



Sri Lanka

100

2022

The annual report on the most valuable and strongest Sri Lankan brands
April 2022

Contents.

About Brand Finance	3
Foreword	7
<i>Aliakber Alihussain, Managing Director, Brand Finance Sri Lanka</i>	
Executive Summary	9
Brand Value & Brand Strength Analysis	10
Brand Value Ranking	17
Brand Spotlights	19
Keells	20
<i>Interview with Mr. Charitha Subasinghe, President - Retail, John Keells Holdings PLC</i>	
CEAT	23
<i>Interview with Mr. Ravi Dadlani, Managing Director, CEAT-Kelani Holdings (Pvt) Ltd</i>	
Commercial Bank	25
<i>Interview with Mr. Hasrath Munasinghe, Group Chief Marketing Officer, Commercial Bank</i>	
Global Soft Power Index	28
Methodology	34
Our Services	39

About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.

Brand Finance Lanka is also one of twelve ACCA approved Professional Development offices in Sri Lanka



Professional Development

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Request your own Brand Value Report

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive performance and offers a cost-effective way to gaining a better understanding of your position against peers.



Insight



Strategy



Benchmarking



Education



Communication



Understanding



Brand Valuation
Summary



Brand
Strength Tracking



Royalty Rates



Cost of
Capital Analysis



Customer
Research Findings



Competitor
Benchmarking

Benefits

Contents

Brandirectory.com



Brandirectory is the world's largest database of current and historical brand values, providing easy access to all Brand Finance rankings, reports, whitepapers, and consumer research published since 2007.

- + Browse thousands of published brand values
- + Track brand value, strength, and rating across publications and over time
- + Use interactive charts to compare brand values across countries, sectors, and global rankings
- + Purchase and instantly unlock premium data, complete brand rankings, and research

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Brand Finance Group.



Brand Finance
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

Brand Dialogue



Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

vi360

VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance®



Customer insights drives our valuations

- Over **150 brands** researched
- **B2C** research across **15 sectors**
- **B2B** research across 3 key sectors
- Up to **250 respondents** per sector
- **Key metrics** across all industries and brands



Foreword.



Aliakber Alihussain
Managing Director,
Brand Finance Sri Lanka

Now in its 19th consecutive year, the objective of publishing the Brand Finance Most Valuable Brands ranking is to provide our readers with a well-researched and comprehensive analysis of brands that are operating in the country.

Presenting a fact-based analysis across many sectors requires robust data. To do so, we derive the latest financial information of companies listed on the Colombo Stock Exchange and private companies that wish to be featured. Then we gather further information from Bloomberg to understand the market trends and combine that with our exclusive consumer market research study across 2500 respondents conducted by an independent research partner. This year, we carried out additional research in the business to business (B2B) space for Banks, Telecom and General Insurance industries to understand the business sentiments of corporate decision-makers.

Also this year, Brand Finance carried out a Sustainability survey to assess a brand's approach to sustainability which is incorporated into our Brand Strength Index framework. This survey was developed based on the Global Reporting Initiative (GRI) standards, where we measure attributes across four pillars, namely employee, environment, community, and governance. These attributes are benchmarked against industry best practices as stipulated by the GRI Standard or ranked amongst the peer group.

In addition, we reached out to the main brands in the country and obtained some non- confidential information that was not available in the public domain which we used in our analysis. This enabled us to provide a more comprehensive picture of the brand landscape. We had a very healthy response rate to our requests, with over 50% of the brands contacted providing us with additional data to fill in some of the gaps.

This analysis is the definitive annual guide of Sri Lanka's brands. It has a variety of uses such as for companies to track the performance of their brand, for companies to publish their brand performance to investors and other stakeholders and for students of business for their research.

Using all this information we are able to publish the listings whilst also providing a comprehensive report of the brand value and strength to those companies who seek further information in the form of a Brand Value Report (BVR).

We find that increasing number of Directors on Boards are seeking to understand brand value and to use it as a performance measure to hold their marketing departments accountable. This has led to an increase in use of measuring performance through a brand value and strength index.

We are pleased to present our latest report and look forward to your continued interest in the work we do.

Sri Lanka's Top 100 Brands Showcase Resilience with overall stable Brand Value.

- + Total value of Sri Lanka's top 100 brands increased by 1% over the course of 2021
- + **Dialog** remains Sri Lanka's most valuable brand for the 4th consecutive year with brand value of LKR. 54.0 billion and AAA brand strength rating
- + **Keells** takes poise as the strongest brand with a brand strength of 89.3 and a brand rating of AAA
- + Building Material brands see strong growth as demand increases post pandemic

Executive Summary.



Brand Value & Brand Strength Analysis.



As countries across the world find themselves under significant stress, first managing the ebb and flow of COVID-19 and now the fall-out from the global economic crisis that the Ukraine-Russia conflict is causing, businesses are compelled to adapt through what has become a tumultuous decade.

Sri Lanka in particular is on an economic precipice which has put businesses under significant pressure. Those businesses which have built reputation and recognition through their brands are however in a better place to weather the storm. This is because customers are seeking assurances and stability in their everyday brand purchases or business relationships rather than experimenting with the unknown.

It is in this context that we are reviewing this year's most valuable brands results.

How our table has adapted to changing times

The Brand Finance Most Valuable Brands Index is constantly changing with the times to reflect the external changes in the business environment. Several factors have taken place that impacts the brands featured on our table.

The increasing importance of the Colombo Stock Exchange (CSE) in the midst of the volatile economic conditions should be noted with investors backing financially sound stocks. This makes managing the brands that these companies own that much more

important. The CSE has also attracted many new listings over the last year, which has provided us with a fresh new set of customer facing businesses on our index.

One such brand is **Prime Lands Residencies**. We also see the emergence of the first e-commerce brand with Kapruka. Although it is listed towards the bottom of the index it has potential to escalate up the table, due to the rapid adoption of e-commerce in Sri Lanka.

This year we have also introduced an important new sector which are investment banks. They play an important role in the economic activity which is captured in our index for the first time.

These changes on the Brand Finance Most Valuable Brands Index ensures it is constantly adapting to reflect the Sri Lankan brand landscape and keep it in-tune with changing markets and customer trends.

Top-Line Results

Despite the severe economic constraints the country is operating within, we are seeing a marginal increase in brand value of 1%. This reflects the resilience of the businesses and their performance in very difficult circumstances. However, this is a decline in brand value growth from the previous year (which was 2.6%), which is alarming. Although the country has come through the worst of the COVID-19 it is now faced with multiple macro economic issues due the foreign currency shortages even before accounting for the impact of the Ukraine-Russia conflict.

Top 10 Most Valuable Sri Lankan Brands

1 ← 1   LKR 54,055m 0%	2 ← 2   LKR 53,919m 0%	3 ↑ 4   LKR 46,704m +7%	4 ↓ 3   LKR 44,991m +1%	5 ← 5   LKR 30,395m -1%
6 ↑ 7   LKR 27,916m +17%	7 ↑ 9   LKR 27,720m +24%	8 ↓ 6   LKR 24,919m +3%	9 ↓ 8   LKR 24,206m +5%	10 ← 10   LKR 23,162m +11%

The position for the most valuable brand in the index in these tumultuous times is once again retained by **Dialog** with a brand value of Rs.54 billion. Despite the economic challenges the telecommunications industry was seen as one of the early winners during the pandemic. Customer reliance on data, voice and other digital services to remain connected has enabled Dialog to sustain its financial performance during the year.

Despite a technology brand being at the top, the banking brands continue to dominate the Sri Lanka 100 index accounting for 44% of the total brand value compared to other sectors.

Strong and Weak Sectors

Building materials saw phenomenal growth in brand value by 23% and emerges as the fastest growing sector in 2022. Import restrictions of non-essential items including building materials and favorable interest on housing loans combined to drive steady demand for these brands in the domestic market. Brands that responded swiftly to this increasing demand through timely investments in technology, developing infrastructure and production capacity emerged as winners in this year's brand valuations.

Tourism related sectors, hospitality and airlines, continue to be among the weakest, with decline in brand value when compared to pre-pandemic levels. New COVID-19 variants, border and mobility restrictions to control the spread of the virus and limited international tourist arrivals continue to hinder the financial performance of these brands. However, as Sri Lanka reopens its borders for international travel along with the steady rollout of vaccines, consumer confidence is seen to recover. The sector needs to brace themselves, continuing to adopt health and safety protocols and reinforce their brand through innovative customer experiences.

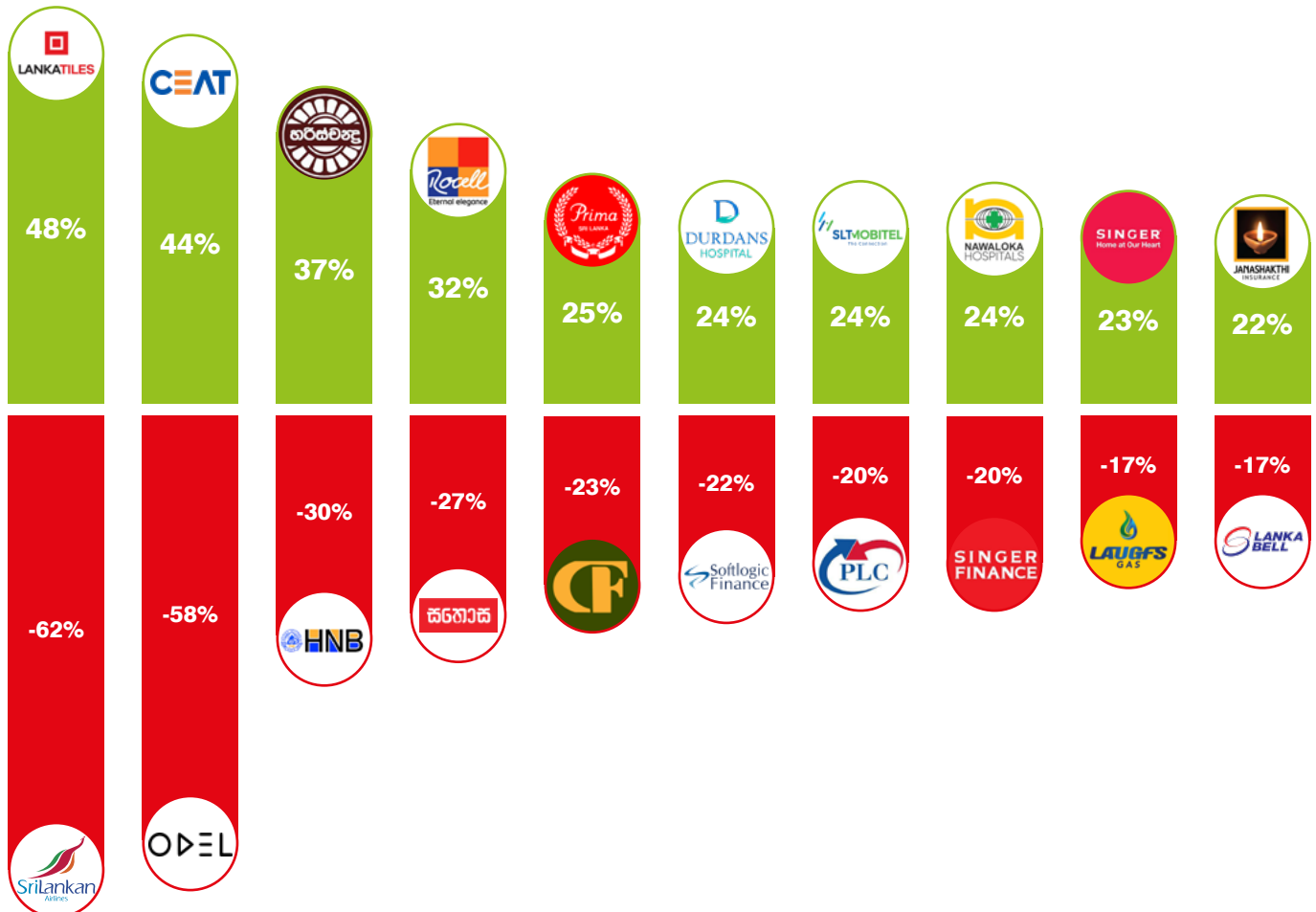
The Winning Brands

Dialog retains its position as the most valuable brand in Sri Lanka for the fourth consecutive year. The brand is closely followed by **BOC**, with a small difference of Rs. 136 million. Commercial Bank has increased in rankings in becoming the third most valuable brand overtaking **People's Bank**, with a value growth of 7%.

Dialog, as a leader in mobile telephone services in the country, continued to report robust financial performance despite the pandemic challenges.

*Our valuations are done based on assumptions i.e. - discount rates, revenue forecasts, etc. Finalized as at December 31st 2021 and the value date of all our valuations are as of 1st January 2022. Recent events such as rating downgrades have not been taken into account.

Brand Value Change 2021-2022 (%)



The brand's earlier work on digitalization has helped cushion its financial performance against the unexpected surge in network traffic and increasing capacity and coverage requirements of customers.

Keells supermarket overtakes Dialog this year in becoming the strongest brand in the top 100 with a AAA brand rating. Keells has played a pivotal part in keeping the supply chain going throughout the pandemic. Over the last year, the brand has demonstrated its strength in shifting the retail landscape, expanding its online capabilities to better serve its strong customer base.

LANKATILES emerges as the fastest growing brand in the top 100, with a growth in value by 48%. Import restrictions and the brand's swift response to the changing operating environment through increased capacity and launch of new designs, has enabled LANKATILES to maximize on this opportunity.

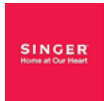
Meanwhile among the top 10 brands, **SLT-Mobitel** has recorded the highest value growth at 23%. Since its unification of SLT and Mobitel just over one year ago, the brand has benefitted through the impact of greater synergy. Through its unified approach, SLT-Mobitel has leveraged integrated technologies unlocking access to multi-platform telecom applications and solutions, offering customers a new world of telecom and lifestyle-impacting experiences.

Banking Sector

The banking sector continues to play a pivotal role in maintaining a healthy financial system in the country. This year sees a growth in value for banking brands despite the turbulent economy as they continue to make efforts in meeting the fast-growing consumer demands and efficient cost management systems. Overall brand value of the sector grew by 3%, accounting for 44% of the Sri Lanka 100 total brand value (including the addition of 3 new investment banking brands to the table).

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Strongest Brands in Sri Lanka with "AAA" Rating

 AAA	 AAA	 AAA	 AAA	 AAA	 AAA-	 AAA-
 AAA-	 AAA-	 AAA-	 AAA-	 AAA-	 AAA-	 AAA-

For the third consecutive year, **NDB** claims the title of fastest growing banking brand with a growth of 7%. NDB's continuous efforts in digitization and net revenue growth underpinned by sound business strategy has boosted their brand value growth.

BOC has retained the position as the most valuable brand within the sector with a marginal increase in brand value.

Commercial Bank moves up in ranking securing the second position overtaking People's Bank. This is primarily due to being the strongest banking brand with a BSI score of 86.7 and a AAA brand rating. Stronger the brand, higher the potential value it can generate in the future. The bank's attempt to differentiate their product offering through digitally driven banking environment such as ComBank Q+, the first QR code-based app coupled with other digital transformation strategies with its strong network of branches are a big contributor to its strength.

Supermarkets

Supermarkets continued to thrive in the year, with a total brand value growth of 9%. **Keells**, **Cargills Food City** and **Arpico Super Centre** saw an increase in brand value this year, while **Sathosa** declined.

Keells continue to be ranked as the most valuable supermarket brand, with a brand value of Rs. 28 billion. Over the last three years, the brand has doubled its physical presence to more than 120 retail outlets. It has also ramped up its on-line capability

with a fully revamped platform, enabling more diverse offerings and real-time stock availability, amongst other features, to enable a faster and better shopping experience.

Supermarket brands, that have shown the ability to adapt and utilize technology have experienced solid gains despite the pandemic in both value and strength.



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Insurance Sector

COVID-19 has driven insurance brands to accelerate their investment in digitalization to improve customer experience and personalization - a change that has been long delayed in the sector.

The general insurance sector saw overall brand value increase by 1% in 2022. Slowing growth prior to COVID-19, combined with the hit of the pandemic and import restrictions on cars have stifled value for general insurance brands.

However, as the economy began a slow recovery and travel restrictions began easing, vehicles were back on the road, creating the need for people to travel safely avoiding public transport. This resulted in the rebound of the motor insurance segment in early 2021. In addition, the industry also saw an increase in other categories such as fire and marine, as businesses and manufacturing began going back to operating at full scale, thus helping the general insurance businesses to grow their premiums in early 2021.

Sri Lanka Insurance General has retained its position as the leading general insurance provider with a brand value of Rs. 4.1 billion. However, it is closely followed by Ceylinco General Insurance with a brand value of LKR 3.6 billion.

Life insurance brands grew at a faster rate, with total brand value increasing by 9% in 2022. The life insurance sector has seen notable growth in the last five years, reflected in the double-digit growth in value

across most life insurance brands. The sector has shown a promising uptick in growth of premiums, with demand further increase as consumers see the need for critical life protection after the outbreak of the virus.

Ceylinco Life retains its position as the leading life insurance provider with a brand value of Rs. 3.8 billion, closely followed by Sri Lanka Insurance Life with a value of Rs. 3.2 billion.

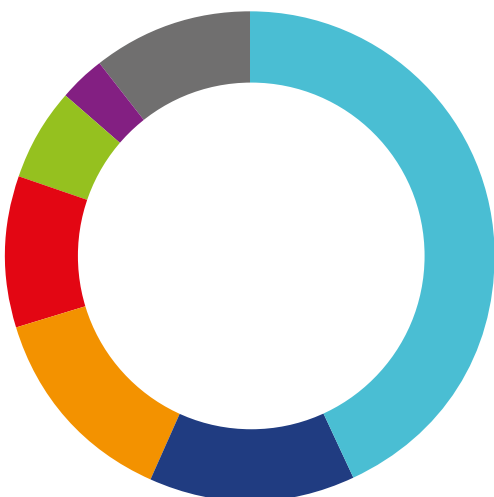
Janashakthi Insurance is the fastest growing brand in the sector. Growth in financial performance driven by active involvement in innovative insurance solutions have enabled the brand to climb in both value and strength in the Sri Lanka 100 rankings.

Future challenges

During times of great uncertainty, building brands which consumers trust is what should drive marketing decision making. This requires a long-term view by adopting a brand blueprint or a well-defined strategy, strengthening the brand management process with rigorous systems to track and monitor the impacts of investments which are being made and which are more hard to come by. Greater impact with less budget is what management needs to drive towards.

In these times it is particularly important to also understand customer sentiment and to proactively help make their lives easier. This is in the light of the current situation that customer's face with fuel, gas, fertilizer shortages directly impacting the livelihoods of many Sri Lankans.

Brand Value by Sector



Sector	Brand Value (LKR bn)	% of total	Number of Brands
Banking	268.9	43.2%	19
Food and Beverage	84.5	13.6%	12
Telecoms	84.3	13.5%	4
Supermarkets	62.1	10.0%	4
Financial Services	38.1	6.1%	15
Retail	20.9	3.3%	5
Other	64.2	10.3%	41
Total	623.0	100.0%	100

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Retail Sector

Sri Lanka's supermarket segment is among the fastest-growing sectors in the country with a total brand value growth of 10% in 2022. The last two years resulted in radical changes to the industry; the pandemic changed how and where consumers do their shopping. Now, the current economic turmoil has led supermarkets to face the most severe challenges, due to shortages in products, escalating prices and constraints in consumer purchasing power impacting footfall. As brands fight for their customers through an understanding of the influences of brand consideration, a review of the past year may help in better aligning for the future.

Driving Brand consideration

What is Brand Consideration? It's exactly what it says it is: brand consideration is whether or not a consumer will consider purchasing your brand. It is the middle stage of the brand funnel, and often gets neglected due to brand awareness activities taking precedence. The impact of neglecting brand consideration is that a lot of people can be aware of your brand but will never consider buying it.

The main challenge is converting the relatively large base of those who are aware to the smaller more loyal base of those who consider the brand.

Brand Value by Sector 2021

Sector	Brand Value (LKR bn)	% of total	Number of Brands
Banking	263.1	42.6%	19
Food and Beverage	82.5	13.3%	13
Telecoms	79.1	12.8%	4
Supermarkets	56.9	9.2%	4
Financial Services	40.6	6.6%	14
Tobacco	19.5	3.2%	3
Other	76.5	12.4%	43
Total	618.2	100.0%	100

Brand Value by Sector 2022

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Banking	268.9	43.2%	19
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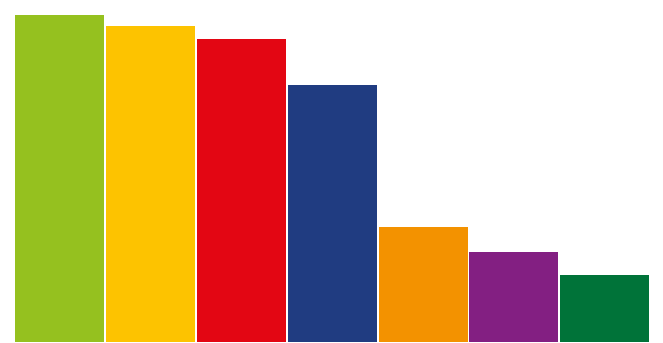
Brand consideration is highly dependent on customer experience with the brand, and is influenced by many aspects. According to the study conducted by Brand Finance, the main 2 attributes that drive consideration towards a supermarket brand is ‘Ease of dealing’ and ‘Value for money’.

In a highly competitive market such as the supermarket sector, brands will have a tougher time to buildup brand consideration, but on a positive note big players are seen succeeding in this aspect by understanding

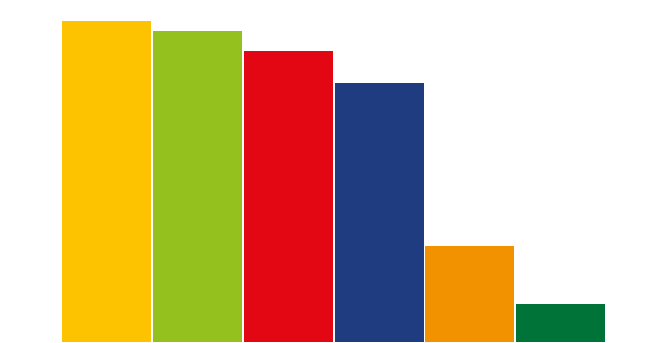
the customer needs and having processes in place to enhance the customer experience. With the Sri Lankan economy facing numerous challenges along with severe macroeconomic burdens, value for money has inevitably become a very important factor in driving consideration. However, this alone will not be compelling enough and will require differentiating.

In the upcoming years, to really set themselves apart from their competitors, supermarkets need to nail their brand experience among customers.

Ease of Dealing



Value for Money



Brand Value Ranking (LKR m).

Top 100 most valuable Sri Lankan brands 1-50

2022 Rank	2021 Rank		Brand	Sector	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Dialog	Telecommunications	54,055	+0.1%	53,978	AAA	AAA
2	2	←	BOC	Banking	53,919	+0.0%	53,905	AAA-	AAA-
3	4	↑	Commercial Bank	Banking	46,704	+7.0%	43,657	AAA	AAA-
4	3	↓	People's Bank	Banking	44,991	+0.5%	44,751	AAA-	AAA-
5	5	←	NSB	Banking	30,395	-1.1%	30,727	AA	AA
6	7	↑	Keells	Supermarkets	27,916	+17.0%	23,859	AAA	AAA-
7	9	↑	SLT-Mobitel	Telecommunications	27,720	+24.3%	22,302	AA+	AA
8	6	↓	Sampath Bank	Banking	24,919	+2.6%	24,296	AAA-	AA+
9	8	↓	HNB	Banking	24,206	+4.8%	23,106	AA+	AA
10	10	←	Cargills Food City	Supermarkets	23,162	+11.3%	20,814	AAA	AA+
11	12	↑	Nestlé	Food and Beverage	21,547	+19.6%	18,021	AA+	AA+
12	11	↓	Lion Beer	Food and Beverage	19,120	-5.9%	20,326	AA+	AA+
13	15	↑	Elephant House	Food and Beverage	13,050	+16.1%	11,237	AAA	AAA-
14	14	←	DCSL	Food and Beverage	12,583	-10.3%	14,035	AA	AA
15	17	↑	Singer	Retail	12,396	+22.8%	10,096	AAA-	AAA-
16	16	←	NDB	Banking	11,038	+7.3%	10,287	A+	A+
17	19	↑	Seylan Bank	Banking	9,673	+2.3%	9,459	AA	A+
18	20	↑	Dilmah	Food and Beverage	7,508	-16.8%	9,026	A	A+
19	-	New	Abans	Retail	7,254	-	-	AA	-
20	26	↑	LOLC Finance	Financial Services	7,031	+20.1%	5,855	AA+	A-
21	21	←	PLC	Financial Services	6,506	-20.0%	8,132	AA	AA
22	25	↑	Arpico Supercentre	Supermarkets	6,415	+9.2%	5,875	AA	A+
23	23	←	Nations Trust Bank	Banking	6,177	+4.1%	5,934	AA-	A+
24	24	←	LB Finance	Financial Services	5,821	-1.6%	5,918	AA	A+
25	27	↑	DFCC Bank	Banking	5,721	+2.4%	5,584	A-	A
26	22	↓	Lanka Sathosa	Supermarkets	4,649	-27.1%	6,376	AA+	A+
27	29	↑	Sri Lanka Insurance General	Insurance (General)	4,073	+5.4%	3,864	AAA-	AAA-
28	33	↑	Ceylinco Life	Insurance (Life)	3,816	+8.8%	3,509	AA+	AA
29	31	↑	Lanka IOC	Oil & Gas	3,713	+1.0%	3,676	AA-	A
30	18	↓	SriLankan Airlines	Airlines	3,683	-62.1%	9,709	A+	A+
31	32	↑	Ceylinco General	Insurance (General)	3,662	+1.8%	3,595	AA+	AA+
32	28	↓	Central Finance	Financial Services	3,467	-23.3%	4,521	A+	AA-
33	30	↓	Commercial Credit	Financial Services	3,436	-9.9%	3,813	A+	A+
34	34	←	Cinnamon Hotels & Resorts	Hospitality	3,395	+5.2%	3,226	A+	AA
35	38	↑	Prima	Food and Beverage	3,197	+25.1%	2,556	AA+	AA-
36	35	↓	Sri Lanka Insurance Life	Insurance (Life)	3,160	+12.8%	2,801	AA	AA+
37	36	↓	ACL Cables	Building Materials	3,150	+17.2%	2,687	AA-	AA
38	48	↑	CEAT	Tyres	2,922	+44.4%	2,024	AAA-	AAA-
39	40	↑	Tokyo Cement	Building Materials	2,902	+14.5%	2,535	AA	AA
40	39	↓	Pan Asia Bank	Banking	2,698	+6.1%	2,543	A	A
41	46	↑	Commercial Leasing	Financial Services	2,676	+20.4%	2,222	AA-	AA-
42	42	←	Asiri Health	Healthcare	2,450	+5.2%	2,330	AA+	AA+
43	44	↑	Softlogic Life	Insurance (Life)	2,382	+5.5%	2,259	A+	A+
44	37	↓	Watawala	Food and Beverage	2,362	-8.6%	2,584	AAA-	AAA-
45	41	↓	Hutch	Telecommunications	2,243	-9.4%	2,475	A+	A+
46	47	↑	AIA Insurance	Insurance (Life)	2,228	+3.5%	2,152	A+	A+
47	43	↓	SDB	Banking	2,120	-8.4%	2,315	A+	A
48	58	↑	LANKATILES	Building Materials	2,084	+47.9%	1,409	AAA-	AA+
49	49	←	RDB	Banking	2,063	+5.2%	1,962	A	A-
50	45	↓	CDB	Financial Services	2,001	-11.2%	2,252	AA-	AA-

*Our valuations are done based on assumptions i.e. - discount rates, revenue forecasts, etc. Finalized as at December 31st 2021 and the value date of all our valuations are as of 1st January 2022. Recent events such as rating downgrades have not been taken into account.

Top 100 most valuable Sri Lankan brands 51-100

2022 Rank	2021 Rank		Brand	Sector	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
51	52	↑	Union Assurance	Insurance (Life)	1,982	+10.5%	1,794	AA-	A+
52	57	↑	Nawaloka Hospitals	Healthcare	1,768	+24.2%	1,424	AA+	AA
53	55	↑	Allianz General	Insurance (General)	1,479	-3.6%	1,535	A-	A
54	53	↓	Union Bank	Banking	1,371	-14.2%	1,598	BBB	A-
55	60	↑	Alliance Finance	Financial Services	1,347	+13.8%	1,184	AA-	A-
56	56	←	Vallibel Finance	Financial Services	1,283	-12.0%	1,458	A	A+
57	50	↓	HNB Finance	Financial Services	1,264	-30.5%	1,819	A-	AA-
58	68	↑	Harischandra	Food and Beverage	1,254	+37.0%	915	AA+	A+
59	62	↑	Kelani Cables	Building Materials	1,182	+10.1%	1,074	AA+	AA-
60	63	↑	Kotmale	Food and Beverage	1,176	+10.7%	1,063	AA	AA
61	59	↓	Fairfirst Insurance	Insurance (General)	1,146	-6.0%	1,219	BBB	A
62	65	↑	Krest	Food and Beverage	1,127	+12.6%	1,001	A+	A+
63	61	↓	Mercantile Investments & Finance	Financial Services	1,102	-1.6%	1,120	BBB	A-
64	-	New	Prime Lands Residencies	Real Estate	1,045	-	-	AA	-
65	-	New	First Capital	Investment Banking	1,006	-	-	AA+	-
66	69	↑	Bairaha	Food and Beverage	980	+12.3%	873	A	A
67	74	↑	Rocell	Building Materials	962	+31.6%	731	AAA-	AA+
68	72	↑	Caltex	Oil and gas	825	+5.9%	779	AA-	A+
69	64	↓	Singer Finance	Financial Services	821	-19.8%	1,025	A-	A
70	66	↓	LAUGFS Gas	Oil & Gas	816	-17.3%	988	A+	AA
71	67	↓	Senkadagala Finance	Financial Services	797	-13.8%	924	A-	A-
72	77	↑	Lanka Hospitals	Healthcare	792	+17.1%	676	A+	A
73	76	↑	HNB Assurance	Insurance (Life)	790	+12.7%	701	A-	A
74	73	↓	HDFC Bank	Banking	763	+0.6%	758	BBB	BBB
75	75	←	People's Insurance	Insurance (General)	706	-1.0%	713	A+	A-
76	71	↓	SMIB	Banking	665	-15.4%	785	A-	A-
77	54	↓	Odel	Retail	659	-57.9%	1,563	A+	AA-
78	-	New	Zesta	Food and Beverage	642	-	-	AA+	-
79	78	↓	Taj Samudra	Hospitality	639	-1.3%	647	A+	A+
80	84	↑	Durdans	Healthcare	626	+24.4%	504	A+	A
81	80	↓	Amāna Bank	Banking	607	+5.9%	574	A-	BBB
82	79	↓	HNB General Insurance	Insurance (General)	604	-0.7%	608	BBB	A
83	87	↑	Janashakthi Life	Insurance (Life)	569	+21.7%	467	A+	A
84	81	↓	Sierra cables	Building Materials	563	+2.1%	552	A-	A-
85	83	↓	Swadeshi	Personal Care	543	+3.4%	526	A+	BBB
86	82	↓	Merchant Bank of Sri Lanka	Banking	477	-10.3%	533	BB	BB
87	90	↑	Continental Insurance	Insurance (General)	476	+9.5%	435	BBB	BB
88	88	←	Lankem	Chemicals	447	+0.3%	446	A	BBB
89	-	New	CAL	Investment Banking	410	-	-	AA	-
90	93	↑	Cargills Bank	Banking	381	+5.8%	360	A-	BBB
91	94	↑	LOLC General	Insurance (General)	379	+17.6%	322	A-	BB
92	-	New	Healthguard	Retail	354	-	-	A-	-
93	-	New	Abans Finance	Financial Services	337	-	-	A	-
94	98	↑	LOLC Insurance Life	Insurance (Life)	278	+12.4%	248	BBB	A-
95	97	↑	Lanka Bell	Telecommunications	253	-16.9%	304	A-	A-
96	95	↓	Softlogic Finance	Financial Services	246	-22.4%	317	BBB	A-
97	-	New	Sayerlack	Building Materials	235	-	-	A	-
98	-	New	Acuity Partners	Investment Banking	208	-	-	A	-
99	-	New	Kapruka	Retail	194	-	-	A+	-
100	100	←	Amāna Takaful General	Insurance (General)	114	+1.3%	113	BB	BB

*Our valuations are done based on assumptions i.e. - discount rates, revenue forecasts, etc. Finalized as at December 31st 2021 and the value date of all our valuations are as of 1st January 2022. Recent events such as rating downgrades have not been taken into account.

Brand Spotlights.



Keells

Rank

Brand Value

6



LKR 27.9bn +17%

Brand Rating

AAA



Interview with Mr. Charitha Subasinghe.



Mr. Charitha Subasinghe
President - Retail,
John Keells Holdings PLC

Keells has taken the position of the Strongest Brand in Sri Lanka 100 ranking for the first time this year. What has Keells done over the last year to obtain this position and how will you make sure to maintain this status going forward?

This milestone is a culmination of efforts over the last 3-4 years, however, there have been a few key areas we have keenly focused on.

a) Investing in the right technology:

Keells at Lauries opened to customers in December 2022 providing a world class shopping experience combining state of the art retail technology like scan 'n' go, self-checkouts, food ordering kiosks, to a range of affordable food to go, coffee as well as an exclusive product range. Our customers provided feedback about what they expected from a supermarket and as a brand that leads in innovation, we brought it to life. The Rs. 4.6 billion state-of-the-art distribution centre with high end technology now offers convenience and efficiencies to both the small and large suppliers alike. We will continue to listen to our customers and suppliers and innovate to ensure we deliver on their expectations and stay relevant.

b) Driving an agenda of sustainability:

Investments in renewable energy and reducing the use of single use polythene bags by converting to compostable alternatives have been key priority projects for the brand. Here too, we introduced innovative solutions that address key SDGs. We introduced an excess food redistribution program from our stores to neighbourhood charities supporting over 2,500 individuals. We went a step further and introduced a range of imperfect vegetables reducing returns at farm gate by 20-25% and providing a lower price to customers. This is just a start, and we will continue this journey of driving sustainability in everything we do.

c) Investing in our people:

The moment of truth for a retailer is at the store, and for Keells, this means delivering a consistent brand experience and this requires investing in our team. From providing subsidized meals to connecting all staff through a team app that provides discounts for purchases at Keells we have worked on multiple efforts to reward and recognize our staff. The decentralized online learning platform drives career development for all. With a 49% female participation we also work toward a robust diversity, equality and inclusion target aligned to the ONE JKH goal.

How important is sustainability to the retail sector and what role has sustainability played in the success of the Keells brand?

Sustainability is no longer a choice but an approach every brand must adopt to create long term value to the entire ecosystem it operates in. It considers the ecological, social and economic impacts of the business operation. With a 128 store footprint, and growing, it is very much a key priority for the business. We operate on 4 key principles:

- + Reducing our impact on the environment
- + Contributing in positive and meaningful ways to our communities
- + Sourcing products right
- + Empowering and skilling the youth of Sri Lanka

The efforts over the past years in driving the above agenda has seen results for our stakeholders and the wider ecosystem as we continue to learn from our implementations and reiterate the models we work on. One of the most successful projects has been our collaboration with Smallholder Agriculture Partnership Programme and the Ministry of Agriculture in supporting 340+ farmers to become agripreneurs by providing finance and technology, such as transplanter, drip irrigation, green houses and insect proof netting. This programme also had a special focus on youth and female farmers as well. It ensures that we drive the agenda of sustainable agriculture into our supply chains too thereby broad basing our sustainability approach.

The pandemic has changed the way in which consumers interact with brands. Have your customer experience strategies adapted to the pandemic and if so, how?

It is said the pandemic fast tracked several years' worth of digital adoption into a year. Apart from this

there were significant behavioural changes in how consumers shop. It took us sometime to truly adapt this shift but over the last year and a half we have been able to adapt based on the shift we have experienced. On a digital front, we have invested in tools such as an e-commerce site, a mobile app and a WhatsApp BOT for customers to place orders and continued to iterate them based on customer feedback. Furthermore, we identified that customers were seeking affordable alternatives and we went ahead and introduced a price guarantee on our own label range providing customers access to a range of products at our supermarket at affordable prices. The introduction of the 'Perfectly Imperfect Produce' too provided customers an alternative in fresh that was lower priced than the normal vegetables. It was also essential that we looked at the sustainability of maintaining these operational measures to drive consistent and continues value to a group of customers whose expectations evolve.



CEAT.



CEAT

Rank

Brand Value

38  **LKR 2.9bn** **+44%**

Brand Rating

AAA-

Interview with Mr. Ravi Dadlani.



Mr. Ravi Dadlani
Managing Director,
CEAT-Kelani Holdings
(Pvt) Ltd

CEAT is among the fastest growing brands in Sri Lanka for the second year in a row. What has CEAT done over the last year to retain this position and how will you make sure to maintain this status going forward?

We believe that brand value is built and sustained by the role a brand plays in the lives of the consumers. The challenges that Sri Lanka had to face over the past year necessitated tangible responses from brands beyond marketing. We invested substantially to increase our production capacity to cater to the increased demand in the local market due to prevailing conditions. These capacity enhancement initiatives covered the radial and motorcycle tyre categories as well as truck and bus tyres. We also invested further to improve product quality. We have committed over Rs. 2 billion for this purpose to deliver optimum levels of product performance. The CEAT brand emphatically 'walked the talk' in the past two years, demonstrating its commitment to the market.

Additionally, we continued to invest in building our brand equity and to maintain visibility and brand affinity. Various initiatives to engage with our consumers and stakeholders across the country were put in place. Going forward, we will continue with our approach of investing in expansion of capacity and range, product development and quality enhancement. CEAT never stops moving.

How did the pandemic play a role in your growth? Can you tell a success story in which you leveraged an emerging opportunity?

The pandemic could have had a negative impact on brands that were not agile enough to respond to the new challenges. For brand CEAT, the pandemic provided an opportunity to show the consumers and the market what we are made of. We anticipated and met the changing needs of our customers as well as the needs of the country, supporting the national efforts to conserve foreign exchange by stepping up local production to meet the shortfalls created by import restrictions. It has been a difficult time with increasing raw material prices, production stoppages due to COVID-19 and the depletion of foreign currency reserves. However, we have worked hard to provide comfort to our consumers through our product offerings while contributing to the economic prosperity of the country by increasing our output in these challenging times.

Further, we have invested in technology to improve product quality and performance through which we have been able to provide our customers with products that deliver enhanced safety, mileage and fuel economy. Our knowledge of the local terrain and our international experience has helped CEAT to remain a preferred choice even during these demanding times.

What role do you think sustainability plays in this day and age relating to Brand and what measures have CEAT taken to be recognized as a sustainable brand?

We believe sustainability plays an important role in our growth, in terms of economic, social and environmental perspectives. We contribute to the economic prosperity of our employees, our business partners, our customers, and the country. We are also focused on minimising our impact on the environment and are in the process of generating solar energy at our factory premises in Kelaniya with a view to moving to renewable energy in the long run. In terms of our responsibility towards society, we have invested in several CSR initiatives such as conducting road safety awareness programmes and distributing road safety equipment to schools, helping groom school leavers and young people for careers, and supporting numerous worthy causes including the efforts to combat the spread of COVID-19.

Commercial Bank.



 **COMMERCIAL BANK**

Rank

Brand Value

3



LKR 46.7bn +7%

Brand Rating

AAA

Interview with Mr. Hasrath Munasinghe.



Mr. Hasrath Munasinghe
Group Chief
Marketing Officer,
Commercial Bank

Commercial bank is once again the strongest banking brand in Sri Lanka. What has Commercial bank done over the last year to retain this position and how will you make sure to maintain this status going forward?

Commercial bank continued its strategic brand building activities despite the tough external conditions during the pandemic. The bank's strategic marketing efforts are not just about making the brand heard or seen, but mainly about building, engaging, and maintaining relationships with our key stakeholders stronger through delivering consistent value to them.

The bank has defined brand strategy as a central part of its corporate strategy. Brand values have been aligned to synergize with the corporate values. The key to the success of the bank has been finding the elements to differentiate the bank and its products and services from the rest.

Marketing strategy controls all aspects of business banking, marking off four variables in its contents: banking product, price, distribution channels and promotion. The most attractive banking products for consumers are achieved through balancing these variables. The marketing communications carried out has helped to improve the top of the mind recall for the bank's products and services.

During 2021, Commercial Bank conducted a multitude of advertising and promotional activities and introduced revolutionary products into the market such as WhatsApp Banking, and banking with ComBank on Viber, both Sri Lanka's first products.

Commercial Bank has been systematically increasing its investments in digital marketing and during 2021 it reached a peak level owing to the "new normal" market conditions.

A healthy ratio between corporate and product-based advertising and focusing on selected events and activations built further equity for the brand.

Sustainability and CSR is another key focus area for brand building activities and 2021 saw the bank championing these causes, by becoming the first bank in Sri Lanka to become 100% carbon neutral and being selected as the "Best Corporate Citizen" by the Chamber of Commerce. Commercial Bank always maintains strict and comprehensive measurements and controls in its brand building activities and continued to do so even during the pandemic.

What are the core values at the heart of Commercial Bank and how do you see these helping the brand grow and distinguish itself from key competitors?

Commercial Bank considers stability and trust to be the two key attributes of its corporate image. As the most profitable and the largest private sector bank and the Strongest Banking Brand in Sri Lanka, Commercial Bank believes that these attributes have contributed immensely to its success. Having a rich history of over a century, the bank has been associated with stability, financial strength, service quality, technology, and rock-solid dependability since its inception. All the above attributes translate to the principal virtue of trust, indispensable in the financial services sector. The quality of products and services, its commitment to serving customer needs and its commitment to the needs of the community, are also attributes of the bank's corporate image.

How has the pandemic affected the operating landscape of banking in Sri Lanka and how has Commercial Bank met these changes? What role has the brand played in meeting these challenges?

Banks have been playing a pivotal role assisting the affected borrowers with financial assistance through moratoriums, concessions free waivers and self-funded loan programs in the post pandemic economic recovery. Banks also have made a significant contribution with tailor made digital services to suit the changing market dynamics.

Commercial Bank carefully assessed the situation and identified the key priorities of its customers during the pandemic. Necessary steps were taken to ensure business continuity to safeguard staff and customers. During the lockdowns, we assisted them in their localities to conduct banking transactions and provided around the clock support for customers to use digital banking apps.

Commercial Bank was the first to launch its own loan scheme with an attractive interest rate, funded by

IFC, especially for export-oriented SME's and women connected SME's affected by the pandemic, followed by a loan scheme for Micro Businesses. It was also a leader in disbursing loan schemes and moratoriums provided by the government.

Brand strength really matters during tough times and this time was no different. Despite the difficult external conditions, the customer loyalty remained high and the bank was able to actively engage with them to create feasible solutions. Constant communication and engagement with customers happened via social and digital media channels and through digital banking apps. A special mention should be made about the dedicated ComBank team, both at branches and head office departments who worked tirelessly to assist customers during the lockdowns. Research also has shown that their satisfaction levels are high and the loyalty has increased, which is testament to the excellent service provided by the Bank, even in the midst of a pandemic.





Global Soft Power Index.

The effect of a country's national image on its home-grown brands and the economy as a whole is now widely acknowledged. In a global marketplace, it is one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants.

For over 15 years, Brand Finance has been publishing the annual Nation Brands report – a study into the world's 100 most valuable and strongest nation brands.

Building on this experience, Brand Finance has now produced the Global Soft Power Index – the world's most comprehensive research study on perceptions of 100 nation brands from around the world.

The Global Soft Power Index surveys the opinions of the general public as well as specialist audiences, with responses gathered from over 75,000 people across more than 100 countries. The Global Soft Power Index 2022 report is the third iteration of this study, which Brand Finance hopes to conduct annually.

Global Soft Power Index 2022.

 1  6 UNITED STATES Score 70.7 +14.8	 2  3 UNITED KINGDOM Score 64.9 +7.0	 3  1 GERMANY Score 64.6 +2.4	 4  8 CHINA Score 64.2 +9.9	 5  2 JAPAN Score 63.5 +2.9
 6  7 FRANCE Score 60.6 +5.3	 7  4 CANADA Score 59.5 +2.3	 8  5 SWITZERLAND Score 56.6 +0.3	 9  13 RUSSIA* Score 56.1 +5.5	 10  19 ITALY Score 54.7 +6.4
 11  22 SPAIN Score 53.0 +5.6	 12  11 SOUTH KOREA Score 52.9 +1.6	 13  10 AUSTRALIA Score 52.7 +0.5	 14  9 SWEDEN Score 52.3 +0.1	 15  17 UNITED ARAB EMIRATES Score 52.0 +3.6
 16  12 NETHERLANDS Score 50.6 +0.1	 17  14 NORWAY Score 49.7 -0.4	 18  15 DENMARK Score 48.8 -0.6	 19  21 BELGIUM Score 48.5 +0.8	 20  20 SINGAPORE Score 48.5 +0.6
 21  16 NEW ZEALAND Score 48.4 -0.9	 22  27 TURKEY Score 47.8 +5.4	 23  25 ISRAEL Score 47.6 +3.9	 24  24 SAUDI ARABIA Score 47.1 +2.9	 25  18 FINLAND Score 47.1 -1.2

* Research conducted in the autumn of 2021 - does not account for the impact of Russia's invasion of Ukraine.

 26  26 QATAR Score 45.8 +3.5	 27  23 AUSTRIA Score 43.4 -3.3	 28  35 BRAZIL Score 43.4 +5.3	 29  36 INDIA Score 43.2 +5.6	 30  29 IRELAND Score 41.9 +1.3
 31  34 EGYPT Score 41.6 +3.3	 32  28 PORTUGAL Score 41.0 +0.2	 33  31 GREECE Score 40.4 +0.6	 34  37 SOUTH AFRICA Score 40.2 +3.1	 35  33 THAILAND Score 40.2 +1.5
 36  42 KUWAIT Score 39.1 +3.3	 37  30 ICELAND Score 38.6 -1.3	 38  41 ARGENTINA Score 38.5 +2.5	 39  39 MALAYSIA Score 38.5 +1.5	 40  38 POLAND Score 38.2 +1.2
 41  32 LUXEMBOURG Score 37.6 -1.4	 42  44 MEXICO Score 37.5 +3.2	 43  49 CROATIA Score 35.4 +1.7	 44  40 CZECH REPUBLIC Score 35.3 -1.0	 45  43 HUNGARY Score 35.2 +0.5
 46  48 MOROCCO Score 34.9 +1.1	 47  45 INDONESIA Score 34.8 +0.5	 48  52 COLOMBIA Score 34.7 +1.2	 49  51 OMAN Score 34.6 +1.0	 50  57 ROMANIA Score 34.4 +2.2

 51  61 UKRAINE Score 34.2 +2.2	 52 NEW MALDIVES Score 34.0 -	 53  58 CUBA Score 34.0 +1.8	 54  60 PANAMA Score 33.9 +1.8	 55  55 CHILE Score 33.8 +0.4
 56  50 JORDAN Score 33.5 -0.2	 57 NEW GEORGIA Score 33.4 -	 58 NEW CYPRUS Score 33.3 -	 59  47 VIETNAM Score 33.3 -0.5	 60  53 PHILIPPINES Score 33.2 -0.2
 61  73 DOMINICAN REPUBLIC Score 32.9 +2.0	 62  66 BULGARIA Score 32.9 +1.3	 63  62 IRAN Score 32.7 0.9	 64  46 SLOVENIA Score 32.6 -1.5	 65 NEW MALTA Score 32.5 -
 66  56 URUGUAY Score 32.3 -0.8	 67  68 COSTA RICA Score 32.1 +0.7	 68  65 BAHRAIN Score 32.0 +0.3	 69  82 NIGERIA Score 32.0 +2.8	 70  77 JAMAICA Score 32.0 +1.8
 71 NEW MAURITIUS Score 31.9 -	 72 NEW BOSNIA & HERZEGOVINA Score 31.8 -	 73  70 SRI LANKA Score 31.8 +0.7	 74 NEW RWANDA Score 31.4 -	 75  74 ALGERIA Score 31.4 +1.1

 76 ↑ 84 TUNISIA Score 31.3 +2.3	 77 ↓ 72 AZERBAIJAN Score 31.3 +0.3	 78 ↓ 67 SERBIA Score 31.2 -0.2	 79 ↓ 71 LEBANON Score 31.2 +0.1	 80 ↓ 64 PARAGUAY Score 31.1 -0.6
 81 ↓ 76 IRAQ Score 31.1 +0.9	 82 ↓ 59 PERU Score 31.0 -1.1	 83 ↓ 63 PAKISTAN Score 31.0 -0.8	 84 ↓ 69 SLOVAKIA Score 30.9 -0.4	 85 ↓ 81 UZBEKISTAN Score 30.7 +1.5
 86 ↑ 93 GHANA Score 30.3 +2.2	 87 ↓ 79 LITHUANIA Score 30.1 +0.3	 88 ↓ 75 KAZAKHSTAN Score 30.0 -0.2	 89 ↑ 92 VENEZUELA Score 30.0 +1.8	 90 NEW SEYCHELLES Score 30.0 -
 91 ↓ 54 ESTONIA Score 29.9 -3.5	 92 ↓ 85 BOLIVIA Score 29.9 +0.9	 93 NEW BARBADOS Score 29.7 -	 94 NEW MADAGASCAR Score 29.6 -	 95 ↑ 96 KENYA Score 29.5 +1.8
 96 ↓ 86 COTE DIVOIRE Score 29.4 +0.5	 97 NEW MONTENEGRO Score 29.3 -	 98 ↓ 91 ECUADOR Score 29.3 +1.0	 99 ↓ 80 LATVIA Score 29.3 -0.5	 100 ↓ 89 CAMBODIA Score 29.3 +0.7

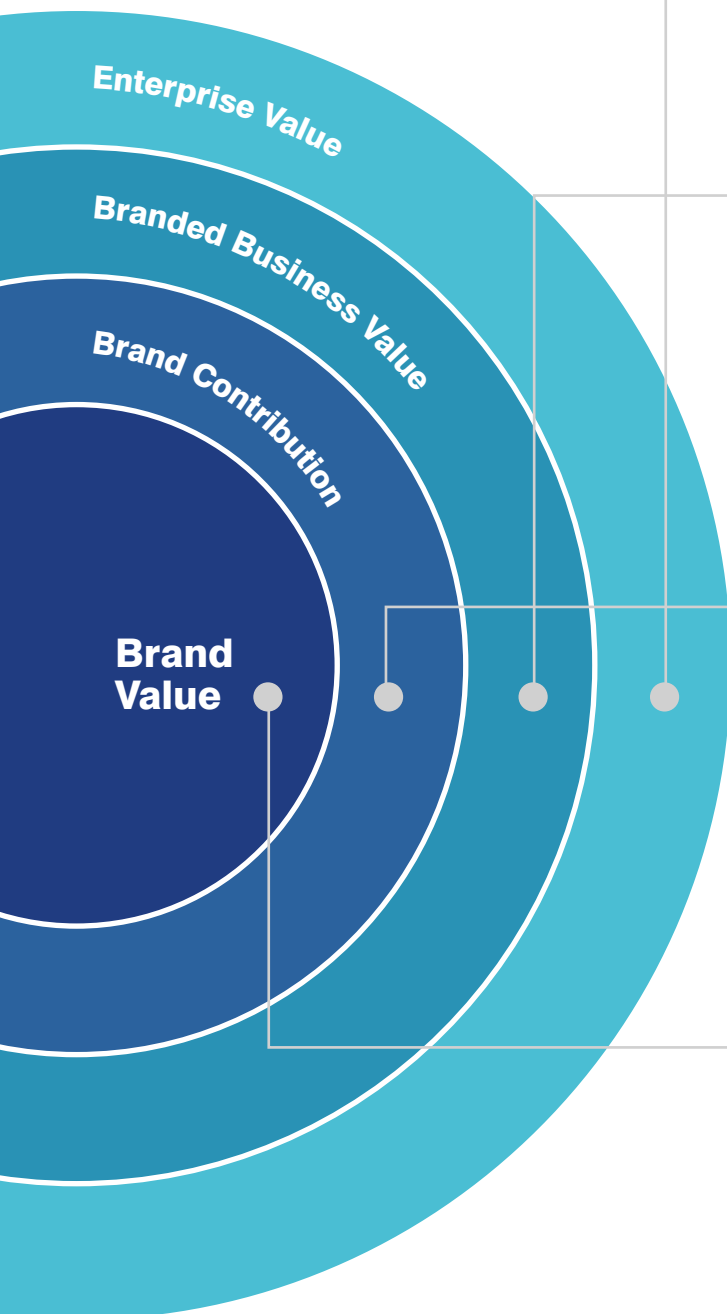
 101 ↓ 97 TANZANIA Score 29.1 +1.6	 102 ↓ 95 NEPAL Score 29.1 +1.1	 103 ↓ 83 ETHIOPIA Score 29.1 -0.1	 104 NEW ALBANIA Score 29.1 -	 105 ↓ 78 BANGLADESH Score 29.0 -1.0
 106 NEW LAOS Score 28.9 -	 107 ↓ 87 ZAMBIA Score 28.8 +0.3	 108 ↓ 90 MYANMAR Score 28.6 0.0	 109 NEW BOTSWANA Score 28.5 -	 110 ↓ 98 SENEGAL Score 28.4 +0.9
 111 ↓ 101 GUATEMALA Score 28.2 +2.1	 112 ↓ 88 CAMEROON Score 27.9 -0.7	 113 ↓ 99 TURKMENISTAN Score 27.7 +0.4	 114 ↓ 100 ANGOLA Score 27.7 +0.8	 115 ↓ 94 UGANDA Score 27.3 -0.7
 116 ↓ 105 DEM. REP. CONGO Score 27.1 +1.9	 117 ↓ 104 MOZAMBIQUE Score 26.5 +1.1	 118 ↓ 102 HONDURAS Score 26.5 +0.5	 119 NEW SUDAN Score 26.0 -	 120 ↓ 103 TRINIDAD AND TOBAGO Score 25.3 -0.3





Methodology.

Definitions.



Brand Value



[John Keells Holdings]

+ Enterprise Value

The value of the entire enterprise, made up of multiple branded businesses.

Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.



[Keells]

+ Branded Business Value

The value of a single branded business operating under the subject brand.

A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.



[Keells]

+ Brand Contribution

The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand.

The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.



[Keells]

+ Brand Value

The value of the trade mark and associated marketing IP within the branded business.

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Valuation Methodology.

Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand - from our database of market research on 15 sectors with 2000 respondents.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

Our valuations are done based on all assumptions i.e. - discount rates, revenue forecasts, etc. finalized as at December 31st 2021 and the value date of all our valuations are as of 1st January 2022. Recent events such as rating downgrades have not been taken into account.

1



Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2

Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Inputs” which are activities supporting the future strength of the brand; “Equity” which are real current perceptions sourced from our market research and other data partners; “Output” which are brand-related performance measures such as market share.



Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

3



Brand Impact × Brand Strength

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

Forecast Brand Value Calculation

4

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.



We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.



1

Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

2

Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary market research, a quantitative study of a sample of over 2,500 people from the general public on their perceptions of over 150 brands in 15 sectors.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can be a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.



Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.

3



Brand Equity Research Database.

B2C Research



Banking



Building Materials



Chemicals



Financial Services



Food & Beverage



Healthcare



Hospitality



Insurance



Oil & Gas



Personal Care



Property Developers



Retail



Supermarkets



Telecoms



Tyres

B2B Research



Banking (Including Investment Banking)



General Insurance



Telecoms

Contributes 35%

To the 'Brand Strength Index' (BSI) score

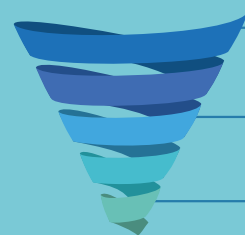


Methodology

Brand Finance conducted original market research in 15 sectors across the Colombo and Gampaha districts

Brand KPIs and Diagnostics

1. Brand Funnel



Awareness

Have heard of your brand

Familiarity

Know something about your brand

Consideration

Would consider buying/using your brand

2. Brand Usage

3. Quality*

4. Reputation

5. Closeness

6. Recommendation (NPS)

7. Word of mouth

8. Brand Imagery

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power

- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?



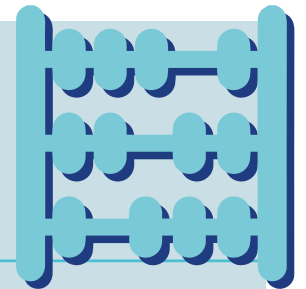
Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting

- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?



Brand Strategy

Make branding decisions with your eyes wide open

Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy

- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio?
- + Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?



Brand Evaluation Services.



How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Some Questions for Brand Finance.

Why is an understanding of brand value so important ?

Brand is one of the most important intangible assets that are available to a company that can be leveraged for business value creation. Since there is no measure of brand value in the standard financial statements, this is a “hidden” asset. Because there is no measure of value attributed to it, the value of the brand is often overlooked by the Board and the management. Decisions are often made by not looking at an important value creating asset that is available to the business.

Any other reasons?

Marketing budgets now far exceed many capital expenditure allocations in a business. These enormous marketing budgets are put together at the discretion of the marketing team. An approach which aligns budget allocations to levers of value creation through a better understanding of where value can be grown at the expense of value destruction, can be a better way of ensuring these large budgets are optimized.

How does brand value help in developing strategies?

Through a comprehensive understanding of the business, market and consumer, Brand Finance is able to use its experience across diverse sectors and in many countries to explore opportunities for the brand to add value to the business. At its core, it uses market research and financial data to understand the dynamics of what is happening with the consumer along with the financial performance and outcomes. By linking consumer understanding with financial performance it is able to identify gaps and opportunities for strategic marketing consideration.

What makes Brand Finance different to other consultancies?

Where it differs from other consultancies is in its ability to link strategic consumer insights with business value outcomes. By considering the brand as a value generating asset that could be deployed in the business, management is able to better see the various ways in which it can be leveraged or strengthened to grow the brand and the business.

How can the brand be used to leverage more value in business negotiations?

Brand valuations can justify and support the value that a business can command. It is often used as an independent view, setting out the brand’s ability to drive greater value in the future, and thereby justifying a higher business value.

Can a company optimize the way in which it manages brands?

There are many examples of companies which have set up special purpose vehicles or BrandCo’s where the brand ownership has been moved. By separating the operating company from the company that is owning the brand there is greater clarity and focus on driving brand value through the allocation of resources and charging back royalties from the entities that are using the brand. Depending on the sector and the jurisdiction of the BrandCo and the operating entities, there could be tax related benefits that could accrue. Sri Lankan companies need to explore all the different ways by which it can optimise brand management, tax efficiencies and ensuring performance is tracked of this important business asset.

Who does Brand Finance collaborate for its research study?

Brand Finance Lanka has been collaborating with the market research firm Breakthrough Business Intelligence, to provide the market research data which goes into the analysis to compile the annual Most Valuable Sri Lankan brands as well as the other tables. Breakthrough Business Intelligence is a full service boutique marketing research agency, committed to providing insightful partnerships that drive bottom-line results for clients. They take an innovative approach to research, reinventing market research when necessary. With the right balance of academic researchers and practicing marketing researchers, Breakthrough Business Intelligence has the ability to deliver the insights that are relevant in accelerating business growth.

Chairman of Brand Finance Sri Lanka,
Ruchi Gunewardene can be contacted on:
[**r.gunewardene@brandfinance.com**](mailto:r.gunewardene@brandfinance.com)

The Team.



Brand Finance Lanka consists of a group of highly experienced marketers and well qualified analysts. This combination of marketers and analysts can provide the core Brand Finance offering of strategic solutions that bridge the gap between marketing and finance.

Our people can extract, analyse and interpret data to develop marketing and brand strategies and predict a financial or other measurable outcome, thereby providing a sound basis for the CEO to make fact-based decisions. Furthermore, by tracking financial and other key indicators, marketing and brand

strategies could be changed in a timely manner, ensuring return on investment.

Brand Finance Lanka has invested in training the team over the last few years, with visits to offices in London and Singapore. This has helped build skill development of the entire team in the disciplines of brand valuation and strategy development. This knowledge exchange is expected to be further built and enhanced over the next year. Brand Finance Lanka is on the lookout for bright and young talent who are passionate about analytics.

Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



Brand Finance®
Awards

TOP 100
SRI LANKAN
BRAND



Brand Finance®
Awards

MOST VALUABLE
SRI LANKAN
BRAND



Brand Finance®
Awards

STRONGEST
SRI LANKAN
BRAND



Video Endorsement – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



Bespoke Events – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



Digital Infographics – design infographics visualising your brand's performance for use across social media platforms.



Trophies & Certificates – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



Media Support – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.



Brand Finance[®] Institute

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com or visit brandfinanceinstitute.com

Brand Finance Institute is a member of the Brand Finance plc group of companies



Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

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