits for the internal controls which were implemented.
- Carried out special investigations as per management instructed.

Conclusion

The Audit Committee believes that the Corporation's internal control system provides reasonable assurance that the Corporation's affairs are managed in accordance with the Corporation's stipulated policies and procedures.

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Mrs. A. A. I. Dilrukshi
Chairperson
Audit Committee

Annual Financial Statements for the Year Ended December 31, 2024

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

Srilanka Export Credit Insurance Corporation

STATEMENT OF FINANCIAL POSITION

AS AT 31st DECEMBER 2024

(All amounts are in Sri Lankan Rupees)	Note	Current Year 2024	Previous Year 2023
ASSETS			
Non Current Assets			
Property, Plant & Equipment	9	136,566,769	146,557,087
Long-term Financial Investments (Over 1 Year)	10	97,664,710	384,466,868
Total Non Current Assets		**234,231,479**	**531,023,954**
Current Assets			
Stock of Stationery & Consumables		818,264	204,263
Investment Fund		65,589	2,397,029
Trade Debtors Control A/C		26,237,150	11,699,906
Sundry Debtors, Deposits and Pre-payments	11	20,619,480	34,047,683
Interest Receivable	12	279,322,104	432,894,859
Short-term Financial Investments (Less than 1 Year)	13	5,049,044,158	4,523,054,416
Foreign Currency Savings Accounts	14	9,070,440	9,881,383
Cash and Cash Equivalents	15	36,328,560	16,432,199
Total Current Assets		**5,421,505,745**	**5,030,611,739**
Total Assets		**5,655,737,224**	**5,561,635,694**
EQUITY			
Stated Capital (Page No.04)		150,000,000	150,000,000
Reserves (Page No.04)		2,332,949,978	2,320,481,939
Retained Earning (Page No.04)		2,307,804,460	1,895,167,402
Total Equity		**4,790,754,438**	**4,365,649,342**
LIABILITIES			
Non Current Liabilities			
Staff Gratuity Payable	16	12,613,898	13,466,484
Total Non Current Liabilities		**12,613,898**	**13,466,484**
Current Liabilities			
Sundry Creditors, Accrued Expenses & Provisions	17	616,526,789	661,752,728
Provision for Future Claims	18	232,882,057	517,807,098
Premium in Advances		2,960,041	2,960,041
Total Current Liabilities		**852,368,887**	**1,182,519,868**
Total Liabilities		**864,982,786**	**1,195,986,352**
Total Liabilities & Equity		**5,655,737,224**	**5,561,635,694**

These Financial Statements have been prepared in accordance with the requirement of the Sri Lanka Public Sector Accounting and Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka and Finance Act No. 38 of 1971.

Ravin Ovitigala
AGM-Finance

The Accounting Policies and Notes to the Accounts form an integral part of these Financial Statements.
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
The Financial Statements were approved by the Board of Directors and signed on their behalf.

Prof.(Dr.)Aruna Shatharachchi
Chairman & Managing Director
27-Feb-25

Director

Director

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are in Sri Lankan Rupees)	Note	Current Year 2024	Previous Year 2023
Revenue			
Gross Written Premium	1	594,900,235	411,935,492
Net Change in Reserve for Unearned Premium	1a	(7,705,306)	6,590,611
Gross Earned Premium		**587,194,928**	**418,526,103**
Other Operational Income	2	17,041,005	15,251,796
Total Net Revenue from Operations		**604,235,933**	**433,777,899**
Other Income			
Investment Income	3	498,216,671	787,110,607
		498,216,671	**787,110,607**
Total Net Revenue		**1,102,452,604**	**1,220,888,505**
Claims and Operating Expenses			
Net Claims	4	104,707,592	62,831,747
Status Reports		7,497,485	6,422,511
Establishment Expenditure	5	27,781,934	25,104,920
Administrative Expenditure	6	93,695,505	61,029,577
Selling & Marketing Expenditure	7	16,345,789	9,679,877
Finance Charges	8	460,718	196,844
Net Claims and Operating Expenses		**250,489,023**	**165,265,476**
Profit/Loss Before Value Added Tax		851,963,580	1,055,623,029
VAT on Financial Services	8a	-	-
Profit Before Income Tax		**851,963,580**	**1,055,623,029**
Income Tax	8b	270,088,617	281,575,841
Profit after tax		**581,874,963**	**774,047,188**
Other Income/Expenses			
Exchange Gain/(Loss)		(259,260,836)	(294,017,104)
Total Comprehensive Income after Tax		**322,614,127**	**480,030,084**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

	Current Year 2024	Previous Year 2023
Cash Flows from Operating Activities		
Net profit before taxation	851,963,580	1,055,623,029
Adjustments for;		
Depreciation	13,829,333	16,346,130
Provision for Gratuity	3,352,124	2,401,583
Provision for Claims	104,707,592	166,611,769
Unearned premium adjustment	(7,705,306)	(6,590,611)
Foreign Exchange gain	-	-
Prior Year Adjustment	377,862,792	(569,757,611)
Investment income	(498,216,671)	(787,110,607)
Provision for Future Claims	(284,925,041)	21,929,171
Operating Profit before Working Capital Changes	**560,868,403**	**(100,547,147)**
(Increase)/Decrease in Trade & Other Receivables	(14,537,244)	6,074,509
(Increase)/Decrease in Deposits & Prepayments	(13,428,203)	(284,885,251)
Increase/(Decrease) in Trade Creditors & Other Payables	(45,404,439)	424,027,772
Increase/(Decrease) in Refundable Deposits Retained from Customers	(178,500)	452,800
Decrease / (Increase) in Inventories	(614,002)	617,972
Cash Generated from / (Used in) Operation	**486,706,015**	**45,740,655**
Gratuity paid	(4,976,040)	(2,568,771)
Claims Paid	(26,958,061)	(40,574,275)
Payment of VAT on FS	-	(7,858,426)
Income Tax Paid	296,144,876	(147,945,211)
Special Levy Paid to Treasury	(265,000,000)	(500,000,000)
Net Cash from / (Used in) Operating Activities	**485,916,790**	**(653,206,029)**
Cash flows from Investing Activities		
Purchase of Property, Plant & Equipment	3,839,015	(11,775,880)
Interest income	498,216,671	787,110,607
Fixed Deposits	(968,076,115)	(137,873,466)
Net Cash from / (Used in) investing Activities	**(466,020,429)**	**637,461,261**
Cash flows from Financing Activities		
Treasury Loan Received / Repayments	-	-
Capital Contributed	-	-
Repayment of Loans	-	-
Net Cash from / (Used in) Financing Activities	**-**	**-**
Net Decrease in Cash and Cash Equivalents	**19,896,361**	**(15,744,769)**
Cash and Cash Equivalent Beginning of the Year (Note A)	16,432,199	32,176,968
Cash and Cash Equivalent End of the Year (Note A)	**36,328,560**	**16,432,199**

NOTE A
Cash & Cash Equivalents

Hatton National Bank Current Accounts	11,557,103	955,761
Hatton National Bank Debit Tax Exempt current	1,468,526	605,802
Hatton National Bank Call Deposit Account	13,428,928	13,428,928
Bank of Ceylon Current Account	8,254,923	1,325,877
People's Bank Current Account	1,611,525	113,831
NSB Saving Account	5,555	-
Cash in Hand	2,000	2,000
	36,328,560	**16,432,199**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
Annual Financial Statements - 2024
Changes in Equity Statement As At 31st December 2024

Description	Stated Capital Rs.	Retained Earnings Rs.	General Reserve Rs.	Revaluation Reserve Rs.	Investment Fund Rs.	Unearned Premium Rs.	Total Rs.
Balance as at 01st January 2023	30,000,000.00	2,284,894,930.26	2,107,589,464.84	137,308,408.27	58,507,949.05	23,666,728.29	4,641,967,480.71
Transferred from Revaluation Reserve	-	-	13,291,520.00	(13,291,520.00)	-	-	-
Treasury Investment	120,000,000.00	-	-	-	-	-	120,000,000.00
Prior period adjustments	-	(569,757,611.38)	-	-	-	-	(569,757,611.38)
Net Profit for the Year 2023	-	480,030,083.55	-	-	-	-	480,030,083.55
Transferred during the year 2023	-		-	-	-	(6,590,611.36)	(6,590,611.36)
Special Levy for 2023	-	(300,000,000.00)	-	-	-	-	(300,000,000.00)
Balance as at 31st December 2023	150,000,000.00	1,895,167,402.43	2,120,880,984.84	124,016,888.27	58,507,949.05	17,076,116.93	4,365,649,341.52
Transferred from Revaluation Reserve	-	-	-	-	-	-	-
Treasury Investment	-	-	-	-	-	-	-
Adjustments	-	377,862,791.81	-	-	-	-	377,862,791.81
Net Profit for the Year 2024	-	322,614,126.91	-	-	-	4,762,732.22	327,376,859.13
Transferred during the year 2024	-	-	-	-	-	-	-
Special Levy for 2024	-	(287,839,861.24)	-	-	-	7,705,306.49	(280,134,554.75)
Balance as at 31st December 2024	150,000,000.00	2,307,804,459.91	2,120,880,984.84	124,016,888.27	58,507,949.05	29,544,155.64	4,790,754,437.71

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note			Current Year 2024	Previous Year 2023
1	**Gross Written Premium**			
	Pre-shipment Credit Guarantee		-	450,000.00
	Post Shipment Credit Guarantee		474,241.60	468,737.70
	Export Performance Guarantee		3,184,000.00	2,181,000.00
	Cost of Passage Guarantee (APARA)		234,389,910.93	79,993,105.14
	Export Payments Insurance Policy (Seller's Risk)		356,852,082.42	328,842,648.83
			594,900,234.95	**411,935,491.67**
	(Increase)/Decrease in Unearned Premium	**1a.**	(7,705,306.49)	6,590,611.36
	Gross Earned Premium		**587,194,928.46**	**418,526,103.03**
1a	**Unearned Premium**			
	Export Payments Insurance Policies Gross Unearned Premium			
	Balance as at 1st January		14,279,450.46	23,170,908.10
	Premium written during the year		356,852,082.42	328,842,648.83
	Premium earned during the year		353,391,211.58	337,734,106.47
	Balance as at 31st December		**17,740,321.30**	**14,279,450.46**
	Credit Guarantee Gross Unearned Premium			
	Balance as at 1st January		2,796,666.48	495,820.20
	Premium written during the year		238,048,152.53	83,092,842.84
	Premium earned during the year		233,803,716.88	80,791,996.56
	Balance as at 31st December		**7,041,102.13**	**2,796,666.48**
	Total Reserve as at 31st December		24,781,423.43	17,076,116.94
	Total Reserve as at 1st January		17,076,116.94	23,666,728.30
	Net Change in Unearned Premium Reserve		**7,705,306.49**	**(6,590,611.36)**
2	**Other operational Income**			
	Guarantee, Policy, Administrative, Processing and BLL Fees		17,012,761.97	15,147,115.00
	BizInfo Income		28,242.55	104,680.61
			17,041,004.52	**15,251,795.61**
3	**Investment Income**			
	Treasury Bills / Bonds		26,104,916.26	28,045,523.55
	Call Deposit		-	489,268.11
	SMIB Deposit		23,598.01	22,838.62
	US Dollar Fixed Deposits		179,070,836.03	267,416,944.68
	US Dollar Savings		119,342.38	531,397.83
	Euro Fixed Deposit		3,675,363.38	7,476,874.89
	Dividends		-	-
	LKR Fixed Deposit		287,692,284.61	480,500,950.81
	Interest on Investment Fund		66,336.90	1,492,150.68
	Interest on Staff Loans		92,417.06	62,911.23
	Treasury Bill Interest on Gratuity Fund		1,367,283.73	1,067,711.70
	Interest on Gratuity Savings Account		-	-
	Sundry Income		4,292.44	4,034.69
			498,216,670.80	**787,110,606.79**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note				Current Year 2024	Previous Year 2023
4	**Net Claims Paid**				
	Claims Provision as at end of the year - Specific			232,882,057.32	452,510,347.07
	Claims Provided in the previous years			116,531,742.27	391,976,133.00
	Claims for the year			**116,350,315.05**	**60,534,214.07**
	Less: Excess Provision made in previous year			(8,281,487.71)	(2,297,532.89)
	Net Claims for the year - Specific			**108,068,827.34**	**62,831,746.96**
	Adjustment 2024			(3,361,232.79)	103,780,022.24
				104,707,594.55	**166,611,769.20**
5	**Establishment Expenditure**				
	Rates			990,990.00	990,990.00
	Water			317,949.84	177,392.79
	Electricity			1,395,047.44	859,908.55
	Telephone			551,198.98	570,922.34
	E-Mail & Internet, Website			457,458.60	452,811.32
	Security			768,219.61	671,180.28
	Depreciation -	Building		8,825,000.04	8,825,000.00
		Motor Vehicles		4,475,922.81	4,332,000.00
		Office Equipment		233,749.29	145,046.07
		Computers & Printers		2,604,978.06	2,604,978.06
		Furniture & Fittings		250,534.59	231,249.35
		Software		207,856.25	207,856.25
	Insurance -	Building - Office Premises (Nawam Mwt)		65,505.51	217,568.74
		Motor Vehicles		107,529.07	242,238.12
		Office Equipment, Furniture & Fittings		10,693.07	27,666.19
		Fidelity Insurance		40,735.21	-
		Insurance on Cash in Trasit		2,965.06	-
		Travelling Insurance		11,774.16	-
	Repairs & Maintenance -		Building	1,257,585.95	1,195,059.53
			Motor Vehicles	1,577,717.30	1,248,584.00
			Office Equipment, Furniture	75,271.41	473,012.15
			Computers & Printers	3,004,638.40	629,183.78
			Software	548,613.18	1,002,272.35
				27,781,933.83	**25,104,919.87**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note		Current Year 2024	Previous Year 2023
6	**Administrative Expenditure**		
	Salaries & Allowances	40,521,196.35	23,171,743.81
	Other Staff Benefits	20,086,199.52	18,230,029.82
	Recruitment, Local Training & Subscriptions to Educational Inst.	2,137,401.06	1,765,047.51
	Tea & Related Expenses	1,358,152.05	1,001,906.35
	Employees Provident Fund	8,090,173.45	4,897,171.72
	Employees Trust Fund	1,025,445.10	667,039.42
	Gratuity	3,352,124.08	2,401,583.33
	Directors Fees	350,000.00	390,000.00
	Travelling, Transport & Subsistence	436,946.79	408,822.81
	Postage	282,285.52	66,219.48
	Annual Report & Other Printing	982,072.60	455,100.00
	Staff Loan Written Off	-	111,115.44
	Stationery	669,466.90	1,337,437.21
	Fuel	150,427.80	993,223.56
	External Audit Fees	5,230,000.00	1,295,000.00
	Cloud Backup cost & Hosting of Website e-mail etc	696,580.65	682,815.95
	Professional, Legal & Consultancy Fees	1,390,000.00	1,068,453.79
	General Expenses	762,154.33	236,693.75
	Stamp Duty	126,050.00	23,490.00
	News Papers, Books & Magazines	11,110.00	0.00
	Anniversary Expenses	1,935,287.00	720,544.00
	Annual Trip	1,022,540.00	854,766.80
	Life Insurance	552,065.87	251,372.74
	Foreign Training	2,072,465.32	-
	Entertainment Expenses	455,360.87	-
		93,695,505.26	**61,029,577.49**
7	**Selling & Marketing Expenditure**		
	Promotional and Business Development Expenses	2,088,203.55	1,129,211.67
	Advertising	3,240,196.65	1,356,535.00
	Printing Cost on - Brochures, Forms, Applications etc.	-	86,940.00
	Translation Charges	41,095.00	59,075.00
	Fuel Cost	1,012,410.80	189,185.44
	Corporate Memberships	262,591.00	241,530.00
	Subs. to Int.Professional & Export Related Organizations	6,338,798.58	5,782,400.00
	Sponsorships	2,400,000.00	835,000.00
	Product Development and Aware. Prog. for bank/Exporter	962,493.64	-
		16,345,789.22	**9,679,877.11**
8	**Finance Charges**		
	Bank Charges	58,977.11	168,133.56
	Stamp Duty	-	28,710.00
	Social Security Cont. Levy	401,741.33	-
		460,718.44	**196,843.56**

8a VAT on Financial Services

As per the act , Corporation not liable for VAT on Financial Services.

8b Income Tax

As per the provisions under the Inland Revenue (Amendment) Act, No. 45 of 2022, Income tax payable for the Y/A 2024/25 & Corporations is liable to pay the rate of 30%.

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

		Current Year 2024	Previous Year 2023

9 Property, Plant & Equipment

9.1 Gross Carrying Amounts	Cost as at 01-Jan-2024	Additions/Transfers	(Disposals)/Transfers	Cost as at 31-Dec-2024
Building	176,500,000.00	-	-	**176,500,000.00**
Furniture and Fittings	2,321,994.75	624,383.75	-	**2,946,378.50**
Computers & Printers	15,884,364.57	-	-	**15,884,364.57**
Office Equipment	1,831,242.58	1,969,801.47	-	**3,801,044.05**
Motor Vehicle	21,660,000.00	1,244,830.00	-	**22,904,830.00**
	218,197,601.90	**3,839,015.22**	-	**222,036,617.12**

9.2 Depreciation	Balance as at 1-Jan-24	Charge for the year/Transfers	Disposals/Error Correction/Transfers	Balance as at 31-Dec-2024
Building	52,950,000.00	8,825,000.04	-	**61,775,000.04**
Furniture and Fittings	1,073,360.86	250,534.59	79,288.15	**1,244,607.30**
Computers & Printers	8,069,430.39	2,604,978.06	2,590,059.17	**8,084,349.28**
Office Equipment	1,451,299.08	233,749.29	99,360.53	**1,585,687.84**
Motor Vehicle	8,664,000.00	4,475,922.81	-	**13,139,922.81**
	72,208,090.33	**16,390,184.79**	**2,768,707.85**	**85,829,567.27**
Net Value	**145,989,511.57**			**136,207,049.85**
NOTE - 9-A Intangible Assets				
Software	7,504,374.77	-	-	**7,504,374.77**
	7,504,374.77	-	-	**7,504,374.77**
Amortization				
Software	6,936,799.73	207,856.25	-	**7,144,655.98**
	6,936,799.73	**207,856.25**	-	**7,144,655.98**
Net Value	**567,575.04**			**359,718.79**
Total Property, Plant & Equipment	**146,557,086.61**			**136,566,768.64**

10 Long Term Investments

	Current Year 2024	Previous Year 2023
Shares in Ingrin Ltd	10.00	10.00
Shares in Credit Information Bureau	123,700.00	123,700.00
Treasury Bonds	97,541,000.00	8,089,500.00
LKR Fixed Deposits	-	376,253,657.81
	97,664,710.00	**384,466,867.81**

11 Sundry Debtors, Deposits & Pre Payments

	Current Year 2024	Previous Year 2023
Advances on Export Bill Discounting Facility	34,958,636.11	34,958,636.11
Less: Provision for Doubtful Debts	(34,958,636.11)	(34,958,636.11)
	-	-
Staff Loans & General Advances	2,973,249.77	2,671,468.28
Sundry Deposits	108,837.50	108,837.50
Refundable Deposits	406,500.00	406,500.00
Loan to the Welfare Society of Slecic	500,000.00	500,000.00
Salary & Allowance Control A/C	(67,243.79)	30,935.25
Sundry Debtors	770.00	770.00
Pre-payments	1,315,114.14	563,996.27
BizInfo Income Receivable	(6,430.80)	(6,430.80)
VAT on Financial Services Recoverable	2,185,511.00	2,185,511.00
WHT Receivable	13,203,172.35	27,586,095.84
	20,619,480.17	**34,047,683.34**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

		Current Year 2024	Previous Year 2023
12	**Interest Receivable**		
	Treasury Deposit	67,615,246.42	67,615,246.42
	Treasury Bills/Bonds	6,867,551.54	1,295,539.36
	US Dollar Fixed Deposits	90,780,935.35	219,884,472.41
	Interest Receivable - Euro Fix	3,530,898.32	7,428,203.88
	LKR Fixed Deposits	110,527,472.49	136,671,397.33
		279,322,104.12	**432,894,859.40**
13	**Short Term Investments**		
	US Dollar Fixed Deposits	2,338,639,947.03	2,275,731,540.49
	Euro Fixed Deposits	69,841,971.94	74,691,306.25
	LKR Fixed Deposits	2,442,867,079.16	1,995,433,571.29
	Gratuity Savings Account	150,983.26	143,722.88
	Treasury Bills on Gratuity Savings	15,529,259.54	12,880,628.00
	Govt. Treasury Bills	181,318,852.43	163,500,000.00
	State Mortgage & Investment Bank Deposit	696,064.85	673,646.74
		5,049,044,158.21	**4,523,054,415.65**
14	**Foreign Currency Savings Accounts**		
	Bank of Ceylon - US Dollar Account	4,516,127.77	4,931,537.43
	People's Bank - US Dollar Account	4,509,654.79	4,897,245.54
	EURO Savings Account	44,657.41	52,600.30
		9,070,439.97	**9,881,383.27**
	In Foreign Currency		
	Bank of Ceylon - US Dollar Account	15,663.09	15,451.13
	People's Bank - US Dollar Account	15,640.64	15,343.69
	EURO Savings Account	149.65	149.65
	Exchange Rate		
	Bank of Ceylon - US Dollar Account	288.33	319.17
	People's Bank - US Dollar Account	288.33	319.17
	EURO Savings Account	298.41	351.48
15	**Cash & Cash Equivalent**		
	Cash at Bank		
	Hatton National Bank Current Accounts	11,557,102.74	955,761.17
	Hatton National Bank Debit Tax Exempt current	1,468,525.96	605,801.67
	Hatton National Bank Call Deposit Account	13,428,928.39	13,428,928.39
	Bank of Ceylon Current Account	8,254,922.99	1,325,877.13
	People's Bank Current Account	1,611,525.36	113,831.01
	NSB Saving Account	5,554.63	-
		36,326,560.07	**16,430,199.37**
	Cash in Hand	2,000.00	2,000.00
		36,328,560.07	**16,432,199.37**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note		Current Year 2024	Previous Year 2023
16	**Gratuity Payable**		
	Balance B/F	13,466,484.40	30,010,488.00
	Gratuity Provision for the Year	3,352,124.08	2,401,583.33
	Adjustment for Under/Over provision	771,330.00	(16,376,815.93)
		17,589,938.48	16,035,255.40
	Paid during the year	(4,976,040.00)	(2,568,771.00)
	Balance as at 31st December	**12,613,898.48**	**13,466,484.40**
17	**Sundry Creditors, Accrued Expenses and Provisions**		
	Sundry Creditors		
	General VAT (Charged from Policy Premium)	1,906,902.00	1,906,902.00
	Staff Medical Fund	883,758.00	724,038.00
	Refundable Deposits Retained from Customers	1,846,800.00	2,025,300.00
	Accrued Expenses		
	Employees Provident Fund	(309,862.55)	(309,861.96)
	Employees Trust Fund	(49,063.78)	32,783.51
	Stamp Duty	17,750.00	6,925.00
	Other Payables	14,268,043.77	21,739,550.66
	Charges on Status Reports	1,983,730.46	-
	Status Report Tax Remi Payable	250,000.00	-
	Accruals	6,121,137.39	8,621,280.00
	Provisions		
	Audit Fees Payable	4,214,436.43	1,287,118.00
	Income Tax Payable	213,934,361.11	267,576,715.48
	VAT on Financial Services	48,193,771.16	48,193,771.16
	Annual Report Printing Charges	275,000.00	1,485,540.00
	SSCL Payable	-	8,325,754.55
	APIT Tax Payable	150,163.99	131,761.93
	Welfare Society of SLECIC	-	5,150.00
	Special Levy Payable to Treasury	322,839,861.24	300,000,000.00
		616,526,789.22	**661,752,728.33**
18	**Provision for Future Claims**		
	Balance as at 1st January	455,871,582.86	454,601,351.49
	Claims Paid During the Year	(26,958,060.95)	(40,574,275.29)
	Claim Carried Forward from 2023	428,913,521.91	414,027,076.20
	Provision for the Year	112,989,079.26	103,780,022.24
	Adjustment	(309,020,543.85)	-
	Balance provision as at 31st December	**232,882,057.32**	**517,807,098.44**
	Total Provision for Claims	**232,882,057.32**	**517,807,098.44**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note

19 Disclosure on Revaluation of Fixed Assets

- Effective date of Revaluation

Building	1-Jan-18
Motor Vehicles	31-Dec-21
Computers and Printers	31-Dec-16
Office Equipment	31-Dec-16
Furniture and Fittings	31-Dec-16

- Valuation was carried out by the Government Valuation Department
- Valuation has been done as accurately as possible after inspection and observation and considering all the relevant factors that affect the value.
- The value arrived by the revaluation is the market value of the assets.
- Carrying value of the revalued assets under the cost model.

Buildings	132,375,000.00
Motor vehicle	17,328,000.00
Computers and Printers	-
Office Equipment	-
Furniture and Fittings	567,148.24
Software	775,431.29

20 Contingent Liabilities

(a) Lawsuits against the Corporation

1 Tropical Fishery (Pvt) Limited Vs. Sri lanka Export Credit Insurance Corporation; CHC 47/2020/MR case lodged against part payment made o/a of Suriya LLC of USA claiming Rs.27.5Mln.

(b) The Total Liability underwritten by the Corporation as at 31st December 2024.

- Export Payments Insurance Policies in Force
- Credit Guarantees in Force
- Maximum Liability

21 Related Party Transaction

NAME	DESIGNATION	NATURE OF THE RELATED PARTY TRANSACTION	ADDRESS
Prof.(Dr.)Aruna Shatharachchi	Chairman	None (From 28-Oct-24)	Sri Lanka Export Credit Insurance Corporation,# 42, Level 4, NDB-EDB Tower,Colombo 02
Mr.S.C.Jdevendra	Chairman	None (Resigned on 10-Oct-2024)	
Ms.A.A.I.Dilrukshi	Director	None (Resigned on 30-Nov-2024)	Dept.of Treasury Operations, Ministry of Finance,The Secretariate,Colombo 01
Mrs. Aravindi De Silva	Director	None	Ministry of Trade, Commerce, Food Security & Co-operative Development, No.492.R.A.De Mel Mawatha,Colombo
Mr.A.A.M.Thassim	Director	None (Resigned on 30-Sep-2024)	Central Bank of Srilanka,No.30.Janadhipathi Mawatha,Colombo 01.
Mr.Priyantha Perera	Director	None	Srilanka Insurance Corporation,No.21.Vauxhall Street, Colombo 02.
Ms.B.M.S.Bandara	Director	None (Resigned on 30-June-2024)	Ministry of Trade,LHP Building,492,R.A.De Mel Mawatha,Colombo 03.

22 Disclosure of Contingent Provision for Claims 2024

	EPIP	PSCG	PCG	EPG	CPA	Total
Balace as at 01-Jan-2024	49,326,397	54,000	23,437	43,620	13,384,293	62,831,747
Claims paid during the year	26,958,061	-	-	-	-	26,958,061
	22,368,336	54,000	23,437	43,620	13,384,293	35,873,686
Contingect Claims Provision for 2024	31,159,476	(54,000)	275	20,060	30,465,266	61,591,077
Balace as at 31-Dec-2024	**53,527,812**	-	**23,712**	**63,680**	**43,849,559**	**97,464,763**

	Premium 2024	Provision %	Provition for 2024
Pre Shipment Credit Guarantee	-	12%	-
Post shipment credit Guarantee	474,242	5%	23,712
Export Performance Guarantee	3,184,000	2%	63,680
Export Payments Insurance Policy	356,852,082	15%	53,527,812
			53,615,204

CPA

	2022	2023	2024	
CPA Premium	13,317,727	79,993,105	234,562,411	
Claims Provision %	5%	10%	15%	
Claim Provision	665,886	7,999,311	35,184,362	
Total			43,849,559	43,849,559
Total Contingent Provision for 2024				97,464,763

Breakdown of Claims for 2024

	Specific Provision	Contigent Provision	Total
EPIP Claims	108,068,827	31,159,476	139,228,303
PSCG Claims	-	(54,000)	(54,000)
PCG Claims	-	275	275
EPG Claims	-	20,060	20,060
CPA Claims	-	30,465,266	30,465,266
Total Claims for 2024	**108,068,827**	**61,591,077**	**169,659,904**

23 Disclosure of due amounts

- Treasury Deposit 67, 615,246.42is undergoing Forensic audit by Ernst & Young as well the treasury confirmed. there were no records on above deposit on their books. Corporation follow up necessary actions after the Forensic audit report received.

- Advances on Export Bill discounting Facility amounting 34,958,636.11 undergoing Forensic audit by Ernst & Young. Corporation follow up necessary actions after the Forensic audit report received.

24 Prior Year Adjustment

Correction of Error Posting	(6,490,894)
Adjustment for Prior Year	(4,796,780)
Over Provision of Expenses	305,787,458
Reversal of Contigency Fund	65,296,751
Correction of Interest & Staff Deduction	59,240
Adjustment for Gratuity	(261,329)
Adjustment for Gratuity Fund	1,440,311
Correction of Customer Balance	(119,000)
Reversal of Provision	16,947,035
	377,862,792

Significant Accounting Policies

General Information

Sri Lanka Export Credit Insurance Corporation was established by the Sri Lanka Export Credit Insurance Corporation Act No. 15 of 1978 and commenced commercial operations on 8th February 1979. The registered office of the Corporation is situated at Level 4, NDB-EDB Tower, No.42, Nawam Mawatha, Colombo 02.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of Preparation

- Principal Activities and Nature of Operations
  Principal activities of the Corporation are undertaking risks in export trade by issue of Export Payments Insurance Policies to Exporters covering the risk of non-payment by their foreign buyers due to commercial and political reasons and issue of guarantees to the banks and other financial institutions mainly to facilitate granting of liberal finances to exporters to meet their fund requirements for their export businesses.

- Basis of measurement
  The Balance sheet, Income and Expenditure account, changes in equity and cash flows together with accounting policies and notes (Financial Statement) of the Corporation as at 31st December 2023 and for the year ended, complies with the Sri Lanka Accounting Standards. These Financial Statements are presented in Sri Lankan Rupees. The Financial Statements are prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

- Use of Estimates and Judgments
  The preparation of Financial Statements are in conformity with LKAS (Lanka Accounting Standards) which requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments on the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

- Going Concern
  When preparing the Financial Statements, we have made an assessment of the liability of the organization to continue as a going concern in the foreseeable future. We do not foresee a need for liquidation or cessation of trading, taking into account all available information about the future.

Comparative Information

The accounting policies have been consistently applied by the Corporation and are consistent with those used in the previous year.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and have been applied consistently by the Corporation.

- Foreign Currency Transactions
  Items included in the financial statements are measured using Sri Lanka rupees (LKR) . Foreign Currency transactions are translated into the reporting currency using the rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated to Sri Lankan Rupees at the foreign exchange rate ruling at that date. Foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account with effect from the financial year 2018 confirming to LKAS 21 Prior to 2018, the net exchange gain/loss was recognized in a separate Foreign Currency Equalization Reserve which has ceased to be in effect from 2018.

Property, Plant and Equipment
Recognition and Measurement

- Property. Plant and Equipment are stated at cost/revaluation less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self -constructed assets includes the cost materials, direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where an item of Property, Plant and Equipment comprise major components having different useful lives, they are accounted for as separate items of Property, Plant and Equipment.

- Gains and losses upon disposal of items of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized net within "Other Operating Income" in the Income Statement.

Depreciation
The provision for depreciation is calculated using a straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives of all Property, Plant and Equipment other than freehold land. Year of punches Calculating full depreciation & year of disposal not calculating depreciation.

The principal annual rates used are as follows.

1. Building	5%	20 years
2. Office Equipment	25%	04 years
3. Motor Vehicles	20%	05 years
4. Software & Computers	25%	04 years
5. Furniture & Fittings	10%	10 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the surplus in the revaluation to the Accumulated Profit. The assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Disposal
Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognized in determining operating profit or loss in the Income Statement. When revalued assets are sold, the amount included in the revaluation reserve is transferred to retained earnings.

Impairment
The carrying value of property, plant and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognized in the income statement unless it reverses a previous revaluation surplus for the same asset.

Profit / Loss from Sales of Property, Plant and Equipment
Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognized in the period in which the sale occurs and is classified as other Income.

Capital Work in Progress
Capital expenses incurred during the year, which are not completed as at the Balance Sheet date are shown as advance payments, whilst the capital assets which have been completed during the year and put to use have been transferred to Property, Plant and Equipment.

Intangible Assets
Intangible assets that are acquired by the Corporation, which have substantial useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products implemented and controlled by the Corporation are recognized as intangible assets.

Basis of Recognition
An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and cost can be measured reliably and carried at cost less accumulated amortization and accumulated impairment losses.

Subsequent Expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodies in the specific assets to which it relate. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income Statement as incurred.

Retirement and Disposal
An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Amortization
Amortization is recognized in the income Statement on a straight-line basis over the estimated useful lives of intangible Assets, from the date that they are available for use.

Impairment
The carrying amounts of the Corporation's assets are reviewed at each balance sheet date to determine where there is any indication of impairments. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Income Statement.

Investment Properties
Property that is held for long-term yields or for capital appreciation for both and that is classified as investment property. After initial recognition investment property is carried at cost.

Short term Investments
Short term Investments in Local currency
The Corporation has made short term surplus funds in Government Treasury bills and other fixed income investments and accounted at cost except for the foreign currency denominated fixed deposits which are valued at the exchange rate prevailing on the Balance Sheet date. The interest accrued on these investments is recognized in the income statement.

Short term Investments in Foreign currency
The funds required to meet future claims obligation in foreign currency have been set a side and deposited in foreign currency account earning interest. The interests accrued have been recognized in the Income statement translated at the rate prevailing at the date of the transaction. The values of the investments recognized in the financial statement are translated at the rate prevailing at the Balance Sheet date.

Financial Investments: Held-to-Maturity
All the Rupee short term and long terms investments made in Treasury Bills, Treasury Bonds, Fixed Deposits and Debentures are held to maturity and are stated at cost plus interest receivable.

Risk arising from Financial Instruments
The short term and long term investments comprise of investments made in Treasury Bills, Treasury Bonds, State Bank Fixed Deposits and Debentures. Debentures carry the interest rate risk, reinvestment risk, default risk and liquidity risk. As the fixed deposits are held up to maturity it carries only the default and liquidity risks except for the foreign currency denominated fixed deposits which are exposed to the risk of currency fluctuations in addition to the other risks inherent to the local currency fixed deposits. In the context of holding these investments in state banks, all the stated risks are at its minimal except for foreign currency value fluctuation risk.

Trade and Other Receivables
Trade and other receivables are stated at the amount estimated to be realized. Provision has been made in the Financial Statements for bad and doubtful debts which are outstanding for more than three years period.

Inventories
Inventories comprised of stock of stationery and consumable items. Inventories are valued at lower of cost or net realizable value, after making provision for obsolete and repairable items. Net realizable value is the price at which inventories can be sold in the ordinary course of business.

Cash and Cash Equivalents
Cash and Cash Equivalents are defined as cash in hand and short term highly liquid investments, readily convertible to known amounts of cash for the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and net of outstanding bank overdrafts, short term borrowings and short term investments.

Cash Flow Statements
The Cash Flow Statements have been prepared using the indirect method in accordance with Lanka Accounting Standard (LAKAS) No. 07 -Cash Flow Statements. Under the payment of Gratuity Act, No. 12 of 1983, the liability to an employee arises only on completion of one years of continued service. The obligation is not externally funded.

Employee Benefits
Defined Benefit Plan - Retirement Gratuity
The defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Corporation's net obligation in respect of defined benefit plans in calculated by using project unit credit method for determining the required provisions. The calculation is performed once in three years by a qualified independent Actuary. The measurement of the net defined benefit liability which comprise actuarial gains/losses are recognized immediately in the statement of profit or loss and other comprehensive income

Define Contribution Plan
Employee's Provident Fund & Employee's Trust Fund. Employees are eligible for Employees Provident Fund contribution and Employees Trust Fund contributions in line with respective statutes and regulation.

Liabilities and provisions
Liabilities and provisions are recognized in the Balance sheet when there is a present legal /constructive obligation as a result of the past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the Balance Sheet date are treated as current liabilities in the Balance Sheet. Liabilities payable after one year from the Balance Sheet date are treated as non- current liabilities in the Balance Sheet.

Trade and Other Payables
Trade and other payables are stated at their cost.

Contingent Provision for Claims
Our past experiences in claims payout ratio for cost of passage guarantees have been in the range of 30 percent of premium received. The premium received will have a claim liability, spread over a period of 3 years from the date of premium received. In keeping with the past experience a provision up to 30 percent of the premium received spread over the three years period on the proportion of 15%, 10% and 5% respectively for cost of passage Credit Guarantees have been provided as a provision for contingent claims. The provision may be adjusted every year to keep pace with the balances reflecting as at the end of the year.

Seller's Risk Insurance Policy	15%
Direct Guarantee on the ATA Carnet System	2%
Pre Shipment Credit Guarantee	12%
Post Shipment Credit Guarantee	5%

Provisions for other products have been created according to the following basis.

Provision for Reported Claims
Claims reported have been recognized and taken into account when creating this provision. A specific provision for claims have been made on the situations prevailed as at the Balance Sheet date where reasonable. Evidences and assurances are available as to the fact that there is a probability that a claim would have to be made. The payment of claims subsequently will be set off against the provision made. The continuity of the provision made will be based on the existence of the probable occurrences of a liability for claims.

Reserve for Unearned Premium on Unexpired Risk
Premium written and received during the year under review and the unexpired risk on the premium so collected will spread over the cover period in which part of the premium is related to the next financial year. A reserve has been created by segregating the proportionate premium for the cover period after the end of the current financial year in keeping with industry norms. In determining the reserve 1/365 method have been applied. In recognition of the reserve actual cover period on unexpired risks have been taken into account on the premium collected on Export Payments Insurance Policies.

15% of the premium collected on the guarantees during the year under review have been set aside as a reserve for the unexpired risks considering the complexity, nature and quantum of risks associated within the cover period.

Revenue
Premium Income
Revenue received from the Premium Income has been recognized on 'Accrual Basis' by taking account of all the declarations submitted up to the end of the year. Transfer of risks and rewards vary depending on the Individual terms of the contract all the expenditure items are accounted on "Accrual Basis". The accounting policies applied are consistent with those applied in the previous year.

Other Operating Income
Profit &Loss from Sale of Property, Plant and Equipment.
Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognized in the period in which the sale occurs and is classified as other Operating Income.

Expense Recognition
Revenue Expenditure
The profit earned by the Corporation as shown in the Income Statement is after providing for all known liabilities and for depreciation of Property, Plant and Equipment. For the purpose of presentation of the Income Statement, the Directors are of the opinion that the function of expenses method present fairly the elements of the enterprise's performance, hence this presentation method is adopted.

Capital Expenditure
Expenditure incurred for the purposes of extending or improving assets of a permanent nature by means to carry on the business or for the purposes of increasing the earning capacity of the business has been treated as Capital Expenditure. Gains or losses of revenue nature on the disposal of property, plant and Equipment have been accounted for in the Income statement.

Taxation
Income Tax Expenses
Income tax expenses for the year comprise of tax on total operation of the Corporation.. Income tax is recognized in the Income Statement for the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustments to tax payable in respect of previous years. Provision for taxation is based on the net profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No.24 of 2017.

Borrowing costs
Borrowing costs are recognized as an expense in the year in which they are incurred.

Comparative information
Comparative information has been reclassified where necessary to confirm to the current year's presentation.

Commitments and Contingencies
Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrences or non- occurrence of uncertain future events, which are beyond the Corporation's control.

Events Occurring After the Balance Sheet Date
All material post Balance Sheet events have been considered disclosed and adjusted where applicable.