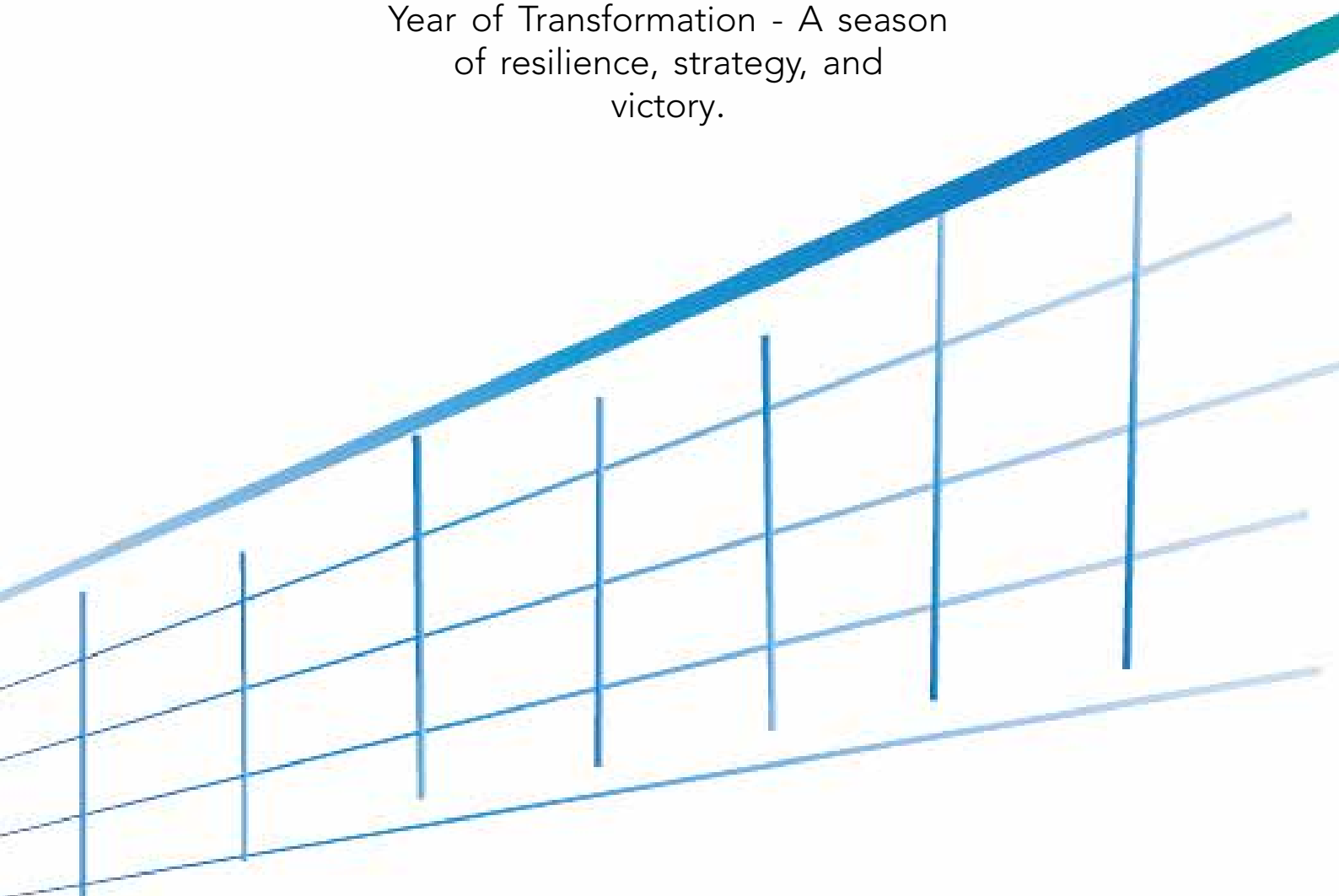
SERVING CHANGE, REDEFINING THE PLAY

CO-ORPORATIVE INSURANCE COMPANY PLC ANNUAL REPORT 2024

L i k e
a volleyball team
rallying back from setbacks,
Co-Operative Insurance has faced formidable challenges and turned them into opportunities. With teamwork, strategy, and unwavering resilience, the company has set itself up for a game-changing year. Each move, whether serving quality-driven solutions, setting a strong financial foundation, or spiking towards sustainable growth, has been executed with precision and purpose. The six capitals of the IR Framework stand as our six key players, ensuring a well-rounded and powerful performance. This transformation is more than just recovery. It is a statement of strength, proving that with the right game plan, even the toughest matches can be won. With an astounding growth during the year 2024-2025, Co-Operative Insurance has not only returned to the court, it is now leading the game. 2024-2025 is our Year of Transformation - A season of resilience, strategy, and victory.



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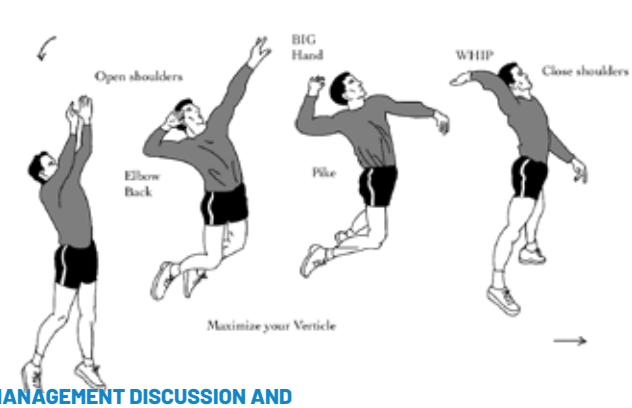

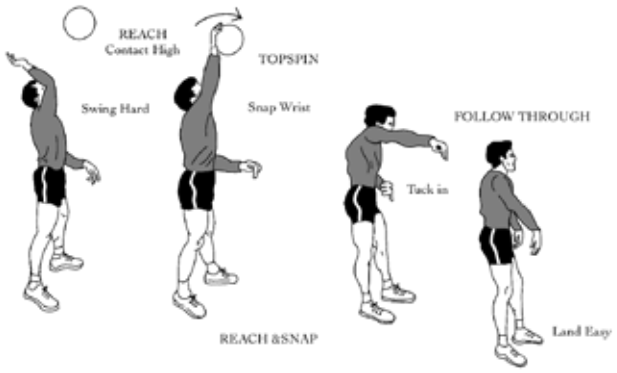

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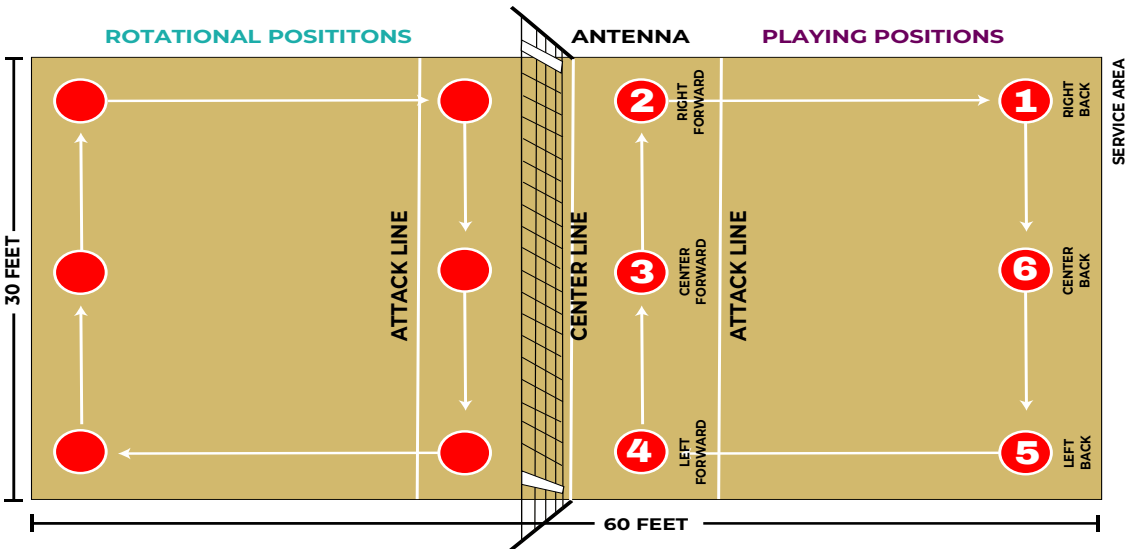
PRESENTING OUR 2024 ANNUAL REPORT



Dear stakeholders,

The Annual Report of 2024 provides you with a comprehensive overview of CICPLC's financial results, operational developments, and strategic approaches for the period under review. As a listed entity, this Annual Report provides key insights and information on our year's journey, disseminating our activities and outcomes to stakeholders to support data-driven decision-making.

The information and narration within this report cover the Company's operations and financial information from January 1st, 2024, to December 31st, 2024, which represents its annual financial cycle.

THE AIM OF OUR REPORT

The Annual Report has been compiled and developed to provide clear and accurate information, both qualitative and quantitative in nature, to inform our stakeholders. The report is designed to present a clear and accurate account of how we performed financially, our commitment to compliance and governance, our approaches to meeting stakeholder expectations, and operational activities that supported all these aspects. We have also tried our best to incorporate key metrics to support our narratives and to indicate the positives and negatives of our approaches.

Key Content

- Financial Performance: Detailed analysis of premiums earned, claims paid, and investment income, reflecting our financial stability and ability to meet policyholder obligations.
- Stakeholder engagement – Engagement and interactions with stakeholders to generate and deliver value creation.
- Materiality – This report focuses on material issues that significantly impact our operations and stakeholders, identified through stakeholder consultations and industry analysis.
- Risk management – A report on how we approach risk management through a comprehensive risk management framework to mitigate risks. It provides insights into how proactive strategies have ensured business continuity.
- Operating environment – The report evaluates the external factors shaping our operations, including economic trends, regulatory changes, and technological advancements in the insurance sector.
- Integrated capitals - We leverage multiple capitals - financial, human, social, intellectual, and natural, to drive sustainable growth. This section details how we balance investments in technology, employee development, community relationships, and environmental stewardship to create long-term value for members and stakeholders.
- Governance and Compliance: Insights into our adherence to cooperative governance standards and regulatory frameworks, ensuring trust and accountability.
- Community Impact: Summary of our contributions to local communities through charitable initiatives, partnerships, and support for policyholders during challenging times.

STRATEGIC DIRECTION AND PROGRESS

- The Company's strategic roadmap is outlined on page 29, detailing our vision and progress made during the financial year.

Presenting Our 2024 Annual Report

CONNECTIVITY FOR ENHANCED UNDERSTANDING

We have implemented several approaches to ensure seamless navigation and comprehension of the Annual Report.

- Icons: Visual icons on the right-side panel connect capitals and stakeholders, fostering a deeper understanding of their interplay.
- SDG Alignment: Relevant activities are linked to Sustainable Development Goals (SDGs) to highlight our broader impact.
- Capital Connectivity: Demonstrates trade-offs and synergies between different capitals.
- Material Themes: Clear connections to key themes that drive value creation.
- Balanced Information: Combines quantitative metrics (e.g., financial figures, percentages, ratios) and qualitative insights to showcase value creation comprehensively.

STAKEHOLDER ENGAGEMENT

- Our approach to engaging with stakeholders is elaborated on pages 85-88, emphasising strong relationships to support long-term value creation.

MATERIALITY

- Critical factors impacting our ability to create value over time are covered on page 14, ensuring transparency on material issues.

REPORT QUALITY PRINCIPLES

1. Conciseness:
- Information is presented succinctly, balancing conciseness with comprehensive coverage of activities, performance, and outcomes (excluding governance).
2. Reliability and Completeness:
- Data integrity is strengthened through:
  - External assurance (Independent External Auditors, Messrs Jayasinghe and Company, Chartered Accountants)
  - Internal audits
  - Evaluations by the Board, committees, and key personnel.
3. Consistency and Comparability:
- The report's structure and content align with the previous year's report for ease of comparison.
- Includes quantitative metrics (Rupees, numbers, percentages, ratios) relevant to the financial year.
- Enhanced with improvements to elevate overall report quality.

REPORTING STANDARDS

The report complies with applicable reporting and other statutory frameworks, ensuring accuracy and comparability, particularly in financial information.

Financial reporting	Corporate governance	Integrated reporting and Sustainability
Sri Lanka Accounting Standards (LKAS/ SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Listing Rules of Colombo Stock Exchange (CSE)	International Integrated Reporting Framework by the IIRC
Companies Act No. 7 of 2007	Code of Best Practices on Corporate Governance Issued by CA Sri Lanka and Securities and Exchange Commission of Sri Lanka	United Nations – Sustainable Development Goals (SDGs)
Listing Rules of Colombo Stock Exchange (CSE)	Corporate Governance Framework for insurers issued by the Insurance Regulatory Commission of Sri Lanka	
Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments	Statement of Recommended Practice (SoRP) by IRCSL	
Regulations and Directions Issued by Insurance Regulatory Commission of Sri Lanka (IRCSL)		
SLSAE 3000 - Sri Lanka Standard on Assurance Engagements		

ACCESSIBILITY

We invite readers to explore this report and understand our work. It is available through print and digital formats, available at www.ci.lk.

FORWARD-LOOKING STATEMENT

The 2024 Annual Report outlines forward-looking statements that include expected financial performance, operations, and strategic direction. However, these projections are not definite and carry a certain level of uncertainty due to various risks and unforeseen challenges. Readers are encouraged to consider both the contextual external and internal factors when interpreting the report. Thank you for your understanding.

FEEDBACK

Your feedback and criticisms have always enabled us to improve our report; therefore, we welcome you to send us your thoughts and ideas on how we can improve our 2025 report.

Please direct your feedback to:

P G N D Gunathilaka
Acting Chief Financial Officer
Tel: 0112557318
Fax: 0112557311
E mail: nadishan.g@coopinsu.com

ABOUT US

THE STORY...

Co-operative Insurance PLC (CICPLC) stands as the backbone of the cooperative sector's insurance needs in Sri Lanka, rooted in a mission to serve communities as a trusted and enduring partner. Established in 1999, CICPLC was founded at a time when cooperative insurance was still an unfamiliar concept in the country. The Company emerged to fill a vital gap, providing insurance protection to financially underserved and often overlooked communities.

Since its inception, CICPLC has provided coverage to over one million policyholders, the majority of whom are members of the cooperative movement. Guided by cooperative principles and a strong commitment to social responsibility, CICPLC has become a key enabler of financial security for everyday Sri Lankans.

Listed on the Colombo Stock Exchange since 2021, CICPLC operates under a hybrid model that balances the interests of its policyholders with the expectations of its shareholders. At the time of listing, the Company held a market capitalisation of Rs. Rs 5,947 Mn., reflecting strong investor confidence and long-term growth potential.

CICPLC is authorised to offer insurance services under the Regulation of Insurance Industry Act No. 43 of 2000. The Company provides both life and general insurance through its two specialised entities: Co-operative Insurance PLC and CoopLife Insurance Limited.

Today, CICPLC is recognised for its innovative, customer-centric, and affordable insurance solutions. Driven by organic growth and a people-first philosophy, the Company has built one of the largest insurance distribution networks in the country. This includes more than 110 branches island-wide, along with over 120 service centres and express counters operated in partnership with the MPCS network, as well as collaborations with post offices to offer third-party motor insurance.

CICPLC continues to champion accessible insurance for all, uplifting communities and strengthening resilience, one policy at a time.

Total assets Rs. 17.2 Bn (2023: Rs 15.9 Bn)	Gross Written Premium Rs. 5.6Bn (2023: Rs 5.7 Bn)
Market Capitalisation Rs 5,116 Mn	Investment income Rs. 1.735 Bn (2023: Rs. 1.7 Bn)
Market share price Rs. 3.10	Net benefits and claims Rs. 4.06 Bn (2023: Rs. 4.98 Bn)
Combined staff 1,009	100% Equity-Based Capital

VISION

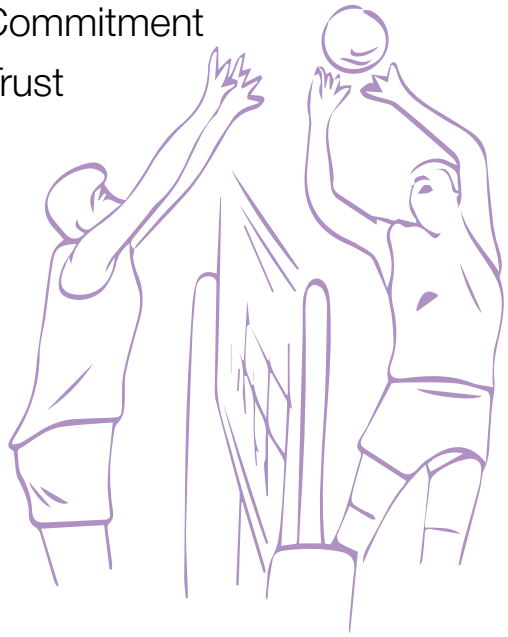
To be an organisation that will stand “united” with its customers to the very end.

MISSION

To be ever mindful of the needs of our customers and, thereby make ‘true protection’ a way of life via the provision of innovative, yet affordable insurance solutions, which confirm to the highest ethical and moral standards.

VALUES

- Respect
- Ethics
- Accountability
- Commitment
- Trust



PRODUCT PORTFOLIO

CICPLC

MOTOR	FIRE	ENGINEERING
Comprehensive Motor Insurance	Commercial Fire Insurance	Contractors All Risk
Comprehensive Motor Insurance for Three-wheelers and Motorcycles	Dwelling House Fire Policy	Erection All Risk
Comprehensive Motor Insurance	Trade Combined Insurance	Machinery All Risk
Motor Third Party	Comprehensive Coverage for Dwelling Houses	Machinery Breakdown
Motor Third-Party Fire and Theft	Hoteliers Comprehensive	Contractors Plant and Machinery
Motor Comprehensive Insurance	Tea and Rubber Factories	Electronic Equipment
Motor Fire and Theft	Consequential Loss	Electrical and Electronic Insurance
Motor Fire only	Dwelling House	Boiler and Pressure Vessels
Motor Theft only		

MEDICAL

Surgical and Hospital Insurance

COOP Health First Medical Insurance Policy

Dharana Plus Medical Expenses and Personal Accident Insurance Policy

Wellness Plus Insurance

MARINE

AVIATION AND MARINE HULL

Hull Insurance

CARGO

Export Cargo

Import Cargo

Open Policy

Miscellaneous

Personal Accident Insurance

Title Insurance

Advance Bonds

Personal Accident

COOP Travel Care

Bid Bonds

COOP Personal Accident Cover

Bankers' Indemnity

Fidelity Guarantee

Burglary Insurance

Goods in Transit

Product Liability

Livestock

COOP Farmer Care(crop) Insurance

Professional Indemnity

Coop Shakthi Micro Insurance

COOP Virtual Protector Insurance Cover

Worker's Compensation

Isuru Personal Accident Insurance

Personal Accident Insurance Policy for Fisherman (COOP Sayura Shakthi)

Freight Forwarders Insurance

24-hour Personal Accident Insurance

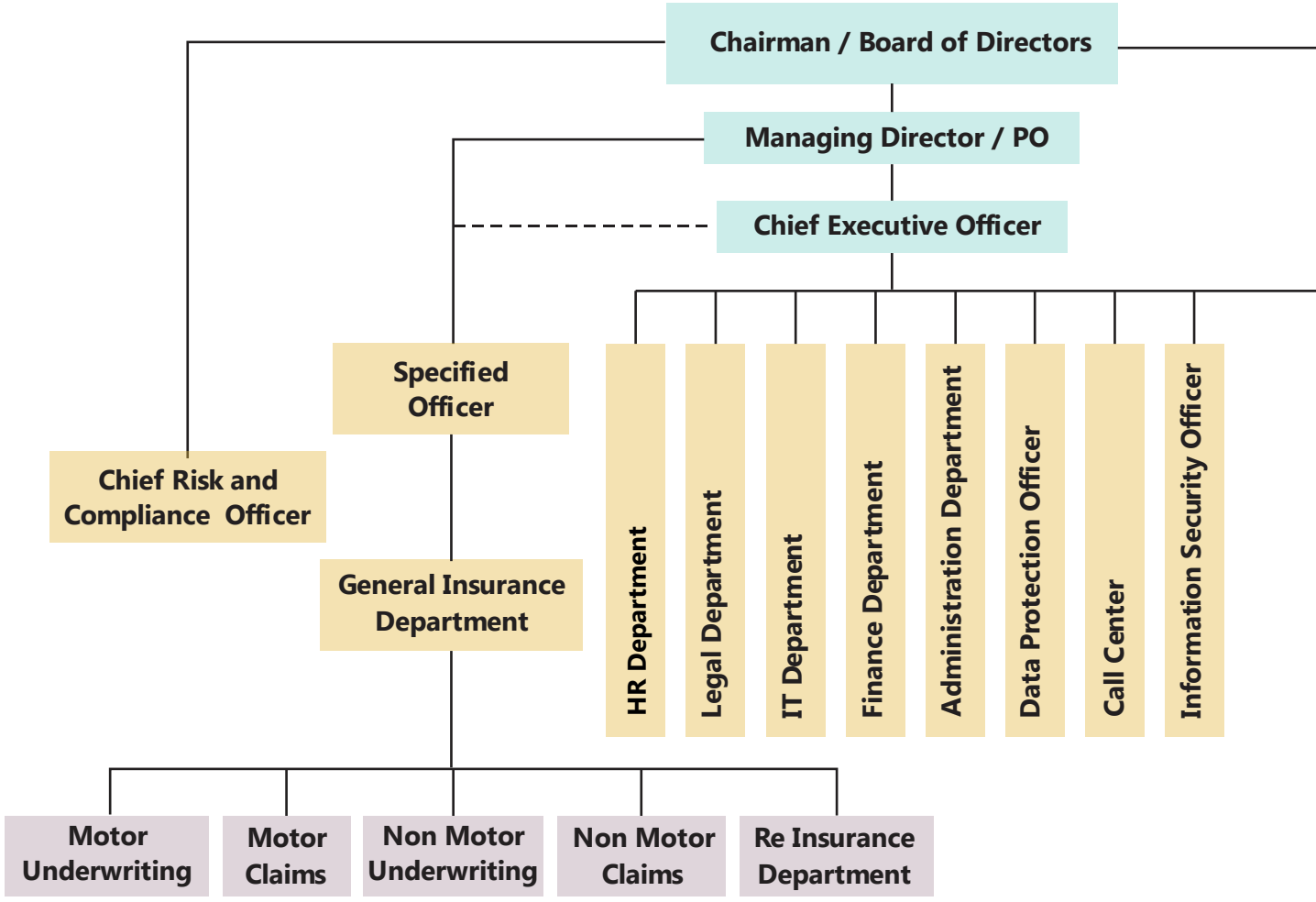
All Risk

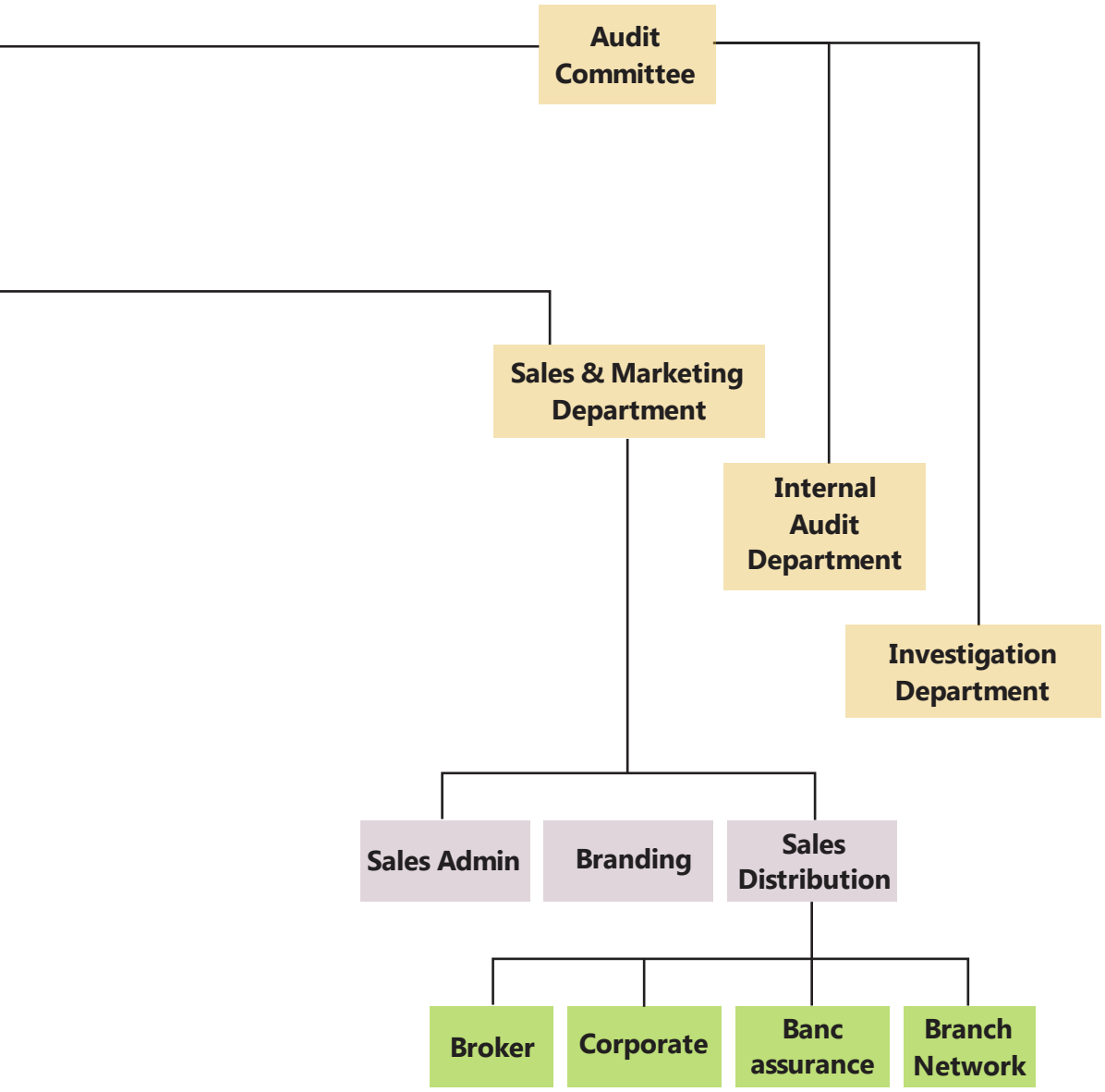
Director's Officer's Liability Insurance

Glass Insurance

Performance Bonds

ORGANISATIONAL STRUCTURE




Audit Committee
Sales & Marketing Department
Internal Audit Department
Investigation Department
Sales Admin
Branding
Sales Distribution
Broker
Corporate
Banc assurance
Branch Network

MILESTONES OVER THE YEARS

1999
Co-operative Insurance, established.

2008
Recipient of the Gold award at the International Quality Summit in New York.

2009
Winner of the Platinum Award at the International Star for Leadership in Quality Convention - Paris.

2010
Received award in the diamond category for Century International Quality ERA award.

2011
Winner of the Diamond Award at the International Star for Leadership in Quality Crown Convention - Paris.

2012
The Gold award and three other Bronze awards at the International ARC Awards in 2012 (New York) for the year 2010 annual report.

2013
Recipient of the Diamond Award at the Arch of Europe for quality and technology.

2014
Highest dividend payout of 14% payout by any insurer.

2015
Segregation of CICPLC and Cooplife under Section 53 of the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011.

2016
Recorded the highest GWP growth rate in General Insurance sector.

2017
CICPLC was ranked in the highest claims paid category, by the insurance regulator, for the 2Q of 2017.

2018

100th branch opened.

2019

CITA partnered with the Chartered Insurance Institute - Central and South Asia as an education partner.

Certificate of compliance received by CA Sri Lanka

Recognised as the “Fastest Growing General Insurance Company Sri Lanka 2019” by Global Banking & Finance Review® UK.

2020

We opened our 110th branch

Awarded as the "Best General Insurance Company for Innovation Sri Lanka", from Global Banking and Finance, UK.

Launched the Digital Insurance solution platform through CI.LK

2021

CICPLC became a quoted public company listed on the Colombo Stock Exchange.

Won Compliance award from CA Sri Lanka.

2022

Successfully achieved
Rs. 5 Bn GWP milestone.

2023

Key Accounts division and agency channel started.

Launched express counters concept.

2024

The company underwent a strategic restructuring aimed at achieving high-quality service delivery while enhancing profitability

MATERIALITY ASSESSMENT

Through a systematic process, CICPLC finds and assesses material topics. These are elements that have a big impact on stakeholder value creation and entail a careful examination of the variables influencing value creation, using a wealth of knowledge and sound judgment to identify important areas.

IDENTIFY

Identifying relevant matters based on their ability to affect value creation by influencing strategy, governance, activities and future outlook

EVALUATE

Evaluating factors based on their importance to influencing value creation

PRIORITISE

Prioritising matters based on their relative importance to stakeholders and CICPLC as a business

INTEGRATE

Addressing material matters by incorporating solutions to primary activities and value creationa ctivities

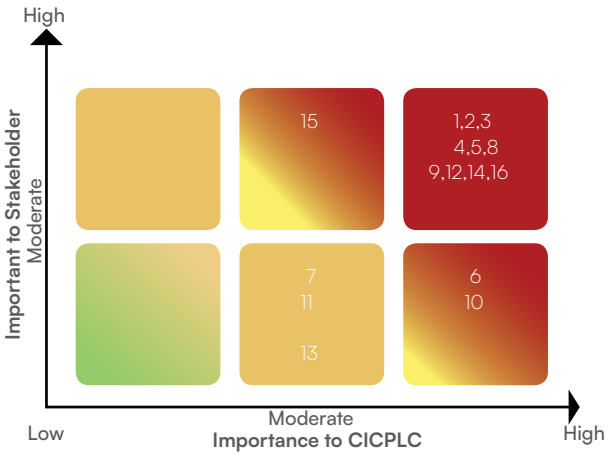
DISCLOSE

Disclosed through the annual report and various cross-sections

PRIORITISATION HEAT MAP

As explained on page 86-88 of the report, CICPLC employs a heat map to evaluate the likelihood of occurrence and the severity of impact in order to prioritise material topics.

Prioritisation mapping



1. PROFITABILITY AND REVENUE GROWTH

Essential for safeguarding shareholder interests and supporting business expansion.

Strategies

- Implement cost optimisation measures to enhance operating profit.
- Diversify distribution channels to capture new business Prospects.
- Employ strategic pricing techniques to maximise profitability.

Potential Concerns

- Revenue impacts from evolving regulatory, monetary, or fiscal policies, such as directives affecting motor insurance premiums.
- Addressing financial Potential concerns through a comprehensive risk management review and disclosure in financial statements.

Growth Areas

- Enhance operating profit via efficiency and quality improvements
- Explore investment Prospects in both financial (e.g., Government security and non-financial assets.
- Pursue distribution diversification aimed at increasing overall earnings.

References

- Financial Summary (Page 79)
- Financial Capital (Page 97)
- Financial Statements (Pages 132-218)

2. STRONG CAPITAL POSITION (CAPITAL ADEQUACY)

Ensuring the stability and sustainability of the company is critical for meeting financial obligations and protecting customer interests.

Strategies

Maintain strict adherence to regulatory compliance to ensure resilience against unexpected financial shocks.

Potential Concerns

- Liquidity risk and other related Potential concerns (detailed in the Risk Management Review)
- Potential operational disruptions
- Economic crises and downturns

Growth Areas

- Enhance risk management mechanisms
- Conduct stress testing to identify potential exposures

Cross-Referencing

- Risk Management Review (Pages 45-52)
- Corporate Governance Review (Pages 53-78)
- Financial Statements (Pages 132-218)

3. STRENGTHENING RISK, GOVERNANCE, AND COMPLIANCE FRAMEWORKS

To safeguard stakeholder interests and ensure business stability, we promote sustainable economic value creation for all stakeholders.

Strategies

- Ensure compliance with Articles of Association and relevant statutory regulations.
- Prioritise strategies that enhance the financial health and stability of the organisation.

Potential Concerns

- Challenges arising from intricate governance structures.
- Potential concerns associated with day-to-day operations.
- Navigating a landscape with stringent regulations.
- Necessary adjustments in governance and risk frameworks due to transitions within the organisation.

Prospects

- Continuous improvement of Governance, Risk, and Compliance (GRC) mechanisms.
- Cultivating an environment where risk awareness is prioritised.
- Utilising GRC tools to refine technological processes.

Cross-References

- Risk Management Review (Pages 45-52)
- Corporate Governance Review (Pages 53-78)
- Leadership Messages (Pages 25-31)

4. OVERVIEW OF DISTRIBUTION STRATEGY

A diversified distribution mix is essential for driving business growth and enhancing market share.

Strategies

- Increase in the number of agents/sales personnel.
- Addition of two new brokers.
- Over 235 operational locations, including branches and service centres.
- Expanded access to insurance products via post office channels.

Potential concerns

- Governance and risk management issues related to collaboration with intermediaries.
- Potential conflicts among business partners and challenges in digital transformation.
- Navigating regulatory hurdles.

Prospects

- Identifying and leveraging growth Prospects within the market.
- Diversification to mitigate Potential concerns.
- Fostering increased client retention through improved accessibility.

Performance metrics

- New Express Counter launched.

Cross-Referencing

- Examination of social and relationship capital (Page 109).

Materiality Assessment

5. DIVERSIFIED PRODUCT MIX

To broaden the customer base through policies that cater to diverse insurance needs.

Strategies

Customer-centric policies, focused on the best possible coverage under optimal pricing

Evaluation of industry trends and customer needs

Potential concerns

Sales forecast, Potential concerns

Stretched resources to accommodate many products

Prospects

- Retirement based insurance solutions

Growing concern for health related insurance

Cross-Referencing

- Social and relationship capital (Pages 109)
- Intellectual capital (Pages 101-103)

6. TECHNOLOGICAL AND DIGITAL TRANSFORMATIONS

Technological and digital transformations are essential for long-term cost optimisations and process enhancements, which ultimately contribute to financial growth and stability.

Strategies

- Implement necessary improvements and adopt new systems to support critical business functions.
- Focus on maintaining slow-paced transformations to keep costs at an optimum.

Potential concerns

- Disruptive technologies may render older solutions obsolete.
- A lack of policies can lead to operational failures and inefficiencies.
- Potential concerns associated with adopting innovations, including potential operational failures.
- Challenges in adapting to disruptive technologies, such as AI.
- The need for rapid adoption of new technologies may result in significant investments and operational disruptions.

Prospects

- Development of personalised services for customers.
- Automation of back-office operations for increased efficiency.
- Integration with various distribution channels.
- Enhanced scalability and flexibility in operations.
- Improved insights into customer behaviour and preferences.
- Better data collection practices leading to more informed decision-making.
- Enhanced risk assessment capabilities.
- Increased process efficiencies in underwriting and claims management.

Cross-Referencing

- Consideration of manufactured capital (Pages 99-100)
- Intellectual capital (Pages 101-103)

7. TECHNOLOGICAL AND DIGITAL TRANSFORMATION OVERVIEW

Technological and digital transformations are crucial for long-term cost optimisation and enhancing service value. These transformations support critical business functions, driving financial growth and stability by improving operational efficiencies and customer engagement.

Strategies

- Make necessary improvements and adopt new systems to support critical business functions.
- Implement slow-paced transformations to maintain optimal cost levels while ensuring sustainable progress.

Potential concerns

- Disruptive technologies render older solutions redundant.
- Lack of policies leading to failures or inefficiencies.
- Operational failures during the adoption of new innovations.
- Challenges in adapting to disruptive technologies, such as AI.
- Need for rapid adoption is causing significant investments and operational disruptions.

Prospects

- Deliver personalised services to enhance customer experience.
- Automate back-office operations for greater efficiency.
- Integrate with distribution channels for seamless operations.
- Achieve scalability and flexibility in business processes.
- Gain customer insights through behaviour analysis.
- Improve data collection for better decision-making.
- Enhance risk assessment capabilities.
- Increase process efficiencies in underwriting and claims.

Cross referencing

- Manufactured capital (Pages 99-100)
- Intellectual capital (Pages 101-103)

8. TALENT MANAGEMENT OVERVIEW

Talent management is essential to sustain organisational growth and empower the economic growth of employees, fostering a capable workforce that drives business success.

Strategies

- Leverage the human resource department to oversee all aspects of talent management.
- Foster collaboration between the HR department and leadership to ensure proper remuneration, training, rewards, and performance management.
- Implement KPI-driven performance appraisals to align employee performance with organisational goals.
- Focus on developing employee competencies to build a skilled and adaptable workforce.

Potential concerns

- Failure to attract and retain top talent.
- High employee turnover rates.
- Technological disruptions are impacting employment stability.
- Lack of a robust leadership pipeline.
- Inability to effectively mentor younger staff.
- Insufficient development Prospects to meet employee expectations.

Prospects

- Develop an in-house sales team through an effective recruitment process.
- Allocate incentives, including bonus payments, to motivate and retain employees.

Cross-referencing

- Human capital report - Cultivating Success (Pages 105-108)

9. CUSTOMER EXPERIENCE AND ACCESSIBILITY OVERVIEW

Customer experience and accessibility are imperative for attracting and retaining customers, ensuring long-term business success and brand loyalty.

Strategies

- Implement gradual improvements in online and digital insurance platforms to enhance user experience.
- Manage one of the largest insurance networks to ensure broad reach and accessibility.
- Maintain a robust sales force and agent network to provide personalised customer support.
- Focus on increasing value to customers through enhanced service offerings and accessibility.

Potential concerns

- Lack of convenience and accessibility may lead to customer loss, negative brand image, and missed business Prospects.

Prospects

- Increase customer satisfaction and retention through improved service delivery.
- Expand the customer base by enhancing accessibility and convenience.
- Strengthen brand image and market presence through superior customer experiences.

Cross-referencing

- Social and relationship capital (Page 109)

Materiality Assessment

10. BRANDING, COMMUNICATION, AND MARKETING OVERVIEW

Branding, communication, and marketing are central to positioning the organisation as a proactive risk management solutions provider, enhancing brand recognition and trust in the marketplace.

Strategies

- Conduct selective marketing campaigns to target specific audiences effectively.
- Focus on niche target market promotions to build a strong presence in key segments.
- Utilise above-the-line and outdoor advertising, such as TV advertising, to increase visibility.
- Prioritise brand recognition in the marketplace to establish a competitive edge.
- Focus on social media platforms in target markets.

Potential concerns

- Reputational risk due to lack of responsiveness or dissemination of misinformation.

Prospects

- Achieve brand differentiation from competitors to stand out in the market.
- Foster customer loyalty through consistent and effective communication strategies.

Cross-referencing

- Intellectual capital (Pages 101-103)

11. STRONG PARTNER RELATIONS OVERVIEW

Strong partner relations are essential for achieving revenue and market share growth by enabling partner-based business Prospects and reaching a diverse cross-section of customers.

Strategies

- Engage regularly with partners, including reinsurers, brokers, agents, and suppliers, to foster collaboration.
- Commit to mutual economic gains to strengthen partnerships.
- Focus on enhancing stakeholder relations to build trust and drive business success.

Potential concerns

- Dependency risk arising from the discontinuation of key partnerships.

Prospects

- Innovate through collaborative efforts with partners.
- Expand market reach through strategic partnerships.
- Enhance business gains by leveraging partner networks.

Cross-referencing

- Social and relationship capital (Page 109)

12. COMMUNITY AND ENVIRONMENTAL SUSTAINABILITY OVERVIEW

Support for community and environmental sustainability enhances the social license to operate and enables the provision of need-based, affordable insurance solutions to safeguard vulnerable populations, such as low- and middle-income earners and MSMEs, against Potential concerns.

Strategies

- Provide economic and inclusive insurance policies tailored for low- and middle-income earners and MSMEs.
- Conduct outreach programs and activations in rural areas to extend support to underserved communities.
- Focus on impacting communities and the environment positively through sustainable practices.

Potential concerns

- Social and political uncertainties that may disrupt community engagement or sustainability initiatives.
- Potential financial and operational constraints limiting the scope of outreach and sustainability efforts.

Prospects

- Create impactful changes by providing economic and social protection to vulnerable communities.

Cross-referencing

- Social and relationship capital (Page 109)

13. MACRO ENVIRONMENT DEVELOPMENTS OVERVIEW

Economic, political, environmental, social, and legal changes directly impact the banking system, influencing business activities and value creation.

Strategies

- Continuously monitor macro environment developments to anticipate and adapt to changes.
- Focus on impacting communities and the environment positively by aligning business strategies with external conditions.

Potential concerns

- Contracted economic growth limiting business Prospects.
- Spiralling inflation is increasing operational costs and reducing profitability.
- Economic reforms, such as higher taxes and cost-reflective energy prices, are impacting financial performance.
- Decreasing consumer purchasing power reduces demand for services.
- Political upheaval and uncertainties are creating operational instability.
- Social unrest is disrupting business operations and customer trust.

Prospects

- Disinflation was observed in 2024, reaching single-digit levels and maintaining stability, fostering a favourable economic environment.
- Leverage digital advancements to enhance operational efficiency and customer engagement.
- Capitalise on the country's social and economic resilience to drive sustainable growth.

Cross-referencing

- Operating environment (Pages 89-91)

14. SLFRS 17 IMPLEMENTATION OVERVIEW

The preparation and implementation of SLFRS 17 (Insurance Contracts) significantly impact the preparation of financial statements, disclosures, and financial metrics, requiring substantial changes to reporting processes.

Strategies

- Initiate a process to assimilate and implement SLFRS 17 requirements, with incremental improvements to ensure compliance.
- Set full implementation for 2026 to align with regulatory timelines.
- Focus on implementing SLFRS 17 as per requirements to enhance financial reporting accuracy and compliance.

Potential concerns

- Significant impact on financial statements due to changes in accounting methodologies.
- Challenging data requirements that may strain existing data systems and processes.
- Difficulties in adopting or configuring software to meet SLFRS 17 standards.
- Time management challenges and potential delays in meeting implementation deadlines.

Prospects

- Improve the quality and accuracy of financial reporting.
- Enhance reporting systems and processes for greater efficiency.
- Increase transparency in financial disclosures.
- Support strategic planning by providing better data for various outcomes and scenarios.

Cross-referencing

- Notes for financial statement (Pages 132-218)
- Financial capital report – Fiscal Performance (Page 97)

SUSTAINABLE DEVELOPMENT GOALS

HONOURING SUSTAINABLE DEVELOPMENT GOALS

In recent times, we have intensified our efforts toward sustainable business development, making strides to reinforce our dedication to practices that have a positive effect on the economy, society, and the environment.

Our engagement in grassroots and rural areas, alongside cooperative societies, allows us to offer tailored insurance solutions for those with limited financial resources. Our products, including general insurance like Udara and Kedella, as well as life insurance options, such as Pension Plus, cater to diverse needs and financial capacities. We aim to provide affordable and inclusive solutions for various customer profiles, including salaried employees and daily wage earners such as fishermen and farmers.

We have created reasonably priced insurance plans including accident and critical illness coverage for persons/ groups that are financially disadvantaged and care subjected to health concerns. We introduced Wellness Plus in 2023, which lets policyholders take care of family members and provides coverage on several important diseases as well as hospital expenses. Our subsidiary, Cooplife Insurance, also provides reasonably priced health insurance.

To enhance insurance education, our training academy, CITA, offers courses and accreditations from the Chartered Insurance Institute (UK), making us the only insurer with such an institution dedicated to professional student development. CITA also features online and on-site exam centres for CII-UK certifications.

Additionally, we support employee growth through well-structured training programs designed to enhance staff knowledge of the insurance industry.

Our workforce features a gender diversity ratio of 54:46, reflecting a close balance between the number of male and female employees. We ensure that all staff members have equal opportunities throughout the entire process, from hiring to advancement, without any bias.

None of our offices engages in activities that may cause water pollution or sanitation in their surroundings. We dispose waste material accordingly, and to the best of our knowledge, our branches do not release waste directly to water sources or to land that adjoins water sources.

We also ensure that our employees have access to clean drinking water and sanitation facilities in all our branches and the Head Office, we place a high priority on providing our staff with sanitary facilities and clean drinking water.

We are dedicated to providing all of our employees with a positive work environment. We acknowledge their entitlement to professional growth, equitable monetary remuneration, and a work environment free from excessive challenges.

We offer bonuses, pay raises, and on-time salaries to help our employees grow financially. Additionally, we provide a range of benefits, such as medical coverage, life insurance, and staff loans to help with their financial needs

We have adopted a number of IT projects to boost staff efficiency and enhance customer satisfaction. In an effort to make our services more widely available, we are now embracing digital service platforms and industry advancements to provide our clients with more digital insurance options.

We concentrate on generating and distributing economic value among stakeholders while maintaining financial stability in order to lessen inequality. Affordable solutions for clients, equitable financial returns for partners, competitive employee pay, government tax contributions, and assistance with community projects are all part of our mission.

We guarantee equitable financial gains for all parties involved by encouraging company expansion and responsible financial management. Through strong HR policies, we also place a strong emphasis on employee development and retention. We addressed the growing cost of living in 2023 by offering bonuses and implementing a 10% pay increase for all employees.

In the event of property loss, our goal as an insurer is to give our policyholders the appropriate insurance option. We assist people, companies, and communities in rebuilding when unforeseen losses occur, particularly when theft, fire, or natural disasters have compromised the security and integrity of assets, automobiles, and establishments.

Another business action of goal 11 is access to vital services at work, industry, and community; by providing the appropriate level of coverage, we guarantee that those with limited resources can obtain high-quality healthcare services through reasonably priced insurance options.

We now offer e-cards to our clients at the time of policy generation or when renewing their existing one. We have expedited several educational communications to encourage the usage of e-cards.

We actively work to reduce the amount of materials we use that need to be processed from natural resources. We therefore work to reduce our use of fuel, water, and electricity in addition to reusing paper products and ink cartridges rather than throwing them away after use.

Glass, plastic, food waste, and other garbage are properly disposed of, with the local council regularly collecting waste from our branches and headquarters.

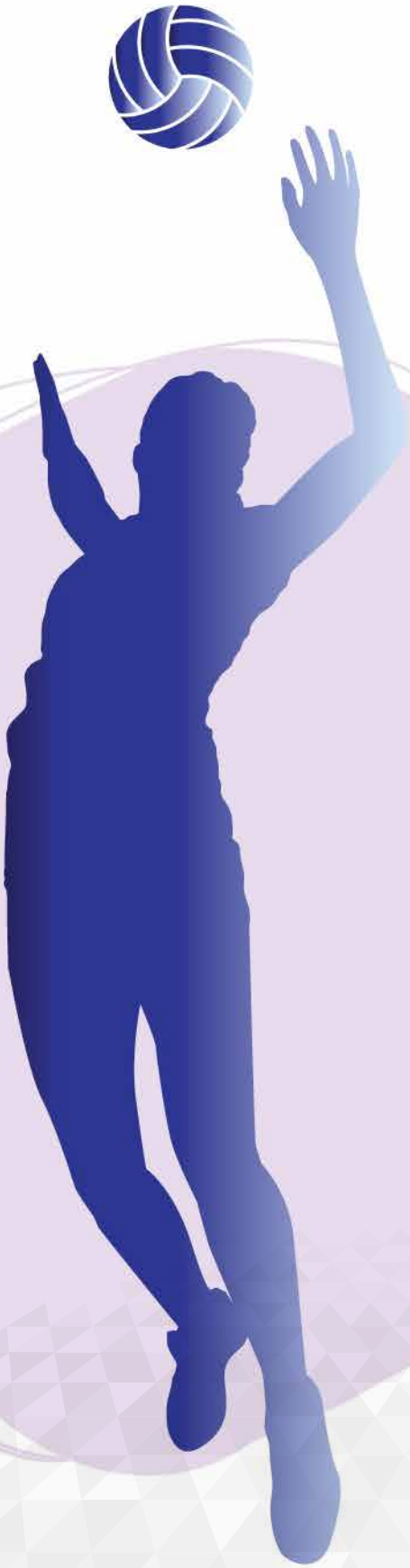
We strive to give our stakeholders the values they expect from us, with the goal of safeguarding and generating value for everyone. Furthermore, our leadership makes sure that no management staff member participates in illegal or unethical activities in order to ensure ethical conduct. We take appropriate measures against unethical and wronged employees and management personnel, address fraudulent practices, and oppose corruption and harassment within the organization.

As an insurer protecting the interests of our clients, we are dedicated to make sure that industry rules, statutory laws, and regulations are followed while implementing best practices in governance and business. Therefore, we adhere to a number of legal and regulatory frameworks, such as:

FINANCIAL HIGHLIGHTS

	2024 Rs. Mn	2023 Rs. Mn
Revenue and profitability – Group		
Gross written premium	**5629**	5,703
Net earned premium	**4611**	5,225
Finance income	**1763**	1,735
Underwriting profit	**598**	77
Profit/(Loss) before tax (PBT)	**319**	(374)
Profit/(Loss) after tax (PAT)	**274**	(320)
Revenue and profitability – General		
Gross written premium	**4526**	4,539
Net earned premium	**3554**	4,106
Finance income	**892**	1,008
Underwriting profit	**898**	477
Profit/(Loss) before tax (PBT)	**153**	(337)
Profit/(Loss) after tax (PAT)	**113**	(258)
Revenue and profitability – Life		
Gross written premium	**1,107**	1,168
Net earned premium	**1,061**	1,122
Finance income	**871**	727
Underwriting profit	**(297)**	(397)
Profit/(Loss) before tax (PBT)	**166**	(37)
Profit/(Loss) after tax (PAT)	**160**	(62)
Life fund	**4,834**	3,893
Claims and benefits incurred		
General	**2839**	3,587
Life	**1225**	1,395
Financial position (Group)		
Total assets	**17282**	15,908
Financial investments	**12686**	11,311
Premium receivables	**1109**	1,305
Insurance provision - General	**3430**	3,575
Total liabilities	**11392**	10,222
Total equity	**5890**	5,687
Profitability ratios		
Return on total assets - Group	**2%**	-2%
ROCE - Group	**6%**	-6%
Investment yield - Group	**14%**	15%
For shareholders and investors		
Flout adjuested Market capitalization	**5,116**	3,961
Dividend per share (Rs.)**		-
Dividend payout ratio		-
Market price per share (Rs.)	**3.10**	2.4
Net asset value per share - company (Rs.)	**3.01**	2.98
Earnings per share (EPS) - company (Rs.)	**0.07**	-0.16
Ratios (Group)		
Return on equity	**5%**	-6%
Price to book ratio (Rs.)	**1.03**	0.80

SERVICE



IN VOLLEYBALL, THE SERVICE INITIATES THE GAME WHICH IS A CALCULATED MOVE THAT SETS THE TONE. FOR CO-OPERATIVE INSURANCE, THIS YEAR'S "SERVICE" WAS A DECISIVE COMMITMENT TO QUALITY-FIRST ACTION. FOLLOWING A TURBULENT PERIOD, THE COMPANY RESET ITS TRAJECTORY WITH RENEWED STRATEGIC INTENT. BY INITIATING REFORMS IN GOVERNANCE, COMPLIANCE, AND SERVICE DELIVERY, CO-OPERATIVE INSURANCE LAUNCHED A BOLD NEW PLAY, ONE THAT SIGNALED DISCIPLINE, DIRECTION, AND DRIVE. THESE FIRST MOVES LAID THE FOUNDATION FOR WHAT BECAME A YEAR OF TRANSFORMATIONAL PERFORMANCE.

CHAIRMAN'S STATEMENT

Dear stakeholders and valued shareholders,

I am pleased to present the Annual Report and Audited Financial Statements for the financial year ending 31st December 2024. In the year under review, Co-operative Insurance Company PLC (CICPLC) achieved significant operational milestones while pursuing a financial turnaround through disciplined, diligent, and proactive strategies.

Although we could not fully achieve our financial goals for the year, we succeeded in steering the company to higher profits amidst a volatile macroeconomic environment. Additionally, grappling with the effects of the previous year's losses was not an easy task. The Group surpassed the losses and lingering concerns from the previous few years by adopting several transformative measures that corrected internal vulnerabilities.

INDUSTRY ENVIRONMENT

In the period under discussion, the country's economic landscape was marked by a gradual recovery in economic activity. The general economic growth was marked as 5% by the end of the year, with negative inflation recorded in the first quarter of 2024. However, citizens continued to face a higher cost of living and higher income tax levels due to the government's decision to increase its revenue mobilisation efforts. Moreover, businesses dealt with the increase in the value-added tax to 18%, which impacted their profit growth considerably.

The industry faced a continued ban on vehicle imports, which had a direct impact on the new motor insurance business. In addition, the uncertainties surrounding the government's decision to lift the ban on motor imports prompted motor buyers to delay their purchasing decisions, delaying the industry's potential for new business growth. Moreover, improved political and social stability provided room for the economic rebound, enabling businesses and individuals to focus on economic growth.

Despite these obstacles, the insurance sector harnessed opportunities such as rapid digital transformation, which improved operational efficiency and customer engagement. Market trust and governance norms were also strengthened by greater regulatory transparency, while stringent compliance requirements, such as AML and CFT obligations, posed operational hurdles.

OPERATIONAL FOCUS

During the year under review, the Group was committed to ensuring financial stability and profitability. As a result, several prudent strategies were used to navigate through higher costs, taxes and dampened consumer spending. The Group's general approach involved heightened discipline in financial management with cost optimisations and efficiencies within operational processes. Technological transformations became a core focus for CICPLC and its subsidiary, Cooplife Insurance Limited. While focusing on the common goal of financial growth, digitalisation became another top priority.

Customer-centric digitalisation empowered CICPLC to initiate a mobile application for claims intimation, improving the customer experience. Moreover, the Company developed its IT infrastructure to enhance its internal capabilities and information security with a considerable investment. In addition, the Company adopted creative and economical service delivery models, such as counters with window offices, improving accessibility and creating a financially healthy delivery model. Refined pricing models that better reflected risk exposure were the outcome of a comprehensive overhaul of underwriting procedures, which increased profitability. Risk controls were reinforced by the use of sophisticated fraud detection tools, and the company's long-term financial stability and growth goals were in line with a strategic portfolio rebalancing that moved the focus from high-risk business segments to more reliable, sustainable business lines.

Cooplife also initiated a mobile application geared towards operational agility and customer convenience. CICPLC launched mobile applications for claims intimations, while our Cooplife launched a digital tool titled Ezy App for agent collections, which is streamlined with the collection process, and has eliminated the need for manual receipts, carrying the dual benefit of being environmentally friendly and a tool to enhance agent productivity, providing convenience to policyholders. Our life insurance arm also initiated several virtual branches in the Eastern region, reaching new market segments while keeping operational costs at bay.

In 2024, the Group strategically enhanced its sales capabilities as a means of developing a highly effective and self-driven sales force. Both general and life insurance subsidiaries adopted a focused and need-based approach to the recruitment of skilled professionals, comprehensive training programs emphasising digital tools and customer engagement, and the introduction of performance-driven incentive structures. These initiatives aimed to strengthen client relationships, broaden market reach across diverse segments, and drive sustainable premium growth in alignment with profitability objectives.

Chairman's Statement

GROUP FINANCIAL DELIVERY

The Group's financial performance transformed from a significant loss in 2023(PBT: Rs -374 Mn and PAT: Rs -320 Mn) to profits in 2024 (PBT: 319, PAT: 274). This was largely due to a 678% surge in underwriting profit, which offset declines in premium-related targets. However, declined performance in GWP underscored challenges faced in premium growth and retention. This was partially a result of the automobile import ban and its impact on new motor insurance business. Moreover, we witnessed a slight increase in finance income by 1.6%, which made a stable contribution to profitability.

The group marked an exceptional growth in underwriting profit, with an increase of 678%, for which the primary factor is improved underwriting discipline and efficiencies in claims management. Furthermore, the shift to profitability and strong underwriting performance indicates improved operational efficiency and risk management. This could enhance investor confidence and support future growth. Moreover, total assets of the group increased from Rs 16 Bn in 2023 to Rs 17 Bn in the year under review. Liabilities remained at a manageable level of Rs 11 Bn.

As an individual entity, the investment portfolio of CICPLC focused heavily on financial instruments, which were exposed to market volatility, resulting in a Rs 100 Mn loss during the financial year. This lack of diversification, as well as substantially higher reinsurance costs, weighed on the group's financial growth. The reason for the substantial hike in reinsurance costs was due to the government mandated 100% remittance of the SRCC (Strike, Riot, Civil Commotion) and TC (Terrorism Coverage) premiums to the National Insurance Trust Fund (NITF), which exerted a heavy toll on group financials, straining our financial resources. This lack of investment diversification and the inability to spread our financial risks raised concerns for a timely intervention in managing market-driven risks and regulatory demands, effectively.

Looking at the financial performance of the CICPLC as a Company and its subsidiary Cooplife, both companies succeeded in securing financial profitability, despite lower-than-anticipated premium income. CICPLC as an individual entity (general business company) gained a Gross Written Premium (GWP) of Rs 4.5 Bn, dipping marginally from the previous year's premium income. Finance income declined by 11.5% to Rs 892 Mn from Rs 1 Bn in the previous year, as a result of the interest rate revision.

CICPLC (general) recorded an underwriting profit increase of 88.3%, recording a profit of Rs 898 Mn against the Rs 477 Mn achieved in the previous year. Profit before tax (PBT) and Profit after tax (PAT) were registered and recorded as Rs 153 Mn and Rs 113 Mn, respectively, for the year 2024.

Cooplife Insurance Limited, which engages exclusively in life insurance coverage, recorded a gross written premium of Rs 1.1 Bn, which had declined slightly from the previous year. Consequently, the Net Earned Premium (NEP) of Cooplife dropped to Rs 1 Bn from Rs 1.1 Bn in the previous year. However, the company achieved new business to the value of Rs 271 Mn in the year through better pricing and risk selection strategies. Conversely, finance income increased by 20% to Rs 871 Mn from Rs 727 Mn in 2024. This was the result of a well-balanced investment portfolio by the life insurance company.

Cooplife's underwriting profit experienced a loss of Rs 301 Mn, but contracted from the Rs 400 Mn loss experienced in the previous year. The company's profit before tax improved drastically (by 549%), recording Rs 166 Mn for the year under review; this was a reversal of the negative Rs 37 Mn loss recorded in the previous financial year. Subsequently, profit after tax (PAT) improved by 360% to Rs 161 Mn. The Company's life fund increased to Rs 4.8 Bn, an increase of Rs 941 Mn, approximately 24.2%. The growth is a positive development for the Company, which has been tasked with maintaining reserves to meet future policyholder obligations.

Claims from a consolidated standpoint (general and life) amounted to Rs 4.1 Bn, which is a 19% decline from the previous year's claims of Rs 4.9 Bn. General Claims decreased to Rs 2.8 Bn during 2024 from Rs 3.6 Bn during the previous year. Additionally, life-related claims amounted to Rs 1.2 Bn, recording a decline from the previous year's claims of Rs 1.4 Bn.

In 2024, Coop Life Insurance announced a reversionary bonus of Rs 21.7 Mn to participating policyholders, offering an extra benefit apart from the guaranteed sum assured, reflecting the company's dedication to sharing profits from the participating fund.

GOVERNANCE

Regulatory compliance became a heightened requirement during 2024 as we navigated the increasing complexities for transparency and industry stability. Pertinent and important regulatory compliances included adherence to stringent Anti-Money Laundering (AML) and countering the Financing of Terrorism (CFT) obligations. These requirements necessitated additional resources and investment in compliance efforts, but also posed operational challenges as we worked to align our practices.

Furthermore, we adopted continued improvements in governance practices, aligning our governance framework with statutory requirements and best practices. Moreover, through prudent investment management and robust risk controls, CICPLC maintained a robust capital adequacy ratio (CAR) of 312% while Cooplife Insurance Limited recorded a CAR of 415% for the year under review. Both companies exceeded the minimum regulatory ratio of 120%. What this underscores is our commitment to financial stability and safeguarding stakeholder interests.

OUTLOOK

Our decisions and judgments in expediting several strategies have been based on ensuring financial health and balance sheet integrity in the short to mid-term. One of our core focus areas will be portfolio diversification with long-term assets to cushion any potential losses, such as those experienced in 2024, due to the interest rate reduction. Strategic financial investments and enhanced risk management, such as better fraud detection capabilities, will enable the group to withstand external shocks that could arise from monetary policy changes, economic downturns and regulatory mandates.

We believe that a balanced investment portfolio and cost optimisations will provide Co-operative Insurance and Cooplife Insurance with the support for consistent income and stability, ensuring long-term financial health. Moreover, proactive dialogue with regulatory bodies will help us navigate significant mandates in the future.

In 2025, Sri Lanka is expected to advance economic stabilisation through structural reforms and by extending transformations made in 2024. However, achieving sustained growth requires careful management of macroeconomic challenges. The removal of vehicle import restrictions in 2025 is expected to create significant business opportunities for the insurance sector, which will drive demand for vehicles and business growth in motor insurance. Moreover, rising consumer sentiment and optimism will support our strategic focus on expanding non-motor insurance products.

Lower claims and better claims management will improve financial resilience, bolstering the group to cushion itself against regulatory and macroeconomic shocks. Moreover, we will continue to optimise our underwriting processes to reduce costs, using data-backed decision-making, technological adoptions that enable automation and continued refinement of our risk assessment models. By leveraging further technological infrastructure, our focus is on streamlining activities related to risk management, underwriting, policy generation and claims management.

APPRECIATION

First and foremost, I would like to thank the Board of Directors of CICPLC and Cooplife Insurance for providing the necessary insights and leadership to the management and staff, especially in helping to ensure financial stability and responsible leadership. I extend my appreciation to the CEOs of both CICPLC and Cooplife Insurance Limited for becoming beacons amidst uncertainty and for exercising good decision-making amidst the myriad of priorities that required your attention.

I convey my appreciation to our staff across the Group for continuing to dedicate your time and efforts, and for investing your skills and knowledge in the company's growth. Moreover, I extend my appreciation to the Insurance Regulatory Commission of Sri Lanka for providing guidance during a time when we faced several hurdles.

I am also thankful to our reinsurance partners, brokering firms, agents and bancassurance partners for continuing to share in our journey of economic growth. To our policyholders, I extend my appreciation for remaining with us despite certain shortcomings and for allowing us the opportunity to improve within the financial year. Finally, I thank all our shareholders for providing your support in our decisions, your confidence has been instrumental in our stability.

A A J Amarashinghe
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Valued Stakeholders,

I am filled with gratitude and pride as I present the Annual Report for the financial year 2024. This report rightly encapsulates the significant strides we have made during the period under review.

In some way, the year was a turning point for the Company, which underwent a tumultuous period in 2023. We faced several unprecedented challenges, which resulted in a loss of nearly Rs 300 Mn; this was mainly due to weak underwriting controls, inadequate credit management and an over-reliance on high-risk products.

STRATEGIC FOCUS

Stepping into the financial year, we recognised the need and urgency for change, as we refocused and realigned our strategic focus for the new financial period. We set our sights on restoring profitability and safeguarding the integrity of our financial position. Moreover, we adopted a renewed strategic direction which pivoted on three key objectives.

In 2024, our primary strategic focus was on restoring profitability, which was essential after the tough financial year in 2023. This was largely attributed to a high claims ratio. Restoring profitability required a careful assessment of our underwriting processes. As a result, we implemented several changes based on this thorough evaluation. This included updated pricing models to better reflect our actual risk exposures. Moreover, we implemented highly advanced fraud detection tools to improve our ability to recognise risks and reduce the impact on our underwriting profitability and profit margins.

Furthermore, upon our assessment of internal underwriting processes, we were able to ascertain the need for a portfolio rebalancing strategy. This was set in place to redirect our focus on more reliable and sustainable business lines, while shifting our focus from high-risk business segments. As a result of these measures, we were able to better manage our current risks and position ourselves for financial stability.

Addressing key concerns and challenges, we implemented a multi-faceted approach to enhancing our operational effectiveness. In 2024, we adopted a strategic approach based on three pivotal objectives: enhancing service quality, instilling disciplined sales practices, and improving operational efficiency. This clear focus was essential not only for overcoming the financial hurdles we faced but also for ensuring a stronger business foundation for long-term growth.

As a result of our efforts, CICPLC (Group) successfully reversed our losses from the previous year, achieving a profit before tax (PBT) of Rs 319 Mn in 2024 and a profit after tax of Rs 274 Mn. CICPLC secured a profit before tax of Rs 153 Mn from its general insurance operations, reversing its negative losses from the previous year, marking an after-tax profit of Rs 113 Mn. Moreover, our life insurance subsidiary achieved a positive PBT of Rs 166 Mn and a profit after tax of Rs 161 Mn for the year under review. This reflects tremendous resilience from the group, including our subsidiaries and strict adherence to financial diligence, discipline and internal controls.

OPERATIONAL HIGHLIGHTS

Amidst the strategic alignment of operational goals and financial stability, we launched 12 new internal policies during the year, including the implementation of an Environmental, Social, and Governance (ESG) policy. This aligned with the requirements of the Colombo Stock Exchange's listing, which demonstrates our commitment to sustainable business practices. In addition to improving the company's reputation, this proactive approach puts us in a favourable position in a market that is becoming more and more conscientious.

Despite the financial constraints, we recognised the importance of improving our branch network and increasing our presence while keeping a firm grip on our expenditures. During the year, we reserved capital investments on new branches, but took the prudent decision to consolidate three branches and relocate one branch to provide customers with a better service and overall experience. Moreover, it was a financially pragmatic move that has created long-term benefits and cost savings.

Our service network already has the strength of cost-effective service delivery models, such as express counters and window offices; these strategic alternatives have enabled us to increase our reach without incurring substantial overhead costs associated with conventional branches. This strategic move not only improved accessibility for our customers but also enabled us to maintain operational efficiency and agility in a competitive marketplace.

Furthermore, in 2024, Coop Life Insurance expanded its reach by opening virtual branches in the country's Eastern Region. Through this model, branches are now open to Walachchena, Pothuwil, Kalmunai, and Seruwila, which will help bolster the company's presence in the region and enhance accessibility.

Chief Executive Officer's Review

CUSTOMER-CENTRIC DIGITALISATION DRIVE

To achieve the aforementioned objectives, we set in motion a series of initiatives that were expected to make fundamental transformations to our operations. I am confident in stating that the technological improvements of the year have laid a strong foundation for future advancements, ensuring we maintain our ability to swiftly adapt to changing insurance and technological dynamics.

During the year, we committed to creating impactful changes through customer-centric digitalisation. As part of this drive, we introduced our mobile application for motor claims intimation, marking a historical milestone in our digital transformation journey. With this solution, we have streamlined our claims process, enhancing customer experience from the outset. Customers now have the choice of conveniently initiating their claims and experiencing hassle-free claim initiations, without contacting one of our representatives. A key focus of the application was to create an unwavering sense of dependability in customers, while ensuring that they receive the reliable support they need at their time of need. It would be safe to say that we have achieved this through the application.

Financially, this strategy required a considerable commitment, including an investment of Rs 75 Mn towards upgrading our database infrastructure, which covered the cost of upgrading to a new database server. As a result, it has provided significant leverage in enhancing our processing speed and has become advantageous in harnessing data analytics capabilities and bolstering information security.

In 2024, Cooplife Insurance introduced "Ezy App", a dedicated mobile application for agents to collect premiums digitally. This initiative eliminated the need for manual receipts and significantly enhanced the accuracy, transparency, and speed of premium collections.

FINANCIAL IMPROVEMENTS

The aforementioned strategies resulted in palpable financial outcomes for the Company. As a result of our efforts, we saw a commendable decline in our claims expenses to Rs 2.8 Bn, from the previous year's expenditure of Rs 3.6 Bn, this translates into a 22% reduction. Consequently, we recorded the improvement in our claims ratio as 81%, dropping from 87%.

Despite this improvement, we must acknowledge the decline of our net earned premium (NEP), which dropped from Rs 4.1 Bn to Rs 3.5 Bn, primarily due to increased reinsurance costs mandated by the government. This was a direct result of the new regulations requiring a 100% remittance of SRCC & TC premiums on our motor business to the NITF, effective January 1, 2024. Moreover, our reinsurance costs for the fiscal year rose from Rs 722 Mn to Rs 1.35 Bn, as a result of 100% remittance of SRCC & TC premiums on our motor business

Further, the quality of our Gross Written Premium (GWP) improved significantly during the fiscal year. In 2023, the Company incurred a sum of Rs 192 Mn in overdue premiums, which were in default status for over 180 days. However, in 2024, we successfully eliminated these overdue premiums, emphasising the effectiveness of our revised credit control and risk assessment measures.

Despite facing heightened reinsurance burdens and inherited underwriting risks from the previous year, I am proud to report that our company recorded an underwriting profit of Rs 898 Mn in the year 2024; this was an 88% increase from Rs 477 Mn in 2023. Moreover, this substantial improvement marks a remarkable increase in underwriting profit as a percentage of NEP, which rose from 12% to 25% of NEP, and establishes the exemplary measures taken to enhance financial discipline.

We also made considerable headway in operational efficiency, which can be seen through the reduced administrative and operational expenses for the year under review, a direct result of internal process improvements. Our administrative and operational expenses declined from Rs 1.79 Bn in 2023 to Rs 1.60 Bn in 2024, achieved while maintaining a stable revenue base. The Combined Ratio showed a notable improvement, which dropped from 133% in 2023 to 121% in 2024, another indication of profitability. Our focus on enhancing the effectiveness of our sales force yielded commendable results, with sales productivity per staff member increasing to Rs 13.1 Mn in 2024, from LKR 9.8 Mn in 2023.

The required 100% remittance of premiums from the Special Reserve Capital Contribution (SRCC) and Technical Contribution (TC) associated with the motor business was one of the factors contributing to cash flow issues in 2024. This strain was also exacerbated by operational liabilities that were carried over from the prior fiscal year. During the year, we also declared an interim cash dividend payment of Rs 165 Mn to our shareholders. These investments, coupled with existing operational obligations from 2023, created temporary cash flow pressures. These resulted in the need for a bank overdraft by the end of the year, which required strategic planning and cautious management in managing the financial dynamics.

Moreover, we cannot overlook that external factors, including a decline in market interest rates, had adverse effects on our investment income, resulting in a decrease of approximately Rs 100 Mn compared to the previous year. Despite these challenges outside our control, we have remained steadfast in our strategic objectives and our commitment to returning the company to a robust financial position.

DEDICATION TO ESG

During the year, the Company introduced E-Cover Notes and E-Motor Cards as part of our ESG focus. Harnessing the capabilities of digitisation has become a significant stride towards environmental and business sustainability across the Group. Moreover, E-Quotations, E-policies and E-receipts will also be introduced in 2025. Through these introductions, we aim to reduce our consumption of paper, working towards a paperless environment, which will lessen our operational impact on the environment. Moreover, they will enable us to scale business sustainably without detriment to the environment.

We also plan to use the vast network of Co-operative Societies and rural banks as Digital Insurance Counters to further improve customer accessibility and to encourage new business development in underserved regions. This strategy will form gradually to improve service delivery and enable both CICPLC and Cooplife to reach untapped customer segments.

OUTLOOK

I am filled with optimism about our potential for continued growth and success in the upcoming financial year. The initiatives implemented in 2024 have not only corrected inefficiencies but also laid a strong foundation for future opportunities.

We have set an ambitious target of achieving Rs 500 Mn in profit before tax in the forthcoming financial year and a Gross Written Premium (GWP) of Rs 6 Bn. This vision reflects our belief in the potential of our strengths, the capabilities of the staff and the confidence in our strategic initiatives.

Our strategic focus for 2025 is also centred on achieving operational excellence while strengthening the company's culture. Moreover, several crucial initiatives in business development are envisioned for the short term. These include the expansion of digital and telemarketing, using digital platforms to improve customer engagement and outreach. Moreover, a focus on business from the government sector, focusing on contracts and collaborations, will be important to generating steady earnings. Our strategy also entails using multi-purpose co-operative societies to take advantage of their extensive networks. Moreover, micro insurance initiatives will be targeted to reach underserved market segments through cross-selling and up-selling opportunities.

Our comprehensive digital transformation strategy will also be aimed at enhancing our Customer Care app. A range of innovative features will be tailored and integrated into the app to enhance the convenience of users. Renewal notifications will be introduced, guaranteeing proactive reminders on impending policy expirations. We will also implement a safe online payment system, which will simplify payments, integrate claim intimation and status updates, after repair inspections, submission of pending documents, underwriting inspections and policy reactivation services will also be enabled through the customer care mobile application.

By incorporating ESG (Environmental, Social, Governance) factors into our investment choices, the Group intends to further strengthen our sustainability initiatives in 2024. This will guarantee that our investments reflect our dedication to social responsibility and sustainability. Furthermore, we wish to raise awareness of sustainability practices among our staff and clients in order to promote an environmentally conscious culture both inside and outside of our company.

ACKNOWLEDGEMENT

I want to extend my heartfelt gratitude to our Chairman, Mr A A J Amarasinghe, and the Directors of the Board for taking swift action to expedite fundamental improvements. I thank our dedicated employees for their hard work, our loyal customers for their trust and support, and our shareholders for your unwavering confidence in our strategic direction. My gratitude extends to our reinsurance partners and other service providers who have been instrumental in our success throughout the year. I would like to extend my deepest gratitude to the Insurance Regulatory Commission of Sri Lanka (IRCSL) for their invaluable assistance and guidance. Their support has been instrumental in our journey.

Together, we are navigating through this transformative period and are well on our way towards a promising future. Thank you for being an integral part of our journey.

Sincerely,

D U P Rajapaksha
CEO

BOARD OF DIRECTORS AND PROFILES - CICPLC

MR. A.A.J. AMARASINGHE

Chairman - Non-Executive, Non-Independent Director

Mr. Amarasinghe is the chairman of the CICPLC and Vice Chairman of the Wennappuwa Multi-Purpose Co-operative Society Ltd and the Director of the KammalPattu Coconut Producers Co-operative Society Ltd.

MR G G DAYASUMANA

Vice Chairman - Independent /Non-Executive Director

Mr. Dayasumana is the Vice Chairman of the CICPLC and owns over 35 years of expertise and experience in the Co-operative sector during which he has served the Department of Co-operative Development as an Assistant Commissioner for 10 years and as a Deputy Commissioner for 5 years. Further he is a member of the Co-operative Employees Commission. He holds Master of Science in Service Management and Post Graduate Diploma in Business Management from University of Colombo. Further He possesses a Higher National Diploma in Commerce from Sri Lanka Institute of Advanced Technological.

MR. A.B. SENADIRA

Independent /Non-Executive Director

Mr. Senadira is the Director of CICPLC and Vice Chairman of the NewThalawakale MPCS Ltd. He holds several Directorships, Which includes the Boards of the Sri Lanka Consumer Co-operative Federation, The Co-operative District Council Nuwaraeliya, the Central Province Rural Bank Union Ltd and he is also Chairman of the Senadi Savindhi Transport Agency (Pvt) Ltd.

MR P B JAYARATHNE

Non-Executive, Independent Director

Mr. Jayarathna is the Chairman of the Nochiyagama MPCS Ltd. He also serves as the Vice Chairman of the Anuradhapura District Co-operative Council.

MR. M. WIDANAGAMAGE

Non-Executive, Independent Director

Mr. Widanagamage is the Chairman of Beliatta Multi-Purpose Co-operative Society Ltd. Also he is the Vice Chairman of the Hambanthota District Co-operative Rural Bank Union Ltd and The Hambanthota District Co-operative Council

MR. L. WARAGODA

Independent /Non-Executive Director

Mr. Waragoda is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) with 35+ years exposure in external and internal auditing, financial management, human resource management and general business administration in shipping & logistics, manufacturing and trading enterprises, including in few multinational corporations (MNCs).

MR. H H D E P HERATH

Independent /Non-Executive Director

Mr. Herath is the Chairman of Paduwasnuwara Multi-Purpose Co-operative Society Ltd and was a Chairman of Paduwasnuwara PradeshiyaSabha. He has served the Human Resource Development Authority of North Western Provincial Council as the Chairman and Executive Director. Mr. Herath possesses Bachelor of Science Degree from University of Peradeniya.

MR K K G SANIRATHNE

Independent /Non-Executive Director

Mr. Sanirathna was the former Chairman of Katana Multi-Purpose Co-operative Society Ltd and the former Director of National Housing Development Authority, Ocean View Development Co (Pvt) Ltd and Co-operative Rural Bank Union Limited- Gampaha District. He has held Directorship of Katana Multi-Purpose Co-operative Society Ltd previously and served as the Private Secretary of a State Minister and a Deputy Minister. Mr. Sanirathna possesses Bachelor of Arts Degree from University of Kelaniya

Board of Directors and Profiles - CICPLC

MR SURAJ WICKRAMASINGHE

Independent /Non-Executive Director
(Appointed on 15 March 2024)

Mr. Wickramasinghe serves as the chairman of the Post and Telecom Employees Co-operative Bank Society Limited since February 2022. Prior to his chairmanship, he held the position of Deputy Chairman from 2019 to 2022, where he played a pivotal role in guiding the strategic direction of the organization. With tenure as Director from 2012 to 2019, Mr. Wickramasinghe has demonstrated his steadfast commitment and leadership within the institution over the years. His extensive experience and dedication have been instrumental in advancing the cooperative bank's mission and serving the needs of its members in the post and telecom sectors.

MS W P M CHATHURANI

Independent /Non-Executive Director
(Appointed on 28 April 2025)

Ms. Chathurani is a graduate of the University of Colombo in psysical science and a fellow member of the Institute of Chartered Accounts and Institute of certified Management Accountants of Sri Lanka. She presently serves as the partner of P.E. Mathew & Company (Chartered Accountants). She also served as the independent director of Coop life Insurance Company Limited for nine years.

MR GANAKA AMARASINGHE

Independent /Non-Executive Director
(Appointed on 29 October 2024)

Mr. Amarasinghe is a graduate of the University of Sri Jayewardenepura in Business Administration and a fellow member of the Institute of Chartered Accounts, Institute of Certified Management Accountants, and The Association of Accounting Technicians of Sri Lanka. He was instrumental in establishing the well-known FMCG Company, the Raigam Group where he served as the Managing Director from its inception to 2019 and presently serves as the Group Senior Director. He also served as the Chief Executive Officer of Raigam Wayamba Salterns PLC for three years up to July 2019. Apart from that he has served as an Independent Director of many private and public sector entities including Puttlam Salt Limited, National Institute of Business Management (NIBM).

BOARD OF DIRECTORS AND PROFILES - COOP LIFE

DR. W. LALITH A PEIRIS

Chairman

Dr. Peiris is the Chairman of Cooplife Insurance Limited and Co-operative Insurance Training Academy (CITA) .previously he served as Chairman of Co-operative Insurance Company PLC and the National Co-operative Council of Sri Lanka. Additionally, Dr. Peiris extends his service as the Chairman of Wennapuwa Multi-Purpose Co-operative Society Ltd. In addition, he is a Director of Wayamba Co-operative Rural Bank Federation and former Chairman of Chilaw District Co-operative Council.

MR. PRASANNA PREMARATHNE SURIYARACHCHI

Managing Director

Mr. Suriyarachchi is a Managing Director of Cooplife Insurance Limited. He is a Fellow member of the Institute of Charted Accountants of Sri Lanka (FCA), the Association of Accounting Technicians of Sri Lanka (FMAAT) and the Society of Certified Managements Accountants of Sri Lanka (FSCMA). He holds a MBA from PIM institute of the University of Sri Jayawardenepura. He possesses over 26 years of expertise and experience in large scale multiple business sectors in Sri Lanka & oversea serving as Group Financial Manager, Deputy General Manager and CFO.

MR.R. SOORIYAARACHCHI

Vice Chairman

Mr. Sooriyaarachchi serves as a member of the Board of Cooplife Insurance Limited. He previously held the position of Chairman at the National Housing Development Authority and served as a Director of Colombo Hilton (Hotel Developers Ltd).

He has also served on the Boards of the Urban Development Authority, HDFC Bank, Urban Settlement Development Authority, and the Tea, Rubber, Coconut Plantation Fragmentation Control Board. In the past, Mr. Sooriyaarachchi chaired both the Gampaha District Rural Bank Union Limited and Puttalam Salt Limited. Additionally, he was a Director of the Road Development Authority and the Sri Lanka Co-operative Rural Bank Federation Ltd. He also served as a Director of Co-operative Insurance Company PLC for a period of nine years

In the past, Mr. Sooriyaarachchi chaired both the Gampaha District Rural Bank Union Limited and Puttalam Salt Limited. Additionally, he was a Director of the Road Development Authority and the Sri Lanka Co-operative Rural Bank Federation Ltd. He also served as a Director of Co-operative Insurance Company PLC for a period of nine years.

Board of Directors and Profiles - Coop Life

MR. A.N. PRASANTHA

Director

Mr. Prasantha is a member of the Institute of Chartered Accountants of Sri Lanka (ACA). He holds a BSc. Accounting special degree from University of Sri Jayewardenepura. He possesses over 09 years of expertise and experience in different sectors including External Auditing, Construction and Hospitality sectors in Sri Lanka serving as Audit Manager, Finance Manager.

MR. K.J. SESIRI

Director

Mr. Sesiri serves as a Director of Cooplife Insurance Limited. He is also the Vice Chairman of the Matara District Co-operative Council and a Director of the Matara District Tea Producers Co-operative Society Ltd. In addition, he holds the position of Chairman at the Beralapanathara Multi-Purpose Co-operative Society. Mr. Sesiri has previously served as the Vice Chairman of Co-operative Insurance Company PLC. He holds a special degree in Management Science.

MR. KUMARA SENANAYAKE

Director

Mr. Senanayake is an experienced finance and management professional with a BSc in Management, MA in Economics, and a Postgraduate Diploma in Business Management. He is a Chartered Public Finance Accountant and a Fellow of the Association of Public Finance Accountants of Sri Lanka. He currently serves as Director at the General Treasury, and has previously held board positions at Corporate Leasing Company and Wayamba Cooperative Rural Development Bank and Lanka Sathosa (Pvt) Ltd. He brings over a decade of expertise in public finance, financial management, and corporate governance.

MR. A.B. SENADIRA

Director

Mr. Senadira is a Director of Cooplife Insurance Limited and Co-operative Insurance Company PLC (CICPLC). He previously served as the Chairman of the New Thalawakele Multi-Purpose Co-operative Society Ltd. Over the years, Mr. Senadira has contributed his leadership to several prominent co-operative institutions, having held directorships at the Sri Lanka Consumer Co-operative Federation, the Co-operative District Council – Nuwara Eliya, and the Central Province Rural Bank Union Ltd.

MR. POLGAMPALAGE NOEL CHRISHANTHA

Director

Mr. Chrishantha is an Independent Non-Executive Director of Cooplife Insurance Limited. He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), the Association of Accounting Technicians of Sri Lanka (MAAT), and the Institute of Certified Management Accountants of Sri Lanka (ACMA). He also holds a Diploma in Management from The Open University of Sri Lanka.

Mr. Chrishantha possesses over 26 years of professional experience across multiple large-scale business sectors in Sri Lanka. His extensive expertise spans financial management, corporate governance, strategic planning, and operational leadership, contributing significantly to the organizations he has served.

CORPORATE MANAGEMENT TEAM - CICPLC

D U P RAJAPAKSHA
Chief Executive Officer

L.U.N.C.P.Wijeyasuriya
General Manager-General Insurance

L A N C WEERASINGHE
General Manager - Sales & Marketing

P G N D GUNATHILAKA
Acting Chief Financial Officer

D L SAMARAWICKRAMA
Head of Marketing

K M JAYASUNDARA
National Sales Manager

A M R A L LAKMAL
Manager - Information Technology

H L N T GUNAWARDENA
Manager - Human Resource

N N D DE SILVA
Manager - Administration & Logistics

H S P I G P WIJERAMA
Senior Manager - Legal

CORPORATE MANAGEMENT TEAM - COOP LIFE

P P SURIYAARACHCHI
Managing Director/CEO

J A D M JAYASOORIYA
Chief Financial Officer

S G RATHNAPALA
National Sales Manager

G N KETTIPEARACHCHI
Manager - Life Operation & Underwriting / Specified Officer

R T K HAKMANA
Manager - Servicing & Claim

H P D K KUMARATHUNGA
Acting Manager - Internal Audit

B S MENDIS
Accountant

L N GUNARATNA
Assistant Manager - Marketing

P W A G KAUSHALYA
Assistant Accountant

S A D N Senanayake
Data Protection Officer

MANAGEMENT TEAM - CICPLC

S R S EPA
Senior Manager - Non Motor Underwriting

A D PARANAVITHANA
Senior Manager - Techical

A H T PRIYADARSHANI
Manager - Re - Insurance

S PATHIRANA
Senior Manager - Legal

C N KALUDEWA
Senior Manager - Brand & Customer Engagement

T A M T L WICKRAMASINGHE
Manager - Non motor

E M N NAYANANGANI
Manager - Marketing Administration

A N M DE ALWIS
Manager- Motor Claims

P W S KUMARA
Manager - Non motor

M E K FERNANDO
Manager - Motor Claims

R K KAPILA
Motor Engineer

P D MUDALIGE
Manager - Motor Claims & Liability Assessment

P D K W SENADEERA
Assistant Manager - Finance

W J De SILVA
Consultant - Marine and Medical Insurance

S Perera
Consultant-Non-Motor

H P D K KUMARATHUNGA
Acting Manager - Internal Audit

N V Jagathsiri
Zonal Manager

K G S P RATHNAYAKE
Zonal Manager

M G U N BANDARA
Zonal Manager

P N C Samarakkody
Accountant

L T RUBASINGHE
Manager-Credit Control

R M B K Ratnayake
Manager - Broker Services

W S N FERNNANDO
Senior manager

P G D R Kumara
Head of Agency Channel

R M S K RATNAYAKE
Regional Manager

W A HEMAKUMARA
Regional Manager

A I BANDARA
Assistant Regional Manager

M F M NUMAIS
Assistant Regional Manager

L D S LIYANARACHCHI
Assistant Manager

P K L C PERAMUNE
Area Manager

M M A MALLAWAARACHCHI
Area Manager

S JAYARATHNA
Assistant Manager - Stores

P M S P WIJAYASINGHE
Area Manager

R C GUNASEKARA
Area Manager

K P R I WIJESINGHE
Assistant Manager - Internal Audit

P R A B UDURAWANA
Area Manager

M H S S HETTIARACHCHI
Assistant Manager-Motor Claim

H P C JAYASEKARA
Area Manager

T D MADDUMAARACHCHI
Assistant Manager-Information Technology

E H T D EKANAYAKE
Assistant Motor Engineer

W A T W SIRIWARDANE
Assistant Manager-Information Technology

K K S CHANAKA
Area Manager

J S P KUMAR
Assistant Manager - Administration

R A A K Rathnayaka
Senior Manager

C I EKANAYAKA
Assistant manager-Motor Underwriting

P P K JAYASINGHE
Area Development Manager

G H K M DHAMMIKA
Assistant Manager - Bancassurance

J K A H R P GUNAWARDHANA
Assistant Manager-Non Motor

A P P DE SILVA
Area Manager

D P M PERERA
Manager- Engineer

Management Team - CICPLC

U C P EKANAYAKA
Assistant Manager - Motor Underwriting

R A C P RATNAYAKE
Assistant Manager - Human Resource

H A B SAMPATH
Assistant Accountant

K H G KAUSHALA
Assistant Manager - Re-Insurance

M A R J Peiris
Assistant Manager - Motor Underwriting

M D B A PAYOE
Assistant Manager - Motor Claims

S THIVAHARAN
Senior Regional Manager

R P D S RATHNAYAKE
Assistant Manager - Regional Underwriting

W T RANDIKA
Assistant Manager - Regional Underwriting

A P S GAYAN
Assistant Manager - Regional Underwriting

S I JAYALATH
Assistant Manager - Regional Underwriting

MANAGEMENT TEAM - COOP LIFE

W M A K WIJESUNDARA
Regional Manager

P N P JAYASINGHE
Regional Manager

C M S CHANDRASEKARA
Regional Manager

ASANGA GONGALEGODA
Regional Manager

S NAGARAJAH
Regional Manager

W DHARMAPALA
Regional Manager

G G W S DISSANAYAKA
Regional Manager

K D BASIL
Regional Manager

SIVASHANTH
Regional Manager

R M K RAJAKARUNA
Senior Regional Manager

DISTRIBUTION CHANNELS

Our channel partners including our dedicated sales force made commendable contributions to GWP.

Contribution to GWP - 2024

Individual agents

Rs. 300 Mn

7%

Brokers

Rs. 1,747 Mn

38%

Other

Rs. 2,491 Mn

55%

Internal Sales Force - Rs. 1,457 Mn (32%)
Bancassurance - Rs. 213 Mn (5%)
Direct - Rs. 265 Mn (6%)
Other - Rs. 556 Mn (12%)

RISK MANAGEMENT

At Co-operative Insurance Company PLC (CICPLC), managing a variety of risks is an essential part of managing our business and has a big impact on daily operations, strategic goals, and stakeholder trust. Building stakeholder confidence and directing the company towards growth and stability depend heavily on how we recognise and manage these risks. As stewards of risk management, we have a shared responsibility that goes beyond the risk management team to include all employees: fostering a culture of risk awareness throughout the company, raising awareness, and ensuring adherence to control measures.

RISK ENVIRONMENT OF 2024

The Company operated within a difficult environment in 2024, influenced by several uncontrollable factors. Constant monitoring of the external landscape was necessitated to lessen the impact of macroeconomic swings on company goals, underwriting operations, financial performance and operational activities.

Macroeconomic	• Increasing Tax rates • Downgrade of sovereign rating • Income not increasing relative to increasing of expenditure & lower disposable income as a result of that decreasing in premium collection. • Imbalance vehicle price resulting constant fluctuations which has a high impact on insure values • Exchange rate / interest rate • Limitation in new business due to vehicle import restriction • Political instability and unrest
Technology	• Rapid changes in technology • Increasing cyber security threats due to increasing digitalization • Increasing use of digital platform • Increasing use of AI
Social	• Increasing use of social media and quick dissemination of unconfirmed news/information • Organizing/ grouping through social media without physical gathering • Employees is more consider the safety in work place • Adapting to the remote working environment • Increasing usage of technology and reduce the social interaction
Regulation and compliance	• The implementation of IFRS 17, postponed to January 2024, significantly impacts Co-operative Insurance Company PLC (CICPLC)'s group operations, requiring substantial system upgrades and redevelopment to comply with the standard's requirements.

AREAS OF RISK

Our risk management process includes both general and insurance-specific elements that affect operations, strategic objectives, and stakeholder interests. Monitoring the internal and external operating environments is a part of routine risk assessments. To efficiently manage and reduce identified risks, CICPLC modifies risk ratings and control mechanisms in light of these findings.

THE FRAMEWORK

We have adopted a structured risk management process to recognise, evaluate, rank, reduce, manage, and monitor risks. The main goal is to maximise positive results while minimising negative effects throughout the organisation.

Focus	Description
Identifies and Evaluates Risk	Identify new risk exposures in addition to those already significant to the company, based on both internal and external changes.
Reduce and Mitigate risk	Develop adequate control mechanisms to mitigate the impacts of risks and assess the effectiveness of these mechanisms.
Supports Efficient Use of Resources	Risk management offers a proactive strategy for resource allocation and optimization.
Better Communication of Risk within the Organisation	Effective lines of defence facilitate clear communication of identified risks and control mechanisms.
Reassures Stakeholders	Risk management mitigates risk exposures and adverse outcomes, thus safeguarding stakeholder interests.
Support the Continuity of the Organisation	Risk management offers leverage and buffers to navigate through risk exposures, ensuring business continuity.

RISK MANAGEMENT PROCESS

In managing major risks and their impacts, the Company uses a systematic process to enhance accountability and efficient oversight.

Risk identification

Our risk identification process commences by identifying major risk areas connected to the main business operations. To evaluate their possible influence on the company's ability to create value over time, these risks and their subcategories are thoroughly documented. Risk identification at CICPLC is done manually, and hazards that are found are noted and updated frequently in the risk register.

Risk Management

Risk analysis

Upon identifying risks with potential impact on our business, we proceed to analyse them to determine their scope. It's crucial to establish connections between these risks and various variables within CICPLC. This involves assessing the intensity and seriousness of each risk, and considering how it could affect different business functions. Some risks may have the potential to disrupt the entire organisation, halting operations entirely, while others may have insignificant impacts. Our analysis of these risks is currently conducted manually.

At various levels of the organisation's functions, we assess and document risks. Examples of these assessments include:

1. Strategic Risk Assessment: Assessments comprises evaluating risks related to the mission and strategic objectives. To ensure the alignment of risk management and long-term corporate, senior management teams carry out strategic assessments during strategic planning sessions.
2. Underwriting Risk Assessment: When issuing insurance policies, underwriting risk is the potential for unforeseen circumstances or inadequate risk assessment. In order to avoid situations where payouts exceed premiums collected, assessments in this area are essential for ensuring that insurers accurately assess the risks associated with extending coverage.
3. Financial Risk Assessment: In order to assess credit, investment, and market risk exposures while taking financial markets and service providers into account, the accounting department and audit team closely monitor the external environment. Cash flow, investment portfolios, and other financial indicators are continuously monitored in order to manage liquidity risk, another crucial area of attention.
4. Operational Risk Assessment: Owners of business processes evaluate the risks associated with operations and continuously improve procedures to reduce risks. Moreover, the Compliance Officer assesses compliance requirements in light of the risk environment. These assessments provide a comprehensive view of risks across multiple aspects of our operations, leading to proactive management and mitigation of potential threats.

Risk prioritisation

In order to properly classify risks, they are ranked and prioritised according to their level of severity after analysis. Very low or low risks are those that have little to no business impact, whereas catastrophic risks have a significant impact. A clear picture of the organization's risk exposure is given by this ranking system. High-severity risks necessitate prompt controls and mitigation, frequently involving management and board oversight, whereas low-level risks might not require immediate action. This framework for prioritization makes sure that resources are distributed effectively to handle risks according to their possible consequences.

Mitigation or control

To the greatest extent feasible, Co-operative Insurance Company PLC (CICPLC) contains or eliminates each risk based on its level of severity. We actively involve stakeholders in our manual risk management process in order to find and apply the best solutions. With input from all pertinent parties, this cooperative approach guarantees efficient risk management.

Monitoring and reporting

Risks are continuously monitored by designated authorities after they have been identified, analysed, prioritised, and controlled by Co-operative Insurance Company PLC (CICPLC). Depending on their specific roles, committees, audit teams, compliance teams, and business heads carry out the necessary interventions. To make sure risk management initiatives continue to be successful and in line with the business's strategic goals, they keep in constant contact within the appropriate chain of command.

RISK MANAGEMENT STRUCTURE (RISK GOVERNANCE)

CICPLC's risk management framework has been adopted from the Three Lines of Defence model, which provides a structured approach to clearly define authority and oversight responsibilities model facilitates a clear delineation of authority and oversight in managing risks, ensuring a systematic approach to risk management.

REPORTING LINE

The internal audit team reports its assessments and conclusions to the Audit Committee. The audit and risk committees maintain vigilance on risk management procedures and assure that control systems are in place. The said committees also provide recommendations to board members for informed-decision making and reports directly to the Board.

Audit Committee

The Board appoints the audit committee, endowing them with oversight responsibilities regarding the adequacy of the risk management process, risk assessment, control, and mitigation measures.

Members	Reporting	Responsibilities
• Committee Chairman, • Secretary, • 3 independent non-executive directors	To the Board	• Evaluating and scrutinising risk monitoring, evaluation and management • Review the adequacy and effectiveness of the company's accounting and internal controls and risk management systems • Monitor and review the effectiveness of the internal audit function • Review and monitor the auditor's independence, objectivity and the effectiveness of the audit • Review the management letter, management's response and the auditor's recommendations.

Internal audit team

The team conducts assessments of risks and control mechanisms, ensuring that the company adheres to relevant control mechanisms and regulations.

However, with effect from 18th March 2024, the internal audit function of the company was outsourced to M/s BDO Partners, a firm of Chartered Accountants.

Members	Reporting	Responsibilities
• Manager Internal Audit • Assistant Manager • Audit Executive / Junior Executive • Audit Assistance	The team reports to the audit committee	• Identify the audit scope and developing annual audit plans. • Measuring the Company's health in risk management, operations and how well we apply controls in day-to-day work. • Recommendations to rectify unhealthy conduct and mismanagement in internal controls and risk mechanisms • Periodic and random audits to ensure compliance by employees and management. • Gathering, Analysing, evaluating, accounting documentation, reports, data, and flowchart. • Following up the audit to monitor the management's intervention

Risk management committee

Appointed by the Board, the committee holds responsibilities regarding the implementation of risk controls in business operations. The Manager of Risk and Compliance serves as the Risk Management Committee's secretary.

Members	Reporting	Responsibilities
• Committee Chairman • Secretary • 3 independent non-executive directors	To the Board	• Oversee the executive team to ensure that they have identified and reviewed all relevant risks and has established a risk management framework that can address such risks • Oversee applicable risks (mentioned under areas of risk within this review) in conjunction with the Board and Board Committees • Has oversight on dividing risk-related responsibilities to each board committee and conduct a gap analysis to see any gaps in oversight of risks • Together with the Board, approve the risk management framework

Risk Management

RISK REGISTER

The Manager of Risk and Compliance oversees a comprehensive risk register, which encompass all relevant risks that impact the Company's operations and stakeholder interests. This register is consistently updated and the Risk and Compliance Manager identifies potential risk areas to formulate effective mitigation and control measures. It also serves as a monitoring tool to track the progress of risk mitigation efforts. In addition, while the Manager of Risk and Compliance conducts regular risk assessments, the Internal Audit Team performs independent evaluations during internal audit processes to ensure robust risk oversight.

RISK APPETITE AND TOLERANCE

The term "risk appetite" describes the amount of risk that we can bear while still having a positive effect on our daily operations and strategic goals. According to the risk rating model described below, it is evaluated based on how each risk is ranked. The risk rating model is a tool for assessing and ranking risks by taking into account both each risk's possible impact on the organisation's particular goals (consequence) and likelihood (probability) of occurring.

Risk Rating Category Description

Business related risks are divided into five categories, based on possible consequences and probability of occurrence.

- Very Low - No further action is necessary other than to ensure that the controls are maintained.
- Low - No additional controls are required unless they can be implemented at a very low cost (in terms of time, money and effort)
- Tolerable - Consideration should be given as to whether the risks can be lowered where applicable to a tolerable level, and preferably acceptable level, but the costs of additional risk reduction measures should be taken into account. The risk reduction measures should be implemented within a defined period.
- High - Significant efforts should be made to reduce the risk. Risk reduction measures should be implemented urgently within a defined period, and it might be necessary to consider suspending or restricting the activity or applying interim risk control measures until this has been completed. Considerable resources might have to be allocated to additional control measures.
- Very High - Significant improvements in risk control are necessary so that risk is reduced to a tolerable or acceptable level.

Compliance on RBC

The Group (subsidiaries) perform monthly assessments of risk based capital compliance and makes swift implementations for corrective action when deviations from our targets occur.

Actuarial Support Outsourced

The actuarial function of the company has been outsourced to a reputable third-party professional service provider. This has been a valuable service as they provide training courses and knowledgeable advice to guarantee compliance with RBC regulations.

Impact of Risk Exposure on Solvency

The following elements have been recognised as possible determinants of the company's solvency position.

Capital Charge for Credit Risk

The credit risk capital charge may be impacted by shifts in the ratings of the company's investments.

Capital Charge for Concentration Risk

Variations in the portfolio's maturity cycles or investment patterns could cause the current investment category limits to be exceeded, which would raise the risk of concentration. This risk may also be increased by the accumulation of non-compliant assets that are necessary for operations.

Capital Charge for Reinsurance Risk

Increased reinsurance Balances of accounts receivable at particular reporting dates may raise the risk of reinsurance.

OUTLOOK

In 2025, we anticipate more progress in economic stability and important reforms and policies to be introduced in 2025. However, long-term progress depends mainly on overcoming enduring political, economic, and environmental obstacles. As economic optimism increases, we anticipate that the insurance industry will have new opportunities, particularly as vehicle import restrictions are lifted in 2025. This will especially drive growth in motor insurance while encouraging a greater focus on expanding non-motor product lines.

Key areas of risk and mitigation efforts		
1. Insurance Risk:	Reinsurance risk- Reinsurance risk arises from new or existing contracts the company has entered into Reinsurance risk is measured based on the probability of default of the reinsurer on claims payable. Claim & Settlemet risk - The claims risk of the company primarily depends on the actual claim experience in comparison to the estimated claims experience. Claims risk refers to the risk of over or under payments of claims.	**Reinsurance risk** **Low** - Restructuring of reinsurance agreements with reinsurers regularly. - A very close and professional relationship is maintained with all reinsurers. - Only reinsurers with ratings above the regulatory requirements are used is reinsurers. - Frequent review of the outstanding reinsurance receivables. - Changes to the ratings of reinsurance companies are continuously monitored. **Claim & Settlement risk** **Low** - An independent Actuary is engaged to carry out a valuation of life fund in the company. - The actuary monitors the life insurance business more closely and guides the management to make more informed decisions. - Claims are reserved immediately at the intimation or on the availability of information. On the death, injury or illness of an insured. - Service standards have been set on the time taken to process claims and the management monitors those. - Company Internal Audit team worked as investigators and used to investigate claims to ensure fraudulent claims are identified. - Financial Authority limits are set based on the claims limits where the maximum limit is with the Managing Director, which is involved in making decisions with regards to significant/problematic claims and appeals made in respect of claims. - The company monitors the claim ratios constantly and executes relevant mitigation actions such as re pricing products and reviewing the product mix applicable in the period.

Risk Management

Key areas of risk and mitigation efforts		
1.1.1 underwriting risk	Holding risks beyond the Company's net retention capacity and not having sufficient reinsurance arrangements.	**Tolerable** - The Company Financial Authority Manual, in its sections on underwriting and claims settlements, defines the limits of authority applicable in making decisions relating to the underwriting of risks and settlement of claims. - Underwriting is done on a selective basis considering the appropriateness of the return to compensate the risk associated with. Whilst not undertaking loss making businesses the Company maintains records of statistics of transactions of clients. - All risks exceeding the Company's retention levels are reinsured with reinsurers who meet the criteria specified by the regulator, the Insurance Regulatory Commission of Sri Lanka. - The Company conducts training programmes for staff involved in underwriting and claims settlements - The Company regularly seeks advice from the Consultant Actuary on terms, conditions and benefits included in insurance policies to ensure appropriate pricing - Review the wording of the policies and promotional materials to prevent claims from causes that are not anticipated. - Product prices are set through a financial analysis including review of past experiences of the Company and the industry. - Reinsurance is managed to reduce net liability on large individual risks, to have greater diversification of insurance risk and to provide protection against large losses. - Trained dedicated staff carries out underwriting. The experience and merits of the staff are applied on individual basis in underwriting each and every risk.
1.1.2 claims risk	Risk of possible dispute when settling the claim and risk of not meeting the standard set for the claims payment process	**Tolerable** - Adequate training is provided to claims management team to verify the genuineness of claims. - Daily intimation over Rs.100, 000 ACR is reviewed by the independent panel further identify the high-risk areas and appropriate instruction is given to the claim department to process the claim. - Claims are assessed periodically and appropriate actuarial reserves are established to reflect up to date experience and any anticipated future events. This includes reserves for claims incurred but not yet reported. The Company consults professional loss adjusters and independent assessors. - The Company's Legal Officers attend to disputes and other legal matters relating to claims and also for third party related claims. - Independent investigators/Government Analyzers are used to investigate the claim to ensure the fraudulent claims are identified - All over one millione claims are reviewed by the Internal Audit Department prior to release the same - Policy condition, covers, sum insured, and other writing details are initially checked by the liability team at the claim department - Claim payment are recommended to approved based on the pre defined authority level.

Key areas of risk and mitigation efforts		
2. Reinsurance risk	Retaining risks beyond the Company's net retention capacity as against having adequate reinsurance arrangements. Reinsurers to meet their commitments due to insufficiant financial strength.	**Low** - No insurance cover is issued for risks above treaty limits, without a confirmed reinsurance arrangement - We deal with reputed and rated reinsurance brokers to reduce the reinsurance risk in reinsurance placement and claims recovery. - Risks relating to riot and terrorism are placed with the Government controlled National Insurance Trust Fund (NITF). - Continuously monitor the reinsurance agreements and the credit risk of the reinsurers
3. Credit risk	Policyholders, who obtain insurance covers on credit basis, may fail to meet their obligations to the Company on time.	**Low** - The Company implements the Premium Payment Warranty (PPW) and ceases the liability of policies for which premium settlements are not received within the stipulated period. - Recruited the Credit Control Officer to the Finance department. He follow-up on all outstanding premiums. - All premium receivables are monitored and every possible action is taken to collect premiums within the given period and to minimize policy cancellations. - Managing Director and the other respective officers meet regularly to review the status of outstanding premiums and monitor collections. - The Managing Director holds the ultimate authority of credit approval. Credit approval authority is delegated to different levels of management as appropriate.
4. Liquidity Risk	The inability to meet contractual obligations (claims and reinsurers' payments) due to a shortfall of liquid assets in the investment portfolio	**Low** - The Investment Committee reviews the maturity mix of the investment portfolio on regular basis to ensure that the liquidity levels and other regulatory requirements are maintained. - Cash flow movements are studied in advance and monitored on a daily basis. Investment opportunities are selected to meet the short term and long-term cash flow requirements - Life Insurance policies with guaranteed returns are secured by investments with higher returns with similar tenure.
5. Market risk : 5.1 Currency risk 5.2 Interest rate risk 5.3 Equity price risk	Impairment in the value of investments due to factors that affect the overall performance on the financial market due to incidents such as natural disasters or conditions such as recessions, political turmoil, interest rate changes and commotions etc.	**Low** - The Investment Committee keeps a close track on possible occurrences that would have impact on the value of the investments and the market rates. Possible actions are taken to reduce any adverse impact on the value of the investment portfolio within the regulatory limits - The investment portfolio is reviewed by the Investment Committee on a timely basis and analyses the vulnerability of individual investments to market risk. - Investment opportunities are analysed in terms of nature of investment and the quality of the investee organization.

Risk Management

Key areas of risk and mitigation efforts		
6.1 Operational Risk - Human resources risk	Human resources risk refers to the possibility that lack of competent personnel and key employees leaving the organisation. Human resources risk is considered as the most significant element of the operational risk as it ramifies to the other risks within the operation.	**Low** - Remuneration packages for the staff are set in line with the industry to retain and attract staff with necessary qualifications and experience. - Professional and personnel development programs are provided to the staff. The Company encourages continuous education whilst providing relevant training and development opportunities and fosters a culture where all employees can actively contribute to the business. - Continuous training and education of staff are further encouraged through the provision of financial and other support. - Opportunity is given to the employees to meet the higher level of management to discuss their grievances or matters they wish to deal with confidentially.
6.2 Operational Risk - IT risk	Possible losses due to use of inadequate technology, inappropriate use of technology, technical mishaps and disaster situations.	**High** - The Company assesses the status of information technology infrastructure to ensure their appropriateness to manage the needs and the scale of operation of the Company. - Policy on the security of information and information technology infrastructure is implemented and updated timely. - Disaster recovery methods are planned and made ready for implementation on urgent situations.
6.3 Oprerational risks - Fraud risk		**Low** - Internal Audit Team, to report on the strength of the internal control systems with their recommendations on areas that need further strengthening. The Internal Audit Team reports to the Internal Audit Committee that includes four Directors. - In cases of frauds, mal-practices and discrepancies etc., immediate investigations are carried out followed by corrective actions to recover any losses. Corrective actions are taken to prevent recurrence. - A Procurement Committee comprising five Directors has been appointed. Goods and services that are significant in terms of value and complicated in terms of nature are procured on the approval of the Procurement Committee. - Staff is educated about the laid down internal control systems in order for them to execute transactions in the transparent manner and prompt to the management of any doubts. Any such references are investigated and appropriate actions are taken immediately. - Provisions in the Anti- Money Laundering Act are followed up strictly.
7. Compliance Risk	Regulatory risk refers to the possibility of being noncompliant to the regulatory requirements laid down from time to time to govern the insurance industry. In addition, there can be risk of noncompliance to the other common laws and accounting standards in relation to presentation of financial status of the Company.	**Tolerable** - Company culture insists on the achievement of full compliance with legal and regulatory requirements. - Internal Auditors review the status of compliance to regulatory requirements and refer any non-compliance to the Board through Audit Committee. Their findings are discussed and addressed on a timely basis. - Experts are appointed to review changes to the regulatory regime and assess impact on the business as well as to advise on compliance requirements. - A Compliance Officer is tasked with ensuring that regulatory requirements are observed and complied.

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

We have reaffirmed our dedication to corporate governance and responsible leadership in the face of a rapidly changing business environment and a variety of macroeconomic difficulties, and in keeping with industry standards, Co-operative Insurance is committed to maintaining excellent governance practices.

REGULATORY STRUCTURES

We adhere to industry-relevant regulatory standards as well as required and elective governance best practices.

Code of Best Practices on Corporate Governance (CA Sri Lanka and SEC)	Corporate Governance Framework for insurers by IRCSL	Statement of Compliance sections 9 of CSE Listing Rules	Section 168 of the Companies Act of 2007
VOLUNTARY	MANDATORY	MANDATORY	MANDATORY
Completed Fully (REFER PAGES 63 to 74)	Completed Fully (REFER PAGE 78)	Completed Fully (REFER PAGES 75 to 77)	Completed Fully (REFER PAGE 4)

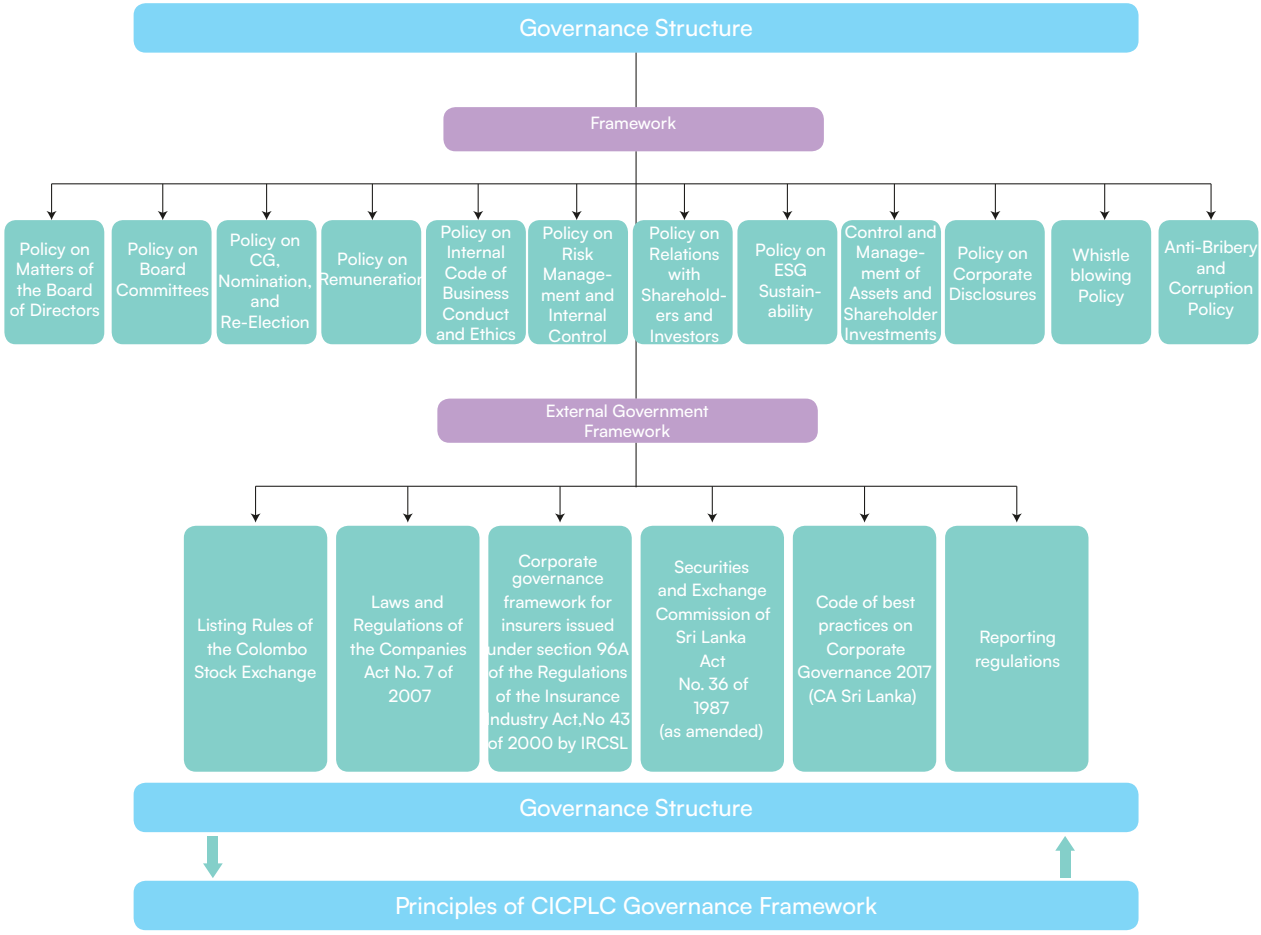
2024 FOCUS

In 2024, the company is committed to reinforcing strong corporate governance through enhanced board oversight, effective risk management, strict regulatory compliance, ethical conduct, and transparent disclosure practices. By aligning its operations with these governance principles, the company aims to build stakeholder trust, improve operational efficiency, and strengthen resilience in a dynamic regulatory and economic environment.

Corporate Governance and Internal Controls

GOVERNANCE IN INTEGRATION

At Co-operative Insurance, our governance framework is a dynamic one that is always changing to conform to external legal requirements as well as internal policies and regulations.



Our governance framework is governed and guided by four principles,

BALANCE

Stakeholder expectations with Company's objectives

COMPLIANCE

Internal policies and external regulations

ACCOUNTABILITY

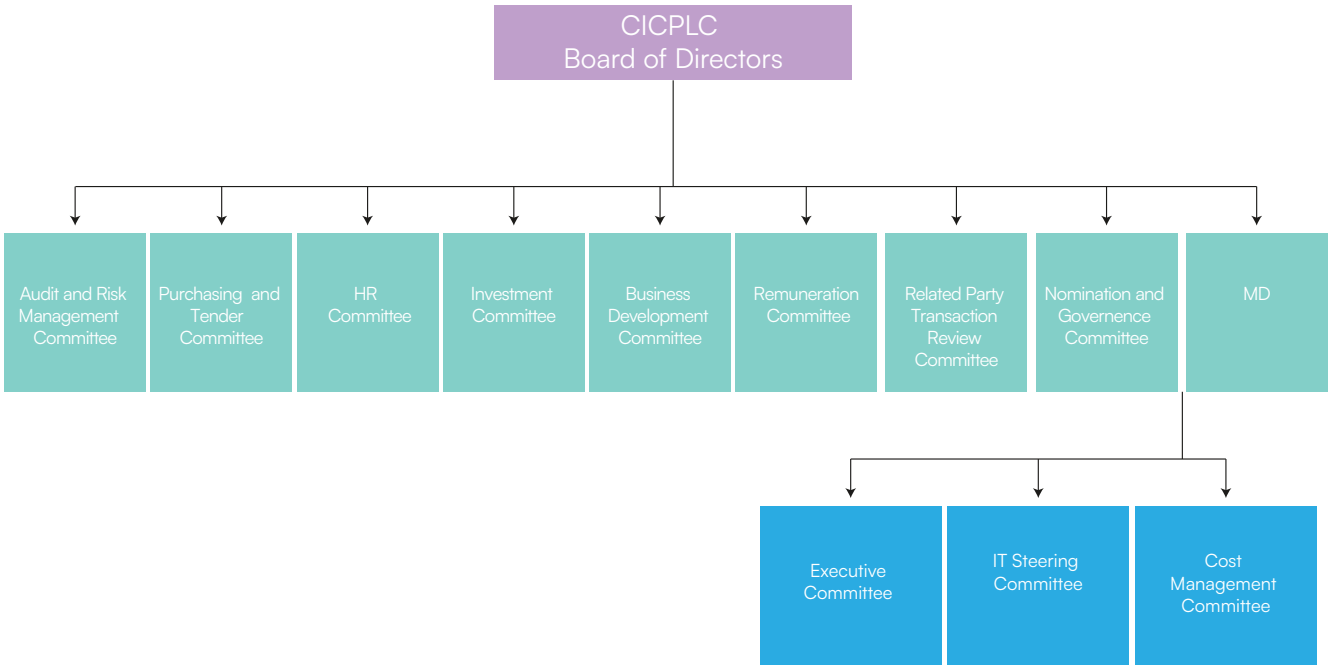
Leadership authority and responsibilities

CONDUCT

Ethical and professional conduct

THE STRUCTURE OF GOVERNANCE

Each of the three leadership layers in our top-down governance model has different levels of authority, control, and responsibility.



APPLYING GOVERNANCE

We guarantee ethical and transparent practices that put stakeholder interests first by maintaining constant oversight and accountability.

Focal Point	How Governance Supports Value Creation	Stakeholders
Board	Drives financial growth with strong revenue, profitability, and stability. Evaluates performance and external factors for informed decisions, approves strategies for value creation and expansion, and endorses policies to protect stakeholder interests.	Shareholders
Sub-Committees	Evaluates management, employee, and operational efficiency to ensure value creation. Enforces policies and ensures regulatory and legal compliance.	Shareholders, Employees, Regulators
Executive Leadership	Develops and secures approval for strategic plans, sets goals to enhance stakeholder value and financial performance, drives operational efficiency, and provides data for decision-making.	Shareholders, Employees, Customers, Partners, Suppliers
Talent Management and Employee Development	Promotes employee growth and engagement to support organizational success.	Employees
Policyholder Protection	Ensures policyholder benefits and delivers affordable, tailored risk management solutions.	Customers
Business Partnerships	Creates financial benefits and expands opportunities for partners and suppliers.	Partners, Suppliers
Regulatory Advocacy	Promotes industry growth, transparency, and ethical conduct while protecting customers.	Regulators
Community and Environmental Impact	Shares economic success and prioritizes environmental responsibility.	Community, Environment

BOARD

The Board, CICPLC's highest strategic authority, is in charge of assessing and approving choices that influence the organization's strategic priorities. Our leadership meets stakeholder expectations, improves operational performance, and shapes growth. The Board assigns executive leadership and subcommittees specific tasks.

Corporate Governance and Internal Controls

DIVERSITY AND BOARD COMPOSITION

By the end of 2024, the Board included 11 directors, including 1 non-independent and 10 independent directors. Directors represent varied backgrounds, ages, and leadership abilities enhance operational and strategic direction. (Pages 32 to 34 contain the board profiles.)

Member	Directorship	Appointment date
1. A A J Amarasinghe	Non Independent/ Non Executive Director	6/15/2022
2. G G Dayasumana	Independent/ Non Executive Director	11/30/2023
3. M Widanagamage	Independent/ Non Executive Director	6/15/2022
4. A B Senadeera (Defer the re-appoinment)	Independent/ Non Executive Director	7/7/2019
5. P B Jayarathna	Independent/ Non Executive Director	2/5/2021
6. H H D E P Herath	Independent/ Non Executive Director	11/30/2023
7. K K G Sanirathna	Independent/ Non Executive Director	8/28/2023
8. Lalith Waragoda	Independent/ Non Executive Director	6/9/2023
9. Suraj Wickramasinghe	Independent/ Non Executive Director	3/15/2024
10. Ganaka Amarasinghe	Independent/ Non Executive Director	10/29/2024
11. T B H Kumara (Ceased w.e.f 28.04.2025)	Independent/ Non Executive Director	6/15/2022
12. D L Samarawickrama (Resigned w.e.f 07.01.2025)	Independent/ Non Executive Director	8/8/2018
13. W P M Chathurani	Independent/ Non Executive Director	4/28/25

By the end of 2024, non-executive Independent Directors made up 92% of the Board. Board members ranged in age from 41 to 64, with the majority being in the 51-60 age range. Furthermore, 83% of the members had been on the Board for more than a year.

COOPLIFE INSURANCE LIMITED BOARD

As a division of CICPLC, Cooplife Insurance Limited functions autonomously and has a separate Board of Directors with 8 members. A committed CEO, corporate management team, and branch management team oversee it. Cooplife Insurance Limited complies with applicable laws and risk-based capital requirements, maintaining a risk-based capital adequacy ratio of 415% by the end of 2024, even as CICPLC supports its subsidiary's core operations.

BOARD APPOINTMENTS

CICPLC follows a structured and transparent procedure for Board appointments in accordance with the Company's Articles. All the new appointments to the Board are made through nominations and governance committee, and such appointments are communicated to shareholders, and a summary of the Director's credentials is provided to the Colombo Stock Exchange. Approval from the Insurance Regulatory Commission of Sri Lanka (IRCSL) was obtained for the appointment of two new Directors to the board in compliance with the RII Act No. 43 of 2000. Details of newly appointed Directors were disclosed to shareholders via CSE announcements throughout the year and are also included in this Annual Report.

RESIGNATION AND RE-ELECTION

In the event of a resignation or when the Board grows, the Company may designate a replacement Director in accordance with CICPLC's Articles of Association. At the following Annual General Meeting, appointed directors may run for reelection. According to the Articles, a third of the Directors must retire at each AGM, or to the closest whole number if it cannot be divided by three.

BOARD DECLARATION AND INDEPENDENCE

All Non-Executive Directors are required to submit an independence declaration in accordance with listing regulations. One Director is categorized as non-independent and ten Directors as independent and all directors are non-executive. Since independent directors don't have a big say in how the business is run, the balanced mix guarantees unbiased decision-making.

MEETINGS OF THE BOARD

The purpose of monthly board meetings is to review issues, plans, and performance so that well-informed decisions can be made. In 2024, 15 meetings took place, with the Board secretary ensuring timely circulation of relevant documents.

Name of Director	Attendance	Eligibility
1. A A J Amarasinghe	15	15
2. G G Dayasumana	15	15
3. M Widanagamage	15	15
4. A B Senadeera	15	15
5. P B Jayarathna	15	15
6. H H D E P Herath	15	15
7. K K G Sanirathna	15	15
8. Lalith Waragoda	15	15
9. Suraj Wickramasinghe	13	15
10. Ganaka Amarasinghe	2	15
11. T B H Kumara	15	15
12. D L Samarawickrama	15	15

BOARD AGENDA

Throughout the year, the board dedicated its discussions and deliberations to the following areas, granting approvals where necessary.

- Reviewing of financial progress and budget approvals
- Company investments and liquidity
- Strategic plan for 2023 by the CEO and the roadmap for acheiving strategic imperatives
- Salary increments and other remunerations. Employee awards program.
- Compliance and risk reviews
- Sub-committee recommendations and reporting
- Business Expansion
- New IT policies, data security and infrastructure
- SLFRS 17 implementation road map

BOARD RESPONSIBILITIES

The Board at CICPLC is tasked with making effective collective decisions to drive the Company's strategy while supporting management to ensure sustainability and stability through prudent decisions. Operating with transparency and impartiality, the Board balances the interests of the Company and its stakeholders. Key responsibilities include:

- Formulating and implementing company strategy
- Aligning stakeholder interests with corporate decisions and goals
- Integrating sustainable practices into decision-making and operations
- Appointing qualified individuals to key roles, including CEO, senior management, and sub-committees
- Ensuring appropriate accounting policies and compliance with financial regulations
- Establishing systems and controls for regulatory compliance and information integrity
- Providing impartial judgment on strategy, performance, resource allocation, and business conduct.

Corporate Governance and Internal Controls

SUBCOMMITTEES OF THE BOARD

Eight subcommittees have been formed by the Board to supervise particular assigned tasks that are essential to the governance structure of the company. These subcommittees help assess operations and make sure they are in line with internal policies, procedures, and external regulations. They report directly to the Board. They point out shortcomings and suggest fixes to strengthen the company's resilience and sustainability. You can find the Audit Committee report on pages 119-121.

Committee	Members	Meetings FY 2024	Responsibilities
Audit and Risk Management Committee	Mr. Lalith Waragoda Mr. H.H.D.E.P. Herath Mr. T B H Kumara Mr.G G Dayasumana Mr.Suraj Wickramasinghe Mr.Ganaka Amarasinghe	12	Review Financial Reporting Review adequacy of internal control Oversee independence of external auditor
Purchasing and Tender Committee	Mr.A A J Amarasinghe Mr.A B Senadeera Mr.D L Samarawickrama Mr.P.B Jayarathne Mr. M.Widanagamage	8	Develop relevant policies and make decisions related to purchases. Develop relevant policies and make decisions related to tenders
HR Committee	Mr.D L Samarawickrama Mr.A B Senadeera Mr.A A J Amarasinghe Mr. K K G Sanirathne Mr. P B Jayarathne	8	Oversee HR Practices and Policies
Investment Committee	Mr.D L Samarawickrama Mr.A B Senadeera Mr.A A J Amarasinghe Mr. M.Widanagamage	8	Set policies and manage investment portfolio including performance
Business Development Committee	Mr. M.Widanagamage Mr.A B Senadeera Mr.D L Samarawickrama Mr.K K G Sanirathne	6	Explore new opportunities and make relevant recommendations for business improvements. Conduct feasibility studies
Remuneration Committee	Mr. Lalith Waragoda Mr. H H D E P Herath Mr. A A J Amarasinghe Mr. G G Dayasumana Mr.Suraj Wickramasinghe	2	Decide remuneration levels of leadership
Related Party Transaction Review Committee	Mr.G G Dayasumana Mr.A A J Amarasinghe Mr. M.Widanagamage Mr.Lalith Waragoda	2	Reviewing related party transactions
Nomination and Governence Committee	Mr. H.H.D.E.P. Herath Mr.A A J Amarasinghe Mr. Lalith Waragoda Mr.Suraj Wickramasinghe	4	Assesses the composition of the Board annually and makes recommendations to the Board

BOARD PARTICIPATION IN COMMITTEES

Board members actively engage in sub-committee activities.

Name of Director	Board Meetings	Audit and Risk Committee Meetings	Investment Committee Meetings	Human Resources Committee Meetings	Business Development	Purchasing and Tender Committee	Remuneration Committee	Nomination Committee	Related Party Committee
A A J Amarasinghe	15		8	8	6	8	2	4	2
G G Dayasumana	15	12					2		2
M. Widanagamage	15		8	8		8			2
A B Senadeera	15	12	8	8	6	8			
P B Jayarathna	15	1				7			
H.H.D.E.P. Herath	15	11					2	4	
K K G Sanirathne	15			8	6				
Lalith Waragoda	15	12					2	3	2
Suraj Wickramasinghe	13	7					2	4	
Ganaka Amarasinghe	2								
T B H Kumara	15	12							
D L Samarawickrama	15		8	8	6	8			

DIRECTORSHIPS HELD AT OTHER BUSINESS ENTITIES

The board members of CICPLC hold directorships in various external entities as follows:

Director	Directorships		Capacity			
			Executive		Non-Executive	
	Listed companies	Unlisted companies	Independent	Non-Independent	Independent	Non-Independent
A A J Amarasinghe	-	2	-	-	-	2
G G Dayasumana	-	1	-	-	-	1
M. Widanagamage	-	2	-	-	-	2
A B Senadeera	-	6	-	-	-	6
P B Jayarathna	-	2	-	-	-	2
H.H.D.E.P. Herath	-	2	-	-	-	2
K K G Sanirathne	-	-	-	-	-	-
Lalith Waragoda	-	-	-	-	-	-
Suraj Wickramasinghe	-	1	-	-	-	1
Ganaka Amarasinghe	-	2		1	1	
T B H Kumara	-	-	-	-	-	-
D L Samarawickrama	-	-	-	-	-	-

INDUCTION AND TRAINING OF THE BOARD

At CICPLC, new directors go through an induction process to become acquainted with the management, strategic goals, and rules of the organisation. They are briefed on important policies, meeting procedures, and Board subcommittees. Directors are kept up to date on industry developments through frequent updates from the managing director/CEO.

AVAILABILITY OF INFORMATION

In order to facilitate well-informed decision-making, senior management provides the Board and subcommittees with comprehensive information on strategies, developments, financial performance, investment analyses, and other pertinent data. Minutes of board meetings and discussions after meetings are accurately documented by the company secretary.

BOARD PERFORMANCE APPRAISAL

The Board assesses its performance during meetings by evaluating how effectively it has fulfilled its responsibilities throughout the year.

DIRECTOR REMUNERATION

The Remuneration Committee oversees Director remuneration through a structured process, setting levels to attract, retain, and motivate Directors while aligning with the Company's objectives. The committee consults with the CEO and Chairman and seeks internal and external advice to ensure fair remuneration decisions.

SECRETARY OF THE COMPANY

In order to facilitate board meetings and ensure that the proceedings are accurately documented, the Board Secretary assists the Chairman. In addition to communicating important shareholder concerns to all Directors, the Secretary serves as the main point of contact for public disclosures.

CHIEF EXECUTIVE OFFICER AND CHAIRMAN

At CICPLC, the chairman and CEO have distinct roles to guarantee a clear separation between operational management and strategic board oversight. Effective governance and balanced power are encouraged by this division.

THE CHAIRMAN

The Board is led by the Chairman, who promotes responsibility and adherence to best practices in governance. At the Annual General Meeting, they interact directly with shareholders, promote active participation in meetings, and guarantee fair power distribution within the Board. Additionally, the Chairman advises the CEO and corporate management on strategic and operational matters.

CHIEF EXECUTIVE OFFICER

Mr. Priyankara, appointed CEO in 2022, is responsible for steering CICPLC toward its strategic objectives while overseeing daily operations.

Chairman

- Lead the Board effectively, ensuring active participation in decision-making processes.
- Facilitate Board meetings as necessary.
- Objectively evaluate the duties fulfilled and concerns raised by Directors.
- Uphold governance standards to ensure compliance.
- Balance stakeholder interests and integrate them into decision-making and actions.
- Provide support to the CEO and corporate management in day-to-day operations, offering guidance on key decisions.

Chief Executive Officer

- Collaborate with senior and corporate management to develop the company's business strategy.
- Offer leadership and expertise in daily operational activities.
- Address operational challenges and provide guidance for solutions.
- Ensure corporate management and employees perform effectively to achieve strategic goals.

CEO EVALUATION

Every year, the Board assesses the CEO's performance by comparing accomplishments to the non-financial and financial goals specified in the business plan. The Board reviews progress at regular meetings and takes appropriate action if goals are not reached.

AUDITS AND INTERNAL CONTROLS

INTERNAL AUDIT

To evaluate the efficacy of policies and internal controls, CICPLC carries out internal audits. The Board is informed by the Audit Committee, which receives reports from the internal audit department regarding compliance issues. The Audit Committee makes sure that internal control frameworks and regulatory requirements are followed.

STATUTORY AUDIT

CICPLC engages the services of auditors for independent assurance on financial statements. These auditors assess the appropriateness of the Company's accounting practices and internal controls, offering recommendations to address any discrepancies. The Board selects and appoints the statutory auditor, subject to shareholder approval, based on their capacity to conduct impartial investigations of the Company's financial records and activities. They verify that the Company adheres to required accounting practices to provide accurate information to shareholders, regulators, and other stakeholders. The Company independent auditor, Jayasinghe & Co. evaluated the effectiveness of internal controls and ensured compliance of financial statements with reporting standards and legal requirements.

SHAREHOLDER COMMUNICATION

The Annual Report

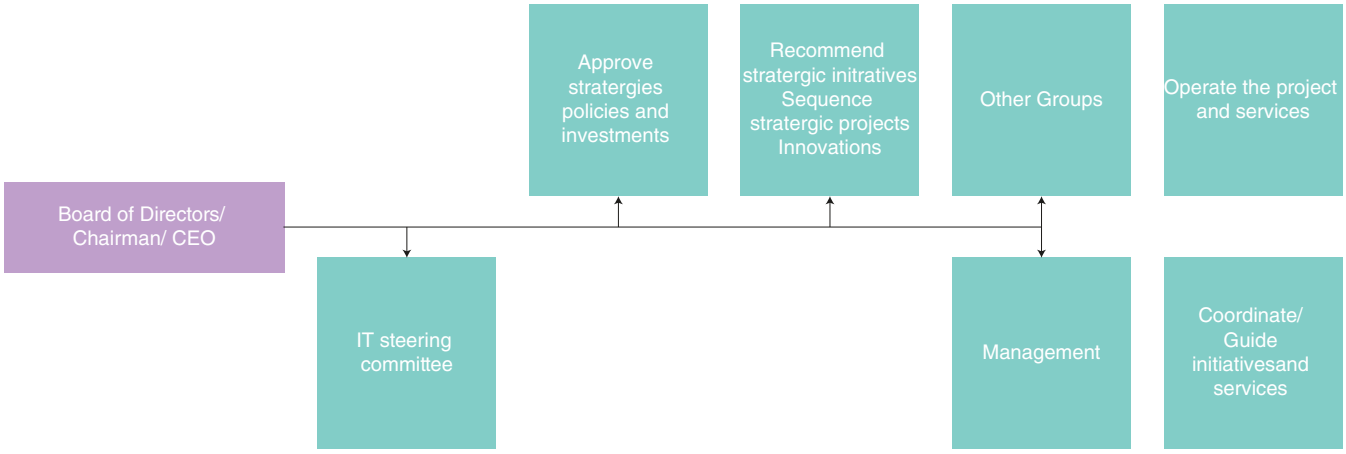
The main means of communication for CICPLC's performance and decisions during the fiscal year is the Annual Report. It contains both financial and non-financial data, providing shareholders with updates on revenue growth, profitability, and progress toward strategic goals. This makes it possible for investors and shareholders to make well-informed choices. Transparency is ensured by the report's Audited Financial Statements, which are backed by both internal and external audits.

The Annual General Meeting

Direct communication with shareholders is made easier by the Annual General Meeting (AGM), which provides an important forum for talking about important business decisions and resolving issues. The AGM, which is attended by the Board, senior management, and an external auditor, guarantees that shareholder inquiries are effectively addressed. A 15-day notice period is given to shareholders on 10th June 2024, the last AGM took place.

IT GOVERNANCE STRUCTURE

CICPLC's IT governance adopts a hierarchical structure, with the Board providing ultimate oversight to ensure alignment with strategic objectives.



IT Regulations

Under the direction of the IT Steering Committee, CICPLC has put in place a strong set of policies to improve data security, making sure that they are in line with corporate objectives. These consist of:

Policy for Information Management Security

Policy for Third-Party Access

Policy for Passwords

Security Policy for Remote Access

Anti-Spam and Virus Protection Policy

Security Standards for Routers, Firewalls, and Switches

Policy for Network and Software Monitoring

Policy for Penetration and Vulnerability Assessment

Policy for the Licensing of Application and System Software

Policy for Vendor Management

Our IT governance framework is based on these policies, which guarantee effective IT operations, regulatory compliance, and high security standards.

Increasing Security

Based on information from the Head of IT, the Board is assessing the viability of the company's cloud and physical server options. Upgraded firewalls and frequent IT audits are two ways that CICPLC has strengthened security by evaluating system robustness and reducing possible threats.

COMPLIANCE STATUS

COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE

The table below summarises CICPLC Group's compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
A DIRECTORS			
A.1 THE BOARD			
A1.1	Every company should be compliant headed by an effective Board, which should direct, lead and control the Company.	The Board consisted of Eleven (11) Directors. The majority of them represent Shareholders of co-operative societies being Chairpersons of such co-operative societies. Directors' profiles are presented on pages 32 to 34 of this Annual Report.	✓
	The Board should meet regularly. Board meetings should be held at least once in every quarter of a financial year.	The Board of Directors usually meets on a monthly basis to review the Company's performance and to determine whether its strategies and business practices are in line with the corporate plan. The attendance of the Directors. During the year 2024, stated in Directors report in page 117. 16 board meetings were held during the year 2024.	✓
A 1.2 KEY RESPONSIBILITIES OF THE BOARD			
	Formulation and implementation of the Business Strategy.	The Board is responsible for steering the Company towards its overall success. The Board delegates the authority to the CEO to formulate the required strategy.	✓
		The CEO and the management team develop the Corporate Strategy.	✓
		Annual budgets and action plans are developed in order to implement the Corporate Strategy. Those are reviewed by the Board of Directors.	✓
	Ensuring that the CEO and the Management Team possess the required skills, experience and knowledge to implement the strategy.	The Board ensures that the CEO and the Management Team possess the required skills, experience and knowledge to implement the corporate plan and further to ensure that a proper succession plan is in place.	✓
	Effective systems to ensure the integrity of information, internal controls and risk management.	Adequate systems and procedures are implemented to ensure the integrity of information, effectiveness of internal controls and the appropriateness of risk management procedures. The Internal and External Auditors, management team regularly review these systems.	✓
		Accordingly, the Board has set up the Audit and Risk Management Committee/HR Committee / Purchasing and Tender Committee/Business Development Committee/Nomination and Governance Committee/ Related Party Transaction Review Committee, Investment Committee and Remuneration Committee to ensure that the Company has proper systems and controls. The risk management policy has been adopted on the basis of rules set by the IRCSL in terms of RBC, solvency, technical reserves, reinsurance arrangements, actuarial reviews, and also occasional inspection by the Insurance Regulatory Commission officers.	✓

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
		In the case of investment risk, the Company has adopted a policy of spreading investments in different institutions and commercial banks recognised by the Insurance Regulatory Commission so as to give a higher contribution to solvency levels.	✓
	Compliance with Laws and Regulations.	The Board ensures that all the applicable Laws and Regulations are complied within the conduct of the affairs of the Company. The Company has submitted the regulatory returns and applicable payments to the IRCSL, Central Bank of Sri Lanka (CBSL), Department of Inland Revenue, Registrar General of Companies, National Council for Road Safety, Employees' Trust Fund Board, National Insurance Trust Fund and Commissioner of Motor Traffic, within the stipulated time period.	✓
	Ensuring all stakeholder interests are considered in corporate decisions.	The Board ensures that the interests of all stakeholders are considered and safeguarded in making corporate decisions.	✓
	Recognising sustainable business development in corporate strategy, decisions and activities.	The Board recognises the necessity of sustainable business development in the corporate strategy, decisions and activities. Please refer our sustainability impact from page 20 for more information on company's sustainable business development plan.	✓
	Ensuring that the Company's values and standards are set with emphasis on adopting	The Board ensures that the proper processes are in place and systems of control and procedures are implemented to review accounting policies annually to be in line with the changing business requirements.	✓
	Appropriate accounting policies and fostering compliance with financial regulations.	Company's accounting policies are fully in line with Sri Lanka Accounting Standards (SLFRS/LKAS). Please refer the Independent Auditor's Report, which evidence that the Company's Financial Statements are in line with Sri Lanka Accounting Standards, given on page 128.	✓
	Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.	Through Board meetings and Board Sub-Committee all matters of concerns are properly addressed. The Board takes all its decisions paying due attention to the interests of all stakeholders and paying due attention to all matters of concern.	✓
A.1.3	The Board collectively, and Directors individually, must act in accordance with the laws of the Country, as applicable to the business enterprise.	The Board recognises the importance of complying with all the applicable laws and regulations in Sri Lanka and the Board are in accordance with the laws of Sri Lanka as applicable to the insurance industry.	✓
A.1.5	All Directors should bring independent judgment to bear on issues of strategy, performance, resources (including key appointments) and standards of business conduct.	All Directors exercise independent judgement in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business. The Board is conscious of its obligation to the Company and towards their other interests. All Directors are expected to make decisions objectively, avoiding conflicts of interest and in the best interests of the Company.	✓
A.1.6	Dedicating adequate time and effort by the Directors.	All Directors ensure that they are able to render sufficient time and attention to the affairs of the Company.	✓

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
A.2 CHAIRMAN AND CHIEF EXECUTIVE OFFICER			
	Principle: Division of responsibilities at the head of the Company.	The posts of Chairperson and CEO were held separately.	✓
		This segregation ensures a clear distinction between the Chairperson's responsibility to manage the Board and the CEO's responsibility to manage the Company's day to day business, and thereby ensures the balance of power and authority and is accountable to the Board of Directors.	✓
A.2.1	Disclosure required if the positions The position of the Chairman and the CEO are combined.	The position of the Chairman and the CEO are separated.	✓
A.3 CHAIRPERSON'S ROLE			
	Principle: The Chairperson should preserve order and facilitate the effective discharge of Board functions.	The Chairperson is responsible for leading the Board and ensuring that it operates under the highest standards of governance. The Chairperson is charged with encouraging the effective participation of all Directors in the decision making processes and thereby ensuring the effective performance of the Board.	✓
A.3.1	The Chairman should conduct Board proceedings in a proper manner and ensure:	The role of the Chairman is to conduct Board meetings in a manner which ensures that there is effective participation of all Directors and that their individual contribution and concerns are objectively assessed prior to making key decisions and the balance of power is maintained. He ensures that the Board is in complete control of the Company's corporate affairs. Chairman also supports the Chief Executive Officer to manage day to day operations of the Company.	✓
	• Operations of the Board are managed effectively.	Chairman is the ultimate point of contact to the Shareholders at the AGM.	✓
	• All key and relevant issues are discussed by the Board in a timely and constructive manner.		✓
	• Taking appropriate steps to provide effective communication with shareholders and to ensure that shareholders' views are communicated to the Board as a whole.		✓
A.4 FINANCIAL ACUMEN			
	The company's board of directors should include members who have strong financial understanding and expertise. These individuals should be capable of providing informed advice and making wise decisions about financial issues.	The Board comprises three directors with robust financial backgrounds, enhancing its ability to critically evaluate the company's financial performance, support sound budgeting and investment decisions, and ensure compliance with financial regulations.	✓

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
A.5 BOARD BALANCE			
	Principle: The Board should have a balance of Executive and Non-Executive Directors.	The Board consists of Eleven Non-Executive Directors.	✓
A.5.1	The Board should include at least two Non-Executive Directors or such number of Non-Executive Directors equivalent to one third of the total number of Directors, whichever is higher	The Board comprised Eleven Non-Executive Directors of each category are given on page 56 the details of the Directors.	✓
A.5.2	Two or one-third of Non-Executive Directors appointed to the Board of Directors which ever is higher, should be 'Independent'.	Ten out of the ten Directors are Independent Directors, in compliance with the requirements of the Code	✓
A.6 SUPPLY OF INFORMATION			
	Principle: The Board should be provided with timely information, in a form and of a quality appropriate to enable it to discharge its duties.		✓
A6.1	The Management has an obligation to provide the Board with appropriate and timely information.	The Senior Management presents adequate information with regard to new developments, proposed strategies, financial operations, investment proposals, and etc. To ensure clear communication of information.	✓
A.6.2	The minutes, agenda and papers required for Board	Comprehensive Board Papers are presented to Directors at the Board Meetings.	✓
A. 7 APPOINTMENTS TO THE BOARD ; NOMINATION COMMITTEE			
	Principle: There should be a formal and transparent procedure for the appointment of new Directors to the Board.	All new appointments to the Board are made through nomination and governance committee and following a formal and transparent procedure in AGM, annually.	✓
A.7.1	Establish Nomination Committee	The Board has established a Nomination & Governance Committee.	✓
A.7.2	Nomination Committee to assess the composition of the Board annually	The Nomination & Governance Committee assesses the composition of the Board annually and makes recommendations to the Board on necessary changes.	✓
A.7.3	Succession Planning for CEO and all KMPs	A succession plan is being developed for the CEO and all Key Management Personnel (KMPs) as part of our strategic leadership planning.	✓
A.7.4	The Company should disclose information to the shareholders upon the new appointment of Directors.	All appointments of new Directors are disclosed to the Shareholders through CSE website. In addition, new appointments to the Board are done after obtaining the approval from Insurance Regulatory Commission of Sri Lanka (IRCSL) according to the terms of the Regulation of Insurance Act.	✓

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
A. 8 RE-ELECTION			
A 8.2	All Directors including Chairman of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years	In Accordance with the Company articles at each Annual General Meeting, One third of the Directors for the time being, or if their number is not a multiple of 03, the number nearest to 1/3 shall retire from office.	✓
A. 9 APPRAISAL OF BOARD PERFORMANCE			
	Principle: Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.	The Board appraised itself on its performance in the discharge of its key responsibilities in the Board meetings held during the year.	✓
A 9.1	Have in place a formal process for reviewing the performance of the Board and its sub-committees.	The Board conducted a self-evaluation of its performance, using a checklist that covered a range of areas including, but not limited to the composition of the Board, skills, and experience of the members, adequacy of Sub-Committees, proceedings of meetings, and quality of reports and materials submitted. Responses were compiled by the Board Secretary for discussion by the Board. The objective of this evaluation is to improve the performance of the Board to enable the achievement of the Company's objectives.	✓
A 9.2	Appraisals of the Board and the sub-committees	Yearly Appraisal	✓
A 9.3	Have a process to review the participation, contribution, and engagement of each Director	The Nomination & Governance Committee reviews the participation, contribution, and engagement of each Director before recommending for re-election.	✓
A 9.4	State the evaluation process in the Annual Report	Complied with the above disclosures and information on page 124.	✓
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
	Principle: Shareholders should be kept advised of relevant details in respect of Directors.		✓
A.10.1	Annual Report should contain details of all Directors.	Information with respect to all Directors is disclosed in pages 32 to page 34 in this Annual Report and where relevant.	✓
A.11 APPRAISAL OF CHIEF EXECUTIVE OFFICER (CEO)			
	Principle: The Board should be required, at least annually, to assess the performance of the CEO.	The Board sets targets (both financial and non-financial) for each of the financial years based on the corporate plan, reviews them on a regular basis and discusses at the Board meetings. If such targets are not met, it also considers whether there are reasonable grounds for such departures and takes relevant action.	✓
A.11.1	The Board should set, with consultation of the CEO, the financial and non-financial targets to be achieved by the CEO during the year, in line with short, medium and longterm objectives of the Company	The performance evaluation of the Chief Executive Officer is carried out by the Chairman, in line with the financial and non-financial objectives set out in consultation with the Board at the commencement of each financial year.	✓

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
A.11.2	The performance of the CEO should be evaluated by the Board at the end of each year	The Chief Executive Officer is responsible for day-to-day operations of CICPLC and is accountable to the Board of Directors. The Board evaluates the CEO's performance through monitoring the achievement levels of set objectives during the year.	✓
B DIRECTORS' REMUNERATION			
B.1 REMUNERATION PROCEDURE			
	Principle: Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.		✓
B.2 REMUNERATION COMMITTEE			
	Principle: Level and makeup of remuneration of both executive and non-executive directors should be sufficient to attract and retain the directors needed to run the company successfully. A proportion of executive directors' remuneration should be structured to link rewards to corporate and individual performance ensuring the balance between short, medium and long-term perspectives of the performance outcomes.		✓
B.2.1	Set up a Remuneration Committee to make recommendations to the Board.	Remuneration Committee sets remuneration, pre-requisites and allowances of the Directors, Management and the other employees based on industry and market surveys.	✓
B.2.2	Remuneration Committees should consist exclusively of Non-Executive Directors, and should have a Chairman, who should be appointed by the Board.	The Remuneration Committee is chaired by a Non-Executive Director and comprises four additional Non Executive Directors. Remuneration levels are designed to attract, retain and motivate persons who contribute to the achievement of the corporate plan HR Committee headed by the Chairman of the Board and consist of 5 non executive directors. Remuneration levels are designed to attract, retain and motivate persons who contribute to the achievement of the corporate plan.	✓
B.2.3	The Remuneration Committee should consult the Chairperson and CEO about its proposals relating to the remuneration of other Executive Directors and have access to professional advice from within and outside the Company, in discharging their responsibilities.	The Remuneration Committee determines the CEO's remuneration. The Committee consults the CEO on proposals regarding Executive remuneration. No Director participates in determining his/her remuneration	✓
B.2.4	The Remuneration Committee should provide the packages needed to attract, retain and motivate CEO/ Executive Director.	Remuneration committee designed remuneration levels to attract, retain and motivate persons who contribute to the achievement of the corporate plan.	✓

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
B.2.15	The Chairman and Members of the Remuneration committee should be listed in the Annual Report each year	Please refer the details of the Remuneration Committee on page 122.	✓
B.3 DISCLOSURE OF REMUNERATION			
	Principle: The Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.		✓
B.3.1	Remuneration Policy and details of remuneration of the Board should be stated in the Annual Report.	The aggregate remuneration of the Directors is shown on page 81.	✓
C. RELATIONS WITH SHAREHOLDERS			
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS			
	Principle: Boards should use the AGM to communicate with shareholders and should encourage their participation	Company uses the AGM as a tool to effectively communicate	✓
		• with Shareholders and to allow them a reasonable opportunity to ask questions from the Board of Directors.	✓
		As per the Companies Act No 07 of 2007, annual report together with notice of meeting, form of proxy and any other document (if any)are circulated to the Shareholders at least 15 working days prior to the date of the Annual General meeting.	✓
		All members of the Board and the senior management make an effort to attend the AGM and answer questions and concerns raised by the Shareholders. A representative (usually the engagement partner) of the External Auditors also attends the AGM and takes questions from shareholders relating to their audit of the Company's Financial Statements, if required.	✓
		The Board members and Company representatives are available to clarify the matters raised by shareholders. The most recent shareholders' meeting held on 29th June 2024.	✓
C.1.1	Dispatch notice of AGM and related papers to shareholders	Company counts all proxy votes and to indicate to the Chairperson the level of proxies lodged on each resolution and the number of votes for and against such resolutions.	✓
C.1.2	Separate resolution for each substantially separate issues.	Each substantially separate issue is proposed as a separate resolution to provide Shareholders the opportunity to deal with each significant matter separately.	✓

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
C.1.3	Accurate recording and counting valid proxy appointments received for a General Meeting.	All proxy appointments received are duly recorded and counted in respect of each resolution.	✓
C.1.4	Availability of Chairman of Board Committees at the Annual General Meeting.	The Chairmen of the Board Committees were present to answer any queries of the Shareholders directed to them by the Chairperson of the Company at the last AGM	✓
C.1.5	Summary of Notice of General Meetings and procedures governing voting at General Meetings.	A summary of procedures governing voting at the AGM is provided in the Proxy form, which is circulated to the shareholders, fifteen working days prior to the AGM.	✓
C.2 COMMUNICATION WITH SHAREHOLDERS			
	Principle: The Board should implement effective communication with shareholders.		✓
C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	All financial information released to the shareholders is authorised by two Directors and Chief Financial Officer. Any other information released to the shareholders are approved by the CEO and communicated through the Secretaries	✓
C.2.2	Disclose the policy and methodology for communication with shareholders.	The Company keeps informed their Shareholders via AGM, responding to inquiries from shareholders and provides feedback.	✓
C.2.3	Disclose how the Company has implemented the above policy and methodology	Company uses the annual report to inform its Shareholders on the affairs of the Company including major financial and non-financial information, regulatory requirements and other assurance reports issued by independent parties like external auditors and etc.;	✓
		Our corporate website provides an additional channel for shareholders, information about the Company. Financial statements, details of the Company, Board of Directors and corporate managements the information on new products, can be accessed at www.ci.lk	✓
C.2.4	Disclose the contact person for such communication.	CEO and Company Secretary will be the main contact persons with regard to any public disclosures. Therefore, any clarification or further information with regard to any information published about the Company should be directed to the CEO.	✓
		Further, clarifications with regard to any financial information published can also be directed to the Acting Chief Financial Officer of CICPLC through the details given on page 118.	✓

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
C.2.5	A process to make all Directors aware of major issues and concerns of shareholders, and this process has to be disclosed by the Company.	If there are any major issues and/or concerns raised by shareholders, they are brought to the attention of all Directors by the Company Secretary. No such issues and/or concerns were raised by the shareholders during the year	✓
C.2.7	The process for responding to shareholder matters.	The Company's aim is to provide an appropriate reply to written requests from shareholders, within a reasonable time. If those queries raise a matter of general interest to shareholders, the Company will take this into account and will address them in subsequent corporate communications to all shareholders.	✓
C.3 MAJOR AND MATERIAL TRANSACTIONS			
	Principle: Directors should disclose to shareholders all proposed material transactions.		✓
C.3.1	Proposed major transactions	There were no major transactions during the year.	N/A
D. ACCOUNTABILITY AND AUDIT			
D.1 FINANCIAL & BUSINESS REPORTING			
	Principle: Board responsibility for statutory and regulatory reporting.		✓
D.1.1	Present a fair and balanced annual report prepared following the laws and regulations with an explanation of deviations.	The Annual Report, which is the main communication tool between the Company and the shareholders, is prepared and presented in compliance with the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and other rules and regulations of the IRCSL and other applicable rules and regulations of the country.	✓
D.1.2	Board responsibility for fair reporting extends to interim and price- sensitive reports, regulatory reporting, and statutory information	The Board is assisted by the Audit Committee in discharging its duties, including the review of financial statements and ensuring compliance with regulatory reporting requirements. Additionally, the Board reviews other price-sensitive communications prior to their release	✓
D.1.4	Declarations by Directors in the Directors' Report	The Annual Report of the Board of Directors on the affairs of the Company is presented on page 117.	✓
D.1.5	Statements of Directors' responsibilities and auditors responsibilities	The statement of responsibilities of the board for the preparation and presentation of financial statements is presented on page 130	✓
		The Auditor's Report is provided on page 128.	✓
D.1.6	The Annual Report should contain a 'Management Discussion and Analysis.	The Management Discussion and Analysis is given on page 92 of this Annual Report, which covers the disclosure requirement under this Code.	✓
D.1.7	Summon an Extraordinary General Meeting (EGM)	There has not been any requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital. Although the likelihood of such a situation is remote, if it arises, an EGM would be called to inform Shareholders.	N/A

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
D.1.8	Adequate and accurate disclosure of related party transactions	CICPLC has implemented the following procedures for the disclosure of Related Party Transactions:	✓
		• Establishment of a Related Party Transactions Review Committee, which reviews related party transactions on a quarterly basis.	✓
		• All related party transactions are subject to review, and appropriate disclosures are made in the financial statements in accordance with applicable standards.	✓
		• Note 35 of the financial statements (page 187) provides detailed information on Related Party Transactions.	✓
D.2 RISK MANAGEMENT AND INTERNAL CONTROL			
D.2.1	The Board should monitor risk management and internal control systems and carry out a review of their effectiveness and report on the same in the Annual Report.	The Board is ultimately responsible for the Company's system of Internal Controls and the continuous review of their effectiveness. Some of these responsibilities are delegated to Audit and Risk Management Committee/Nomination and Governance Committee/ Related Party Transaction Review Committee, Investment Committee, Remuneration Committee, HR Committee, Purchasing &Tender Committee and Business Development Committee to ensure effectiveness of internal controls (RPT).	✓
D.2.2.2	Internal audit function	The internal audit function is carried out by the team of Internal Auditors headed by a person well experienced and competent to carry out the internal audit functions. The Internal Auditor directly reports to the Board of Directors through Audit Committee. The Board is of the opinion that the function of the Internal Auditor would provide a more independent view on the Company's system of internal controls.	✓
D.2.2.3	Audit Committee to carry out reviews of the process and effectiveness of risk management and internal controls.	Effective internal control system is ensured by the audit committee. It reviews the effectiveness of the internal control system through the Internal Audits. Risk management committee decisions are discussed at audit committee meeting reviews since the Audit Committee carries the responsibility over the Company's risk management practices.	✓
D.2.2.4	Statement of internal control	The Board's Statement on Internal Control is given on page 60.	✓
D.3 AUDIT COMMITTEE			
D.3.1	Establish an Audit Committee of at least three Non-Executive Directors.	The Audit Committee is a sub-committee of the Board and comprises of Five (5) Independent / Non-Executive Directors. The Audit Committee was chaired by a Chartered Accountant who was a professional Director, Mr. Lalith Waragoda, (Chairman to the audit committee) with effect from 9th June 2023. The term of reference under which the Committee has been appointed sets out its scope and responsibilities and enables it to operate with appropriate authority, independence and objectivity.	✓

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
D.3.2	Terms of Reference for Audit Committee	The Audit Committee operates with clearly defined terms of reference, which are reviewed annually. Key areas of focus are; - Composition - Meetings - Internal audit - External audit - Financial reporting - Compliance and litigation - Risk management and internal control - Reporting responsibilities - Other responsibilities	✓
D.3.3	Disclosures required by the Audit Committee in the Annual Report.	Audit committee report on page 119-121 includes names of the Directors in the Audit Committee and other disclosures.	✓
D.5 RELATED PARTY TRANSACTION REVIEW COMMITTEE			
D.5.1	Definition	Related party transactions are defined in accordance with LKAS 24	✓
D.5.2	Establish a Related Party Transactions Review Committee	The Board has established a Related Party Transactions Review Committee comprising five Independent and Non-Executive Directors, chaired by Mr. G.G. Dayasumana.	✓
D.5.3	Terms of Reference	The Related Party Transactions Review Committee Terms of Reference have been approved by the Board. Refer to the Annual Report of the Board of Directors on page 126 and the Report of the Related Party Transactions Review Committee on pages 126 and 127 for further	✓
D.6 CODE OF BUSINESS CONDUCT AND ETHICS			
D.6.1	Disclosure of Compliance with the Corporate Governance Code	Company has included Corporate Governance report in pages 63 to 74 setting out the manner and extent to which the Company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance issued jointly by the SEC and the CA Sri Lanka.	✓
D.6.7	Chairman's statement	Refer to the Chairperson's Message on page 25-27 and the Annual Report of the Board of Directors on the affairs of the Company on page 79.	✓
D.7 CORPORATE GOVERNANCE DISCLOSURES			
D.7.1	Corporate Governance disclosures	The Corporate Governance Report on pages 53 to 78 comply with this requirement.	✓

Compliance Status

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
E. INSTITUTIONAL INVESTORS			
E.1 SHAREHOLDER VOTING			
	Principle: Should ensure institutional shareholders' voting intentions are translated into practice.		✓
E.1.1	Communication with Shareholders	Please refer details on shareholder communication under C.2.1 and C.2.2	✓
F. OTHER INVESTORS			
F.1	Investing and divesting decision	Individual shareholders are encouraged to carry out adequate analysis or seeking dependent advice on their investing, holding or divesting decisions. The Annual Report contains sufficient information to make an informed decision.	✓
F.2	Encouraging shareholder participation and exercise their voting right.	Refer Annual General Meeting section on page 240.	✓
G. INTERNET OF THINGS AND CYBER SECURITY			
G.1	Internet of things and cyber security	IT department has competent staff and with the advice of the CEO they have identified the business process. IT department has taken mechanism to connect IT devices within the organisation and outside the organisation to the organisation network to send and receive information. Also they maintain proper risk mitigation mechanism to protect Company information from cyber treats.	✓
G.3	Cyber risk management to be a regular item on the Board agenda	Please refer identified risk and risk control mechanism taken by the Company in Risk management section on page 61.	✓
G.4	Independent periodic review and assurance	IT department ensures the effectiveness of cyber security periodically and suggests necessary actions to the CEO who is reports to the Board. Board of Directors takes necessary actions accordingly.	✓
G.5	The process to identify and manage cyber security risks	Please refer identified risk and risk control mechanism taken by the Company in Risk management section on page 61.	✓
H. SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H.1	Environment, Society and Governance (ESG)	Annual Report of the Board of Directors on page 117. This report has been prepared following the IR Framework, and the Code of Best Practice on Corporate Governance. The following reports provide further information: **Social Reporting** Human Capital Report on pages 105-108 Social & Relationship Capital Report on page 109 **Environmental Reporting** Natural Capital Report on page 114 **Governance** Corporate Governance Report on page 53	✓

COMPLIANCE WITH LISTING RULES SECTION 9

The Company required compliant with the Corporate Governance Rules as per Section 9 of the Listing Rules of Colombo Stock Exchange. The following table has been published in accordance with the requirement to disclose the level of compliance with such rules.

Rule No.	Subject	Requirement	CICPLC's level of compliance	Compliance Status
9.1.3	Statement of Compliance	All listed entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules in the Annual Report	Please refer page 75 for the statement of compliance.	✓
9.2	Policies	Establish, maintain, and provide on written request specified policies	The Company has implemented the required policies in accordance with Section 09 of the listing rules and has published them, along with their summaries, on the Company's website.	✓
9.3.1 - 9.3.2	Board Committees	Board Committees to include at a minimum: (a) Nominations & Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	The Company has already established the mandatory committees in accordance with the listing requirements. The composition, responsibilities, and disclosure required in the committees are setout in the Committee reports from pages 119 to 127.	✓
9.3.3		Chairman of Board Committees	The Chairman of Board Committees is not the Chairman of the Board.	✓
9.4.1	Adherence to principles of democracy	Maintain records of all resolutions and information pertaining to its adoption	Company maintain all the relevant information.	✓
9.4.2		Policy for shareholder communication, contact person and process to inform directors of major issues/concerns of shareholders and comply with guideline for hybrid or virtual meetings	The below communication channels are used: - Timely filings with the CSE - Company website - Quarterly and annual reports Further, annual reports serve as a vital communication tool with shareholders, conveying both financial performance and the organization's values and commitments, including sustainability initiatives.	✓
9.5	Policy on matters relating to the Board	Listed entities to establish and maintain a formal policy governing matters relating to the Board	The Company maintains a Policy on Matters relating to the Board of Directors.	✓
9.6	Chairperson & CEO	Chairperson should be a Non-Executive Director, and the positions should not be held by one person unless a Senior Independent Director is appointed.	Refer page 60 Segregation of Key Roles. There is no requirement for a Senior Independent Director due to the segregation of roles.	✓

Compliance Status

Rule No.	Subject	Requirement	CICPLC's level of compliance	Compliance Status
9.7.1	Fitness of Directors & CEOs	Take necessary steps to ensure that Directors and CEOs are, at all times, fit and proper persons in accordance with criteria set out in 9.7.3	The Company ensures that the Directors and CEO at all times fulfil the fit and proper assessment criteria set out in the Listing Rules.	✓
9.7.4		Annual Declaration	The Directors and the CEO have provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year	✓
9.7.5		Disclosures in the Annual Report	The Company obtains declarations from all Directors and CEO on an annual basis and at the time of appointment confirming that each of them have satisfied the fit and proper assessment criteria set out in the listing Rules, throughout the year and at the date of the assessment.	✓
9.8.1 – 9.8.2	Board composition	Minimum of 5 directors with atleast 2 independent directors or 1/3rd whichever is higher in accordance with the criteria set out in 9.8.3	Please refer page 56 for the Board composition	✓
9.8.5		Independent Director shall submit a signed declaration annually and Impairment of independence to be notified via of Market Announcements.	Independent Directors have submitted declarations during 2024	✓
9.9	Alternate Directors	Criteria and circumstances for appointing Alternate Directors	CICPLC does not have any Alternate Directors at present.	Not Applicable
9.10.1	Disclosure relating to Directors	Disclose Policy on maximum number of directorships	A Director may hold up to 20 directorships in listed companies, as per IRCSL Direction No. 02 of 2022 on Corporate Governance for Insurers	✓
9.10.2		Market announcement to be made on appointment	Accordingly Market Announcements/ notices have been sent to CSE relating to corporate disclosures.	✓
9.10.3		Market announcement to be made on changes to composition of the Board Committees		✓
9.10.4		Disclose information relating to Directors in Annual Report	Please refer profiles of Directors of pages 32 to 34.	✓
9.11.1 – 9.11.5	Nomination and Governance Committee	Composition and Functions of the Committee	Please refer pages 124 and 125 for the report of the Nomination and Governance Committee	✓
9.11.6		Annual Report Disclosures		✓

Rule No.	Subject	Requirement	CICPLC's level of compliance	Compliance Status
9.12.1 – 9.12.7	Remuneration Committee	Composition and functions of the Committee	Please refer pages 122 and 123 for the report of the Remuneration Committee	✓
9.12.8		Annual Report Disclosures		✓
9.13.1 – 9.13.4	Audit Committee	Composition and functions of the Committee	Please refer pages 119 to 121 for the report of the Audit Committee	✓
9.13.5		Annual Report Disclosures		✓
9.14.1 – 9.14.3	Related Party Transactions Review Committee	Composition and functions of the Committee	Please refer pages 126 and 127 for the report of the Related Party Transactions Review Committee	✓
9.14.4		Committee Meetings	The Related Party Transactions Review Committee convened 04 times during the year	✓
9.14.7 – 9.14.8		Disclosures	Please refer pages 126 and 127 for the report of the Related Party Transactions Review Committee	✓
9.17	Additional disclosures	Declaration by Board of Directors that: i. All material interests in contracts have been declared and they have refrained from voting on matters they were materially interested in ii. Conducted review of internal controls and obtained reasonable assurance of their effectiveness iii. Made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes iv. Disclosure of relevant areas of any material noncompliance with law or regulations and any fines which are material	Please refer page 117 of the Annual Report of the Board of Directors for the Declarations	✓

Compliance Status

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORK FOR INSURERS

Compliance of CICPLC group with direction No.17 on corporate governance issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) is given below:

Section	Requirement	CICPLC's level of compliance	Compliance Status
A	Insurers are recommended to adhere to the Code of Best Practice on Corporate Governance issued in 2017(amended as the Code of Best Practice on corporate governance 2023)	The Company's status of compliance with the relevant Corporate Governance Code is given from page 78.	✓
B	Insurers are required to comply with the following:		✓
(1)	The Board of an insurer must be comprised of a minimum of two Directors who are citizens and residents of Sri Lanka.	All Directors of the Company are citizens and residents of Sri Lanka.	✓
(2) (a)	The total period of service of a Director of an insurer, other than Executive Directors, shall not exceed nine years, and such period in office shall be inclusive of the total period of service served by such Director up to 01st July 2019.	None of the directors exceed nine years of service	✓
(2) (a) (i)	Above 9 year rule shall not be applicable to major Shareholder Director representing a major corporate shareholder and /or Corporate groups with majority shareholding i.e. more than 50% shares of the insurer directly or an individual Shareholder Director holding more than 50% could hold the directorship of the insurer for more than 9 years and upon reaching 70 years she/ he could nominate his/her representation to the Board	Not Applicable	Not Applicable
(2)(a) (ii)	Above 9 year rule shall not be applicable to Technical Director, such Director be allowed to remain in office till the age of 75 provided such person is an Associate or above the Chartered Insurance Institute and having 10 years' experience in an insurance company at senior managerial level.	Not Applicable	Not Applicable
(3) (a)	The age of a person who serves as a Director shall not exceed 70 years.	No Directors have exceeded the Age of 70 years.	✓
(3) (b)	In this context following transitional exemption apply.	No such situation has arisen during the year.	✓
	(i) (ii) (iii)		
(4)	The Board of an insurer must adhere to Section 7.10 of the Listing Rules of the CSE (Listing Rule - Section 09, Corporate governance is the new requirement)	The company's compliance status with section 09 of the listing rules is given on pages 75 to 77.	✓
(5)	A person shall not hold offices as a Director of more than 20 companies/entities/institutions including of subsidiaries or associate companies of the insurer, in not more than 10 specified business entities in terms of the Sri Lanka Accounting Standards Act, No.15 of 1995.	As at the date of this report, no Director Holds directorship in more than 20 companies/ entities/ institutions and not more than 10 specified business entities.	✓
(6)	The Company is required to demonstrate compliance with this Direction by way of disclosure in the Annual Report, including the disclosure requirements stated in 7.10 of the Listing Rules of the Colombo Stock Exchange. If the Company is unable to confirm compliance, disclose the reasons for its non-compliance and the action that will be taken rectifying the said non-compliance within the period. The Annual Report of the Company should be accessible to the IRCSL and the general public via the website of the Company within five months after the Balance Sheet date of the Company.(Listing Rule - Section Corporate Governance is the New Requirement)	The company has disclosed the compliance status with section 09 of the listing Rules on page 75 to 77 of the Annual Report and it is published on the company and CSE websites within the stipulated period.	✓
	The Insurer shall rectify its non-compliance in respect of B 1 to 6 above within three months from the date of Non-Compliance of same and inform the IRCSL immediately after three months.	No such situation has arisen during the year.	✓

REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors has pleasure in presenting the Annual Report to the members together with the Audited Financial Statements for the year ended December 31, 2024 and the Auditor's Report thereon of Co-operative Insurance Company PLC. This Report contains information required by Section 168 of the Companies Act No.7 of 2007 and other necessary information required by the Listing Rules of the Colombo Stock Exchange.

GENERAL

The Company is a limited liability company incorporated in Sri Lanka on August 11, 1997 under the Companies Act No. 17 of 1982 and re-registered on December 31, 2008 as required under the provisions of the Companies Act No. 07 of 2007.

PRINCIPAL ACTIVITIES

There was no significant change in the nature of the principal activities of the Company during the year and general insurance remained to be the principal activity of the company. The Company has not engaged in any activity which contravenes the Laws and Regulations of the country.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

A review of the financial and operational performance and future developments of the Company is contained in the Chairman's Report and the Management Discussion and Analysis of the Annual Report. These reports form an integral part of the Report of the Directors' and together with the audited Financial Statements reflect the state of affairs of the Company.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The financial statements of the Company are prepared in conformity with the Sri Lanka Accounting Standards laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of the Companies Act No. 07 of 2007 and the Regulation of the Insurance Industry Act No. 43 of 2000 and other rules issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL).

The financial statements duly signed by the Directors are provided on page 132 and Auditor's Report on financial statements is provided on page 131 of this annual report.

CORPORATE GOVERNANCE

The Corporate Governance principles and practices of the Company are described from pages 53 to 78 of this Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Statement of Directors' Responsibilities for Financial Reporting is given on page 117 which forms an integral part of the Annual Report of the Board of Directors.

The Directors are responsible for preparing and presenting the Financial Statements, which are set-out on pages 117. The Financial Statements have been prepared in conformity with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange. The Directors are satisfied that, the Financial Statements, presented on pages 132 to 218 give a true and fair view of the state of affairs of the Company as well as the profit for the year then ended.

TURNOVER/GROSS WRITTEN PREMIUM (GWP)

The total turnover measured by the Gross Written Premium (GWP) of the group of companies for the financial year under review amounted to Rs. 5,629Mn (Rs. 5,703Mn in 2023).

FINANCIAL RESULTS AND APPROPRIATIONS

	Group		Company	
	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net profit /(loss) before taxation	318,621	(374,021)	153,055	(337,224)
Income tax	44,974	54,082	39,663	78,929
Net profit /(loss) after taxation	273,647	(319,940)	113,392	(258,295)
Unappropriated profit brought forward	2,330,507	2,645,384	1,736,965	1,992,173
Funds available for appropriation	2,449,273	2,330,507	1,693,438	1,736,965
Other comprehensive income	91,804	186,074	95,311	155,396
Dividends Paid	165,098	-	165,098	-
Unappropriated profits carried forward	2,449,273	2,330,507	1,693,438	1,736,965
Earnings per share (Rs.)	0.17	-0.19	0.07	-0.16

Report of the Board of Directors on the Affairs of the Company

THE BOARD OF DIRECTORS

The Directors of the Company as at date are set out under "Corporate Information" on Page 241 and their profiles are given on pages 32 and 34 of the annual report.

The Directors of the Company who held office during the year are set out below together with the respective dates of change:

- A B Senadeera
- D L Samarawickrama -
- A A J Amarasinghe
- T B H Kumara
- P B Jayarathna
- M. Widanagamage
- Lalith Waragoda
- K K G Sanirathne
- G G Dayasumana
- H.H.D.E.P. Herath
- Suraj Wickramasinghe – Appointed from 15 March 2024
- Ganaka Amarasinghe – Appointed from 29 October 2024

DIRECTORS' MEETINGS

The number of Directors' meetings which comprises Board meetings, Audit Committee meetings, Investment Committee meetings, Humana Resources Committee Meetings, Business Development Committee Meetings, Purchasing and Tender Committee meetings and Remuneration Committee meetings together with the attendance of each Director at these meetings during the year are tabulated below:

#	Name of e Director	Board Meetings	Audit and Risk Committee Meetings	Investment Committee Meetings	Human Resources Committee Meetings	Business Development	Purchasing and Tender Committee	Remuneration Committee	Nomination Committee	Related Party Committee
1	A A J Amarasinghe	15		8	8	6	8	2	4	2
2	G G Dayasumana	15	12					2		2
3	M. Widanagamage	15		8	8		8			2
4	A B Senadeera	15	12	8	8	6	8			
5	P B Jayarathna	15	1				7			
6	H.H.D.E.P. Herath -	15	11					2	4	
7	K K G Sanirathne	15			8	6				
8	Lalith Waragoda	15	12					2	3	2
9	Suraj Wickramasinghe	13	7					2	4	
10	Ganaka Amarasinghe	2								
11	T B H Kumara	15	12							
12	D L Samarawickrama	15		8	8	6	8			

A – Number of Meetings held during the period while the director was holding office

B – Number of meetings attended

BOARD SUB COMMITTEES

The following Sub Committees were established by the Company:

Audit and Risk Management Committee

Purchasing and Tender Committee

HR Committee

Investment Committee

Business Development Committee

Remuneration Committee

Related Party Transaction Review Committee

Nomination and Governence Committee

The Reports of the Sub Committees are on pages 119 to 127. In the Annual Report. The Composition of the Board and the sub-committees of the Company and their functions and responsibilities are set out in the Corporate Governance Report appearing on pages 55 to 58 of this Annual Report

DIRECTORS' INTEREST WITH CONTRACTS AND RELATED PARTY TRANSACTIONS

The Directors have no direct or indirect interest in contracts with the Company other than those disclosed in Note 35 to the Financial Statements.

DIRECTORS' FEES AND EMOLUMENTS

Directors' fees and emoluments in respect of the Company for the Financial Year Ended 31st December, 2024 are as follows.

Directors' Fees and emoluments are as follows.

	2024 Rs. "000"	2023 Rs. "000"
Board Expenses	18,001,838	9,701,962
Board Remuneration	8,217,967	11,809,166
Board Remuneration of Cooplife Insurance	23,625,487	17,515,263
	49,845,292	39,026,391

DIRECTORS AND THEIR SHAREHOLDINGS

The Articles of Association of the Company does not stipulate the Directors to hold shares of the Company as qualifying shares. The Directors' shareholding as at 31st December 2024 are as follows:

Name	No. of Shares 31st December 2024
Mr.A A J Amarasinghe	244,030
Mr. G. G.Dayasumana	1,467,470
Mr. A.B. Senadeera	Nil
Mr. D.L.Samarawickrama	Nil
Mr. P.B. Jayarathne	Nil
Mr. M Widanagamage	Nil
Mr.T B H Kumara	Nil
Mr.L.Waragoda	Nil
Mr. K.K.Gawesha Sanirathne	Nil
Mr. H.H.D.E.P Herath	Nil
Mr. Suraj Wickramasinghe	22,550
Mr. Ganaka Amarasinghe	Nil

DIVIDENDS

The Company has declared 10% dividend as a interim dividend for 2024.

INVESTMENTS

The details of investments held by the Company are disclosed in Note 06 to the Financial Statements.

PROPERTY, PLANT & EQUIPMENT

The book values of the Property, Plant & Equipment were Rs. 1,116Mn as at the Balance Sheet date. Details of the Property, Plant & Equipment and movement during the year are disclosed in Note 04 to the Financial Statements.

MAJOR SHAREHOLDERS

20 Major shareholders of the Company as at 31st December, 2024

NO	NAME	SHAREHOLDING	%
1	WENNAPPUWA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	216,895,920	13.13
2	POST & TELECOM EMPLOYEES CO-OPERATIVE BANK SOCIETY LTD	128,656,840	7.79
3	WAYAMBA COOPERATIVE RURAL BANKS UNION LTD	105,377,730	6.38
4	GAMPAHA DISTRICT CO-OPERATIVE RURAL BANK UNION LTD.	103,955,830	6.29
5	PUBLIC SERVICE CO-OPERATIVE CREDIT & THRIFT SOCIETY LTD	91,090,730	5.51
6	MATARA DISTRICT TEA PRODUCERS CO-OPERATIVE SOCIETY LTD	76,448,180	4.63
7	BELIATTA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	65,431,230	3.96
8	MATARA DISTRICT CO-OPERATIVE RURAL BANKS UNION LTD	50,709,940	3.07
9	PUTTALAM SALT LIMITED	41,371,390	2.5
10	BERALAPANATHARA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	31,637,250	1.91
11	HOMAGAMA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	30,018,540	1.82
12	KOTAPOLA MULTIPURPOSE CO-OPERATIVE SOCIETY LTD	28,706,925	1.74
13	COLOMBO DISTRICT CO-OPERATIVE RURAL BANK UNION LTD.	27,808,570	1.68
14	SRI LANKA CO-OPERATIVE RURAL BANKS FEDERATION LIMITED	26,172,490	1.58
15	HAMBANTHOTA DISTRICT CO-OPERATIVE RURAL BANK UNION LTD	25,206,250	1.53
16	PANDUWASNUWARA NEW MULTI PURPOSE CO-OPERATIVE SOCIETY LIMITED	24,547,180	1.49
17	BINGIRIYA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	22,181,190	1.34
18	MIRIGAMA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	20,579,230	1.25
19	KOLONNAWA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD.	18,973,030	1.15
20	MAHARAGAMA MULTI PURPOSE CO-OPERATIVE SOCIETY LTD	18,148,970	1.1
	Total	1,153,917,415	69.85

Report of the Board of Directors on the Affairs of the Company

ANALYSIS OF SHAREHOLDERS

The percentage of Public Holding is 99.9% of the issued voting shares of the Company, represented by 4,621 shareholders.

The Company is in compliance with the minimum Public Holding requirement as at reporting date.

PROVISIONS

The Directors' have taken reasonable steps to ensure adequate provisioning for all known liabilities and insurance related reserves i.e. Unearned premiums reserves, Claims outstanding reserve and provisions for Claims Incurred but Not Reported (IBNR) and Claims Incurred but Not Enough Reported (IBNER) in Non-Life Insurance. The Directors also have consulted an Independent Actuary in this process of valuing IBNR and IBNER reserves and his report is given on page 83.

STATED CAPITAL

The Company's issued and fully paid stated capital as of the year end was Rs. 2,198.3Mn

SHAREHOLDERS

The total Shareholder base of the Company as at 31st December, 2024 was 4,626.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge, are satisfied that all statutory payments in relation to the Government, the Insurance Regulatory Commission of Sri Lanka (IRCSL) and related to employees have been made on time.

DONATIONS

There were no charitable contributions made in the Year 2024

CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Details of contingencies and events occurring after the Balance Sheet date are disclosed in Note 36 and Note 37 respectively to the Financial Statements.

AUDITORS

The Financial Statements for the period under review have been audited by Messrs Jayasinghe & Company, Chartered Accountants. Rs. 2.67 Mn (2023 - Rs. 1.98Mn) has been paid as Audit Fee for the Year Ended 31st December, 2024.

AUDITORS' RELATIONSHIP WITH THE COMPANY

Messrs M/s Jayasinghe and Company, Chartered Accountants, did not provide other consultancy services to the company during the year under review

By Order of the Board,

Secretary
KALUPAHANA AND THILAKARATHNE LAW ASSOCIATES
Secretaries

30th April 2025

CERTIFICATE OF IBNR AND LAT

Certification by the Actuary

Co-operative Insurance Company PLC 31 December 2024 IBNR and LAT Certification

I hereby certify that the undiscounted Central Estimate of IBNR (inclusive of CHE) provision of LKR 787,864,162 is adequate in relation to the Claim Liability of Co-operative Insurance Company PLC as at 31st December 2024. This IBNR provision, together with the Claims Outstanding Reserves held by the Company is expected to be adequate to meet the future liabilities in respect of the Company's incurred claims obligations as at 31st December 2024.

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test (LAT) as laid out in SLFRS 4. The LAT performed to assess the adequacy of the carrying amount of the Unearned Premium Reserve (UPR). I hereby certify that the UPR provision of LKR 1,513,013,217 set by the Company, net of Reinsurance, is higher than the estimated undiscounted Central Estimate Unexpired Risk Reserve of LKR 1,272,951,527. This implies the carrying amount of UPR is adequate at a 50th percentile in relation to the unexpired risks of Co-operative Insurance Company PLC as at 31st December 2024 in many, but not all, scenarios of future experience. As such, there is no contribution deficiency to be recognized by the Company.

The results have been determined in accordance with internationally accepted actuarial principles.

I have relied upon information and data provided by the management of the Company, and I have not independently verified the data supplied, beyond applying checks to satisfy myself as to the reasonableness of the data.

Saket Singhal, FIAI
COP No: 175/058
Actsure Lab (Pvt) Limited

Name of the Appointed Actuary of the report: Saket Singhal, FIAI
Qualification of Actuary: Fellow Member of The Institute of Actuaries, India
Contact Details of Actuary: Tel: +91 9987050647 | Email: saketsinghal@actsurelab.com, saketsinghal@transvalueconsultants.com
Company Name and Address: Actsure Lab (Pvt) Ltd.
11/2, 1st Lane, Pagoda Road, Nugegoda, Sri Lanka
Date: 28-05-2025

IN VOLLEYBALL, THE SERVICE INITIATES THE GAME WHICH IS A CALCULATED MOVE THAT SETS THE TONE. FOR CO-OPERATIVE INSURANCE, THIS YEAR'S "SERVICE" WAS A DECISIVE COMMITMENT TO QUALITY-FIRST ACTION. FOLLOWING A TURBULENT PERIOD, THE COMPANY RESET ITS TRAJECTORY WITH RENEWED STRATEGIC INTENT. BY INITIATING REFORMS IN GOVERNANCE, COMPLIANCE, AND SERVICE DELIVERY, CO-OPERATIVE INSURANCE LAUNCHED A BOLD NEW PLAY, ONE THAT SIGNALED DISCIPLINE, DIRECTION, AND DRIVE. THESE FIRST MOVES LAID THE FOUNDATION FOR WHAT BECAME A YEAR OF TRANSFORMATIONAL PERFORMANCE.

PASSING

APPROACH TO STAKEHOLDER RELATIONS

STAKEHOLDER ENGAGEMENT PROCESS

The following underscores the process used to manage stakeholder needs and requirements.

MANAGING STAKEHOLDER EXPECTATIONS AND ENGAGEMENT METHODS

The following tables present crucial metrics that demonstrate how we engage with stakeholders and manage their expectations of the Company.

SHAREHOLDERS	
Major shareholder – Wennappuwa Multi Purpose Co-Operative Society Ltd (13.13%)	
99.9% of shares held by the Public	
4,621 public shareholders	
General Expectations	CICPLC response
Good reputation	Sound connectivity with the community
Strong financial performance	Transparent disclosures
Accountability	Responsiveness to shareholder concerns
Financial transparency	Audited financial statements within this report and Interim financial statements are publicised throughout the year
Future-forward thinking	New strategic direction
EXPECTATIONS AND CONCERNS IN 2024:	
Business continuity, stability, good governance, ongoing communication and timely disclosures (Please refer to the Risk Management Report on page 45 and Governance report on page 53 for information on how these concerns were dealt with)	
ENGAGEMENT METHODS	STATUS FOR 2024
AGM (Board of Directors)	Held 26th AGM on 29th June 2024 (Adjourned meeting)
Company secretary	Kalupahana and Thilakarathne Law Associates
Annual Report	Digitally accessible on ci.lk and distribution of report copies
Value created and delivered	
GWP of CICPLC – Rs. 4.5 Bn	
Debt to Equity Ratio – 0%	

Approach to Stakeholder Relations

CUSTOMERS	
Around 1mn total policyholders (motor and non-motor)	
corporate policyholders	
Individual policyholders	
General Expectations	CICPLC response
Timely and speedy financial indemnity	80% claim settlement ratio
Efficient services	Branch services and online services
Approachability and reliability	Access to a strong and large distribution network.
Confidentiality and data safety	Network security and data security protocols in place
Contractual commitment	Indemnity for agreed sums based on complete documentation and genuine claims
EXPECTATIONS AND CONCERNS IN 2024:	
Claims settlement due to operational disruptions, service continuation (social capital report demonstrates how these challenges were managed)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
Sales force/agents and brokers	Continued customer relations and interactions
In branch experiences	Continued basis
Corporate Website	Revamped
Meetings	On a continued basis (based on requests)
Call centre intimations/inquiries and complaints (24/7/ trilingual)	Initiation of the Call Hub for undertaking all customer-related inquiries
Regional promotions in towns/locales	Rural area activations (niche markets)
Social media interactions on various platforms	Conducted social media programs
Mass media (radio & TV)	Activations in line with several mass media TV and radio channel programs. LED screen promotions
Mobile propaganda van (1)	Promotions and leaflet/brochure distribution
Value created and delivered	
Rs 2.8 Bn in Net claims and benefits CICPLC	
270,247 in new motor insurance policies	
49,195 - New non-motor insurance policies	

REINSURANCE PARTNERS	
11 Reinsurance partners	
General Expectations	CICPLC response
Good reputation	Sound connectivity with the community
Commitment to agreements	Honoured our obligations
Transparent conduct and disclosures	Transparent disclosures
Financial stability	Payments on time
Operational viability	Operational continuity
EXPECTATIONS AND CONCERNS IN 2024:	
Timely payments and business continuity (Please refer the Social and Relationship capital report for approaches to managing their concerns)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
Reinsurance Manager	Actively Engaged
Virtual meetings	Regular Meetings
Value created and delivered	
Premium ceded to reinsurers– Rs 1363 Mn -CICPLC	

EMPLOYEES	
1,009 employees (Both sales and non-sales)	
General Expectations	CICPLC response
Career growth and succession	Promotions during the FY
Job security	No redundancies
Fair remuneration	Attractive remuneration
Financial incentives and benefits	Salary increments
Recognition	KPI based performance recognition and rewards
Welfare, work-life balance	Organising employee Entertainment events
Positive work environment	Peaceful work environment
EXPECTATIONS AND CONCERNS IN 2024:	
Timely payments and business continuity (Please refer to the Social and Relationship capital report for approaches to managing their concerns)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
Intranet, e-mail, WhatsApp and digital communications	Maintained consistently
Staff meetings	Regular staff meetings
Training programs	Effective training programs for both sales and non-sales staff
Performance evaluations	Regular performance evaluations and awarding
Satisfaction surveys	Employee engagements
Recreational activities	Organising sports activities like cricket tournaments
Value created and delivered	
Investments in employees – Rs 621 Mn on staff expenses of CICPLC	

BUSINESS PARTNERS (AGENTS AND BROKERS)	
255 no. of Agents and 78 brokers	
General Expectations	CICPLC response
Financial growth	Financial stability
Timely payments	Releasing payments on time
Business continuity	Going concern
Contractual commitment	Commitment to contracts and timely payments
Ethical business conduct	Sound relationship with suppliers
EXPECTATIONS AND CONCERNS IN 2024:	
Timely payments and business continuity (Please refer to the Social and Relationship capital report for approaches to managing their concerns)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
In-person meetings	Regular meetings
Events	Organising interacting events
Training sessions	Regular training sessions
Digital correspondence	More convenient digital solutions
Value created and delivered	
CICPLC Incurred commission expense of Rs. 408 Mn in 2024	

Approach to Stakeholder Relations

SUPPLIERS AND SERVICE PROVIDERS	
58 registered suppliers and service providers	
General Expectations	CICPLC response
Economic value	Reasonable prices for suppliers
Timely payments	On-time payments and monitoring
Timely communications	Sound relationships
Approachability	Convenience e-access
EXPECTATIONS AND CONCERNS IN 2024:	
Timely payments and business continuity (Please refer to the Social and Relationship capital report for approaches to managing their concerns)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
One-to-one meetings	Regular meetings
Contractual agreements	Signed agreements
Value created and delivered	
payments to suppliers and service providers	

REGULATORS, INDUSTRY BODIES AND THE GOVERNMENT	
Immediate regulatory authorities: IRCSL, CBSL, SEC, CSE, IRD, ROC, NITF, etc	
General Expectations	CICPLC response
Proper adherence to laws and regulations Complied with regulations by the end of the calendar year	
Ethical conduct and accountability	Submissions with full disclosures
Good governance practices	Change in Board composition according to the regulations
EXPECTATIONS AND CONCERNS IN 2024:	
Compliance with governance regulations, Accountability, Transparency and good governance (Please refer to the Governance Report for a detailed account of how these were addressed)	
ENGAGEMENT METHODS	**STATUS FOR 2024**
Key personnel: Board of Directors, Chief Financial Officer, Risk and Compliance Officer and Technical Officer	
Interim financial statements	Released quarterly
Annual report submission	Timely submission of Annual Report
CSE communications	Announcing changes to Directors
Submissions on request	Undertaken by officers in charge of submissions when required
Value created and delivered	
Rs 34 Mn withholding tax on interest income	

COMMUNITY	
445 new employment opportunities	
General Expectations	CICPLC response
Sharing economic gains	On time commission paid to agents
Economic growth	Increase in employee financial remuneration and investments
Community development	Engage with community activities
Positive environmental impact	Positive contribution to environmental protection
Affordable solutions	Economic pricing product strategies
EXPECTATIONS AND CONCERNS IN 2024:	
...	
ENGAGEMENT METHODS	**STATUS FOR 2024**
Events	Religious events
Donations	Donations to selected students
Regional and township promotions	Multiple promotions across FY
Employment opportunities	To 445 new employees.
Above the line and below the line communications	Sustained across the year, but with target segments
Value created and delivered	
...	

OPERATING ENVIRONMENT

THE GLOBAL ECONOMY

According to the IMF, the global economic growth was recorded as 3.2% in 2024, which was consistent with the growth of 2023. This growth can be attributed to the varied growth levels across economic regions, including advanced economies, which experienced a growth of 1.7% in 2024. This was supported by resilient consumer spending and fiscal support, especially within the United States. Conversely, emerging markets and developing economies underwent a slight deceleration to 4.2%. This included growths in China and India. The latter had a robust growth if 7% while China's economic growth was around 4.8% - 5%.

The IMF projected that world inflation would decline from 6.8% in 2023 to 5.9% in 2024. This may have been driven mainly by tighter monetary policies, reducing energy prices, and lessening labor market pressures. The IMF observed that while inflation in emerging markets and developing economies was higher, averaging about 7.4%, advanced economies' inflation was close to their 2% targets.

SRI LANKAN ECONOMIC OVERVIEW AND IMPACT

In 2024, the local economy underwent several improvements that culminated in a 5% economic growth. This was primarily delivered by improved industrial sector performances in addition to a burgeoning tourism sector with over 2 million visitors during 2024. Moreover, there was a current account surplus as workers' remittances increased to Rs 2.6 Bn and tourism which increased during the year. As a result, gross official reserves increased to Rs 5.4 Mn during the year. Despite the surplus in the current account, the trade deficit remained due to higher imports. Inflation remained below the target level of 5% since March 2023 due to reduction in electricity tariffs. The insurance sector activities showed a -1.2% change in economic activity with a 4.6% contribution to GDP.

The following PESTEL analysis captures external factors that impact our business and provides an overview of their effects on both general and life insurance business segments.

Political

- Reforms: The government's 2024 debt restructuring and the $3 billion IMF Extended Fund Facility helped stabilise the economy, fostering a predictable environment for insurance growth and market expansion.
- Regulatory Challenges: Increased VAT (to 18%) and insurance regulations (e.g. 100% SRCC) raise costs, impacting profitability. Moreover, frequent policy shifts under an inexperienced parliament threaten economic and social resilience.
- Opportunities: Potential government-backed insurance schemes (e.g., for public sector workers) and public-private partnerships align with market expansion, enabling the company to leverage its rural branch network and cooperative partnerships.

Economic

- Economic Growth: Sri Lanka's 5% GDP growth in 2024.
- Challenges: High public debt and exchange rate volatility increase costs for imported resources (e.g., reinsurance). Inflation below 5% aids affordability; however fuel price hikes and electricity tariff hikes strained operational costs, challenging resilience.
- Opportunities: Higher foreign reserves combined with higher remittances provide a strong economic background for the Company. These developments enable us to create reasonably priced locally based insurance schemes to suit travellers and remittance recipients to provide a financial buffer from health risks, travel risks, etc.

Social

- Demographic Trends: Rising health and financial security awareness, especially among an aging population and rural communities, drives demand for life and health products, such as Wellness Plus, supporting customer focus and innovation.
- Challenges: Poverty and low labor force participation limit premium affordability. Skilled worker emigration exacerbates staff attrition, requiring salary increments and training to maintain resilience.
- Opportunities: Cultural emphasis on hospitality boosts tourism-related insurance (e.g., travel policies). Moreover, inclusive products tailored for rural and low-income segments will enable us to leverage our strong rural presence and align with market expansion.

Technological

- Digital Transformation: Government-driven digitalization and 5G adoption will enable innovation through digital platforms, telemarketing, and apps for policy management and claims, enhancing customer focus and operational efficiency.
- Challenges: Low computer literacy and cybersecurity risks hinder digital adoption, requiring user-friendly interfaces and robust security investments. Over-reliance on traditional channels limits cross-selling, necessitating digital marketing enhancements.
- Opportunities: Investments in ICT infrastructure and data analytics support personalized products and efficient claims processing, aligning with innovation and market expansion. Partnerships with fintech platforms can also enhance digital reach.

Operating Environment

Environmental

- Climate Risks: Increasing floods and droughts heighten demand for agro-insurance and property coverage, aligning with customer focus and innovation. Moreover, environmental laws and regulations, and best practices (e.g., ISO 14001) propel insurers toward sustainable practices.
- Challenges: Higher claim frequencies from weather-related events could strain profitability, requiring careful risk pricing and reinsurance strategies to maintain resilience.
- Opportunities: Developing climate-resilient products (e.g., parametric insurance for farmers) and aligning with government environmental policies support growth and strengthen rural market presence.

Legal

- Regulatory Compliance: Stricter consumer protection laws and online safety regulations enhance trust; however, they could also increase compliance costs. The Insurance Regulatory Commission of Sri Lanka (IRCSL) stipulates solvency margins, which impacts financial strategies. Higher tax structures have become a primary business concern.
- Challenges: Compliance with stricter regulations can lead to increased administrative and reporting expenses. While regulations aim to build consumer confidence, they can also make processes more complex for businesses and customers.
- Opportunities: Leveraging legal reforms, such as streamlined tax administration and consumer protection, supports transparency and customer trust, aligning with customer focus. Compliance with IRCSL standards strengthens market credibility.

SWOT ANALYSIS

We leverage our strengths and focus on opportunities in order to align our actions and resources with our vision and strategic imperatives. Moreover, to address critical weaknesses, we have taken appropriate steps and have adopted counter measures, as mentioned below to buffer the effects of potential localised and global threats.

Strengths	Capitalization Strategy
Branch network/service centres	Investing in new branches
Direct sales team	Establishing a dedicated sales team at each branch
Co-operative societies / MPCS networks	Expanding presence through rural banks and co-op societies
Our staff	Providing targeted and general training programs
Brand recognition in outskirts	Utilizing third-party centres to enhance brand awareness

Strengths	Capitalization Strategy
100% Sri Lankan company recognition	Focusing on inclusive insurance solutions
Financial stability – profits	Using profits for business expansion and strategic growth
Customer base	Acquiring new business and promoting motor & non-motor products
Cost structure	Implementing cost control measures to improve profit margins

Opportunities	Approach
Access to government and public insurance	Fill portfolio gaps through discussions and product development
Untapped market	Channel expansions and new distribution channels
Bancassurance	Strengthening partnerships with 7 bancassurance partners
Telemarketing	Developing a newly established telemarketing team
Online marketing	Social media promotions with targeted digital marketing strategies
Government focus on the SME sector	Identifying market gaps for better outreach and solutions
Development in infrastructures	Investing in physical assets and ICT infrastructure
Rising awareness in health-related insurance	Introducing a new health insurance policy – Wellness Plus
Lifestyle changes	Creating solutions tailored to individual needs
Access to agro-insurance requirements	Capitalizing on existing solutions and exploring new offerings

Weaknesses	Our Approach
Gaps in the succession plan	Revising the succession planning policy
Overdependence on the motor line of business	Increasing focus on marine and property-based insurance; launching a new health insurance product
Gaps in innovation	Implementing digital service solutions and innovative products; moving away from homogeneous offerings to address market gaps
Resistance to change	Adopting transformation through a new strategic focus and corporate plan
Higher attrition rate	Introducing salary increments and removing deposit requirements for new employees
Reliance on organic growth	Strengthening targeted communications via social media and outdoor promotions
Lack of cross-selling and up-selling	Enhancing telemarketing efforts to drive cross-selling and up-selling

Threats	Our Approach
Decline in rates – Price war	Product bundling, cross-selling, and up-selling via direct sales and telemarketing
Import restriction	Focus on existing market prices and second-hand auto market
Fluctuation of exchange rate	Strategies to offset exchange losses
Financial crisis / Industry de-growth	Prudent spending, strategic investments, and revenue growth focus
Differentiated products from competitors	Expansion into non-motor products and diversification efforts
Regulatory intervention	Regular compliance adherence
Reduction in investment return	Strategies to mitigate investment return reductions
Competitor mass advertising & publicity	Cost-effective retail growth, telemarketing, and online marketing efforts
Decline in disposable income	Developing affordable insurance solutions

CONCLUSION

In 2024, Sri Lanka's macroeconomic recovery and insurance industry trends offer opportunities for growth, innovation, and market expansion through economic growth, digitalization, and rising insurance awareness. The company can leverage its branch network, rural brand, and financial stability to capitalise on government schemes, bancassurance, and climate-resilient products. However, challenges, such as regulatory complexity, economic volatility, poverty, and climate risks require strategic focus on compliance, cost management, digital adoption, and diversified offerings to ensure resilience and customer-centric growth.

VALUE CREATION MODEL

CAPITAL INPUTS

Financial Capital - Group
- Rs. 2,198 Mn Stated Capital
- Rs. 2,449 Mn Retained Earnings
- Rs. 1,242 Mn Other Reserves
- Rs. 12,686 Mn Investment Portfolio

Manufactured Capital - Group
- Rs. 1,430 Mn Investment in Property, Plant and Equipment
- Expansion of Customer Service Centers

Intellectual Capital
- Knowledge and Competencies in technology
- Experienced Board
- Corporate Management
- Co-op brand
- Experienced Workforce

Human Capital
- 1,009 Talented Employees
- Rs. 1.5 Mn. Invested in Training and Development
- Training academy (CITA)
- Training resources

Social & Network Capital
- Around 1 Million Customers (CICPLC)
- Service Centers (Co-operative Societies)
- Post and sub-post office network
- Advisors, brokers and agents
- Strong Reinsurance Partnerships
- Eminent Banking Panel
- Hospital Panel
- Regulatory authorities
- Investment in Community Projects

Natural Capital
- Energy consumption - 907,868 kWh
- Drinking Water consumption - Over 154,350 Litres
- Pipe borne consumption - 11,199 Units

VALUE ADDING BUSINESS ACTIVITIES

Financial and Investment management
- Management of adequate or surplus funds generated through business activities and ensuring fair returns to Shareholders alongside increased benefits to all stakeholders

Recruitment, Continuous Training and Retention
- Developing employees and empowering them to grow by providing the right knowledge; help shape skills and inward values and self-driven commitment to being longstanding employees.

Customer Service and Service Network
- Enhance customer experiences through improved services at all touch points and interactions; expanding services through physical and digital channels.

Affordable Solutions and Diversified Portfolio
- Revamping product portfolio to offer affordable solutions with competitive features and pricing to match customer needs.

Claim Processing
- Improved claim settlement processes and reduced claim processing times through integrated tech systems and continuous training.

ICT Development
- Developing internal systems for improving process efficiencies and reducing service times for the benefit of customers and employees.

Output Product

Motor Insurance Products

Fire Insurance Products

Micro Insurance Products

Liability Insurance Products

Engineering Insurance Products

Marine Cargo and Hull Insurance Products

Life Insurance Products

Policy Underwriting

- Efficient and accurate policy underwriting based on policy buyer's risk exposures and assigning the right pricing.

Corporate Governance and Compliances

- Adherence to Company Governance Framework, regulatory stipulations and supporting regulatory decisions in the industry, for the common betterment of Stakeholders.

Risk Assessment

- Creating and implementing appropriate risk strategies to achieve strategic objectives while ensuring the maximum management of key operational risks.

Vision

To be an organisation that will stand "united" with its customers to the very end.

Mission

To be ever mindful of the needs of our customers and, thereby make 'true protection' a way of life via the provision of innovative, yet affordable insurance solutions, which confirm to the highest ethical and moral standards.

VALUE CREATED

Financial Capital - Group

- **3.56 net assets per share**
- **Other Reserve Rs. 1,242 Mn**
- **Total Assets Rs. 17,282 Mn**
- **Rs. 5,629 Mn GWP**

Manufactured Capital - Group

- **4 New Express Counter**
- **New ICT equipment**
- **In-house software development**

Intellectual Capital

- **Digital insurance card (e-card)**
- **Revamped web portal**
- **Digital tender process Continuous upgrades and additions to core systems**

Human Capital

- **Increase in employee training**
- **Rs. 13.1 Mn revenue per employee**
- **85% employee retention**

Social & Network Capital - Group

- **Increased customer base**
- **Wider customer reach**
- **Increased accessibility to services**
- **Rs. 3.2 Mn claims paid**

Natural Capital

- **Reduced electricity consumption**
- **Reduced overall water consumption**
- **Saplings distributed towards long-term carbon offset**
- **Actions to reduce long-term plastic waste**
- **Digital solutions to offset resource-oriented processes**

SOUND FINANCIAL PERFORMANCE

In order to meet policyholder obligations, maximise shareholder value, and ensure long-term profitability and stability, we have adopted effective financial capital management. Despite obstacles, the general and life insurance business segments saw strong revenue growth, ensuring a successful year by taking preventative action against negative effects. This impressive financial result was bolstered by key value drivers.

Despite concerns, we maintained stability and profitability through efficient financial management, generating better revenue through proactive approaches and important value drivers.

REVENUE

During the group's fiscal year under review, we achieved a consolidated revenue of 5.6 Bn, which comprises Rs 4.5Bn from CICPLC and Rs 1.1Bn from Cooplife Insurance Limited.

Sales productivity per staff member rose from Rs 9.8 Mn in 2023 to Rs 13.1 Mn in 2024, indicating greater efficiency and performance within the sales force.

Profitability ratios	2024
Return on total assets - Group	2%
ROCE - Group	6%
Investment yield - Group	14%

CONSOLIDATED FINANCIAL PERFORMANCE (GROUP)

Revenue

During the year under review, the Group maintained its Gross Written Premium (GWP) at Rs. 5.6 Bn, compared to Rs. 5.7 Bn in the previous year. However, an improvement in the quality of business portfolios contributed to greater revenue stability

Net earned premium also declined in tandem with the decline in GWP, to Rs 4.6 Bn from Rs 5.2 Bn in the year under review. Moreover, finance income increased marginally despite the policy changes to introduce a lower interest rate regime in 2024.

Net Earned Premium declined to Rs. 4.6 Bn in 2024 from Rs. 5.2 Bn in the year 2023, primarily due to increased reinsurance costs, mainly attributed to the 100% ceding of SRCC/TC coverage under motor insurance. Despite the adoption of a lower interest rate regime during the year, finance income recorded a slight increase, reaching Rs. 1.7 Bn

PROFIT

In comparison to the previous year, underwriting profit increased to Rs. 598 Mn compared to Rs. 77 Mn in the previous year. As a result, profit before tax turned a positive note during the year, recording a growth of 185% to Rs. 319 Mn. This has overturned the loss of Rs. 374 Mn reported in 2023. Profit and loss after taxation reached Rs. 274 Mn, which is a significant improvement in comparison to the loss of Rs. 320 Mn experienced in the previous year.

	Group		General		Life	
	2023	2024	2023	2024	2023	2024
PBT (Rs Mn)	(374)	319	(337)	153	-37	166
PAT (Rs Mn)	(320)	274	(258)	113	-62	160

FINANCIAL PERFORMANCE (GENERAL)

Revenue

The general insurance business segment overseen by CICPLC recorded a gross written premium of Rs 4.5 Bn during the year, marking a slight decline in comparison to the previous financial year. Net earned premium was reported as Rs. 3.5 Bn and shows a 13% decline in comparison to the previous financial year's NEP of Rs 4.1 Bn.

Net Earned Premium declined to Rs. 3.6 Bn in 2024 from Rs. 4.1 Bn in the year 2024, primarily due to increased reinsurance costs mainly attributed to the 100% ceding of SRCC/TC coverage under motor insurance.

CICPLC as a company recorded a finance income of Rs 892 Mn, which has declined as a result of the lower interest rate and the value of financial investment, secured under fixed income assets.

Profit

Underwriting profit from the general insurance business reached Rs 898 Mn compared to Rs 477 Mn recorded in the previous year. During the year, there was a sharp increase in profitability. PBT improved by 145% from a loss of Rs 337 Mn to a profit of Rs 153 Mn. PAT jumped by 144% from a loss of Rs 258 Mn to a profit of Rs 113 Mn. This emphasises fundamental improvements in revenue, cost elements and tax treatment. The combined ratio improved from 133% in 2023 to 121% in 2024, marking a critical milestone in the company's return to profitability.

FINANCIAL PERFORMANCE (LIFE)

Revenue

Gross Written Premium (GWP), reached Rs 1.1 Bn, representing the total premiums written before deductions, such as reinsurance. Net Earned Premium (NEP) was Rs 1 Bn reflects premiums earned after accounting for reinsurance. Finance Income amounted to Rs 871 Mn, indicating significant income from investments, a critical revenue stream for Cooplife Insurance Limited.

Profit

Underwriting Profit was a loss of Rs 297 Mn, indicating higher claims, expenses, and other underwriting costs, which exceeded net earned premium. Cooplife earned a positive pre-tax profit of Rs 166 Mn while profit after tax was reported as Rs 160 Mn for the year under review. The higher Investment income of Rs 871 Mn reported during the year helped offset the reduction in the net written premium and the underwriting loss.

The company's Life Fund reached Rs 4.8 Bn, which represents the reserves to meet future policyholder obligations, a key indicator of our subsidiary's financial stability.

	2024	2023	2022	2021	2020
Life fund (Rs Mn)	4,834	3,893	2,761	2,327	2,136

Breakdown of Insurance GWP

The total non-life gross written premium stood at Rs 4.5 Bn by the end of the year under review. This comprised motor insurance, fire insurance, marine insurance and miscellaneous insurance. The following chart provides the composition (percentage) of the non-life gross written premium.

GWP of non-life insurance segments underwent a slight reduction in comparison to the previous year as a result of a drop in its prominent category motor insurance. Gross written premium from motor insurance dropped by 2% to Rs. 3.5 Bn while non-motor GWP totalled a little over Rs 1 Bn. This includes Rs 693 Mn in miscellaneous insurance, Rs 283 Mn in fire insurance and Rs 46 Mn in marine insurance.

	2024 ('000)	2023 ('000)
GWP Motor	3,503,414,254	3,591,355,484
GWP Fire and engineering	283,615,812	318,851,655
GWP Marine	45,993,089	40,252,054
GWP miscellaneous	692,650,578	588,097,947

Gross written premium of the life insurance segment stood at Rs 1.1 Bn by the end of the financial year, recording a 5% decline from the total GWP of 2023. Despite this overall drop, achieving Rs. 270.9 Mn in new business highlights strong sales potential. focusing on improved policy retention and targeted marketing strategies will be key to driving a recovery.

Premium ceded to reinsurers

The percentage of gross premiums written that an insurer transfers to a reinsurer to reduce risk is known as premiums ceded to reinsurers. Reinsurers absorb a portion of the risk in return for premiums, which lowers our exposure to claims while simultaneously lowering net premium income.

Total premium ceded to reinsurance amounted to Rs. 1.4 bn, of which Rs. 920 Bn was related to motor reinsurance, reflecting a 234% increase. This significant rise was primarily due to the 100% ceding of SRCC/TC coverage on motor insurance to the National Insurance Trust Fund (NITF)

Ceded premiums related to fire insurance declined by 8% compared to 2023, reflecting a reduction in business within the Fire insurance category. In contrast, premiums ceded to reinsurers for motor, marine, and miscellaneous insurance increased, indicating stable reinsurance strategies and adjustments aligned with business volumes and associated risk exposures

Expenditures

During the year under review, total group expenditure saw a significant reduction, dropping by 19% compared to the previous year. This decline reflects the company's strategic efforts in cost. A breakdown of the total expenditure reveals reductions across key expenditure categories, including Gross Benefits and Claims Incurred, Underwriting and Policy Acquisition Costs, and Operating and Administrative Expenses. This is a result of financial discipline, which has reinforced our commitment to sustainable profitability, securing stability in a challenging macroeconomic environment.

Gross benefits and claims reduced to Rs 3.2 Bn from Rs 4 Bn reported in 2023. Underwriting and policy acquisition costs dipped to Rs 153 Mn from Rs 322 Mn, decreasing by 53%. Additionally, other operating and administrative costs dropped by 10% to Rs 1.6 Bn from Rs 1.8 Bn reported in 2023/24.

Sound Financial Performance

Claims and benefits

Total net benefits and claims amounted to Rs 4.1 Bn, which includes Rs 2.8 Bn in claims incurred via CICPLC and another Rs 1.2 Bn incurred through Cooplife.

Expenditure	2023 ('000)	2024 ('000)	Change % (2023-2024)
Net claims Fire	267,120,090	175,349,379	-34%
Net claims motor	3,222,250,007	2,495,868,058	-23%
Net claims Marine	19,184,097	19,947,404	4%
Net claims miscellaneous	530,124,112	542,135,801	2%
Net claims Life	278,251,732	293,215,614	5%

Fire Insurance-related claims and benefits declined significantly by 34% in net claims, suggesting fewer fire-related incidents or improved risk mitigation. Motor Insurance experienced a 23% reduction, indicating fewer accidents, lower repair costs and policy changes. Marine Insurance saw a 4% increase, reflecting higher shipping-related claims. Miscellaneous Claims rose by 2%, maintaining relative stability. Life insurance claims increased from Rs. 278 Mn to Rs. 293 Mn, reflecting a 5.4% rise primarily driven by policy surrenders amid challenging economic conditions. This trend suggests higher payouts and potential adjustments to policyholder behaviour.

Net Claims and Benefits as % of NWP (CICPLC) dropped from 94% to 90%, meaning claims relative to net written premiums have improved.

Expenditure	2023 ('000)	2024 ('000)	Change % (2023-2024)
Underwriting and net acquisition cost	322,268,438	152,539,533	-53%
Operating and admin expenses	1,786,022,266	1,599,804,736	-10%
Income tax	(78,929,130)	39,663,025	-150%

Company Expenditures (General)

Underwriting and Net Acquisition Cost moved down by 53%, suggesting a significant reduction in costs related to acquiring and underwriting policies. Operating and Admin Expenses decelerated by 10%, signalling improved cost efficiency. Income tax increased to Rs. 39 Mn, representing a 150% rise, primarily due to higher tax liability on profits and deferred tax adjustments. Overall, improved efficiency in claims handling, underwriting, and administration has reduced expenditures.

Reinsurance costs increased during the year, from Rs 722 Mn to Rs 1.35 Bn, due to the government's regulation for 100% remittance of SRCC & TC premiums on motor business to the NITF effective January 1, 2024.

During 2024, the company experienced increased pressure on our cash flow due to the mandatory 100% remittance of SRCC and TC premiums on motor business. This was further impacted by operational outstanding liabilities carried forward from the previous financial year. Additionally, capital expenditure related to the acquisition of a new database server, amounting to Rs. 75 Mn and the payment of an interim cash dividend of approximately Rs. 165 Mn led to the utilisation of a bank overdraft facility by year-end.

Underwriting & policy acquisition cost	152,539,533	322,268,438
Other operating & administrative expenses	1,599,804,736	1,786,022,266
Finance cost	46,750,517	45,871,087
	1,799,094,786	2,154,161,791

FINANCIAL POSITION (GROUP)

Financial position (Group)	2024 (Rs Mn)	2023 (Rs Mn)
Total assets	17282	15,908
Financial investments	12686	11,311
Premium receivables	1109	1,305
Insurance provision - General	3430	3,575
Total liabilities	11392	10,222
Total equity	5890	5,687

FINANCIAL POSITION (CICPLC)

Assets

Total asset base increased by 2% to Rs 11.2 Bn from Rs 11 Bn in the previous year. This is mainly due to increases in the Non-Current Assets and Financial investments

Total Liabilities

In 2024, total liabilities increased by 3%, from around Rs 6.08 Bn in the previous year to roughly Rs 6.25 Bn. This suggests that the company's responsibilities have generally increased.

Insurance contract liabilities dropped by 4%, from roughly Rs 3.57 Bn to roughly Rs 3.43 Bn. This decrease might indicate that the company's responsibilities under insurance contracts have decreased, indicating improved risk management or modifications in policyholder behaviour.

During the year, reinsurance Liabilities surged by 30% from Rs 830.45 Mn to Rs 1.08 Bn - reflecting higher associated costs. Lease Liabilities declined by 16% from Rs 386.98 Mn to Rs 323.96 Mn, likely due to lease terminations or reduced leasing activity. Moreover, other Financial Liabilities grew by 10% from Rs 1.28 Bn to Rs 1.41 Bn, indicating increased financial obligations in other areas. Total Equity and Liabilities rose by 2% from Rs 11.00 Bn to Rs 11.22 Bn, showing overall balance sheet growth.

The company experienced moderate growth in total liabilities and equity, with a notable reduction in insurance and lease liabilities but a sharp increase in reinsurance liabilities.

Financial assets

Financial assets	2024 ('000)	2023 ('000)	Change % (2023-2024)
Treasury bonds	1,360,525,590	1,292,443,146	5%
Repos	1,339,718,154	82,400,001	1526%
Corporate Bonds	1,474,631,288	1,954,291,383	-25%
Fixed Deposits	2,045,283,131	2,491,035,709	-18%
other	472,644,032	645,783,660	27%

Treasury Bonds increased by 5% from Rs1.29 Bn to Rs1.36 Bn, reallocation of funds towards stable long-term instruments or favourable yield opportunities Meanwhile, Repos rose sharply by 1,526%, from Rs. 82.4 Mn to Rs. 1.34 Bn, suggesting a strategic shift towards short-term liquidity management or increased participation in the money market.

Corporate Bonds decreased by 25% from Rs 1.95 Bn to Rs 1.47 Bn, the decline was driven by reduced yield attractiveness in the corporate bond segment, prompting a reallocation of funds Moreover, fixed Deposits dropped by 18% from Rs 2.49 Bn to Rs 2.05 Bn, suggesting a decrease in fixed deposit investments, due to lower interest rates or reallocation to other assets. Other Financial Assets decreased from Rs 645.78 Mn to Rs 472.64 Mn, indicating a reduction in miscellaneous financial assets.

Investment Portfolio	2023 ('000)	2024 ('000)	Change % (2023-2024)
Investment Portfolio total	6,465,953,900	6,692,802,195	4%
Fixed income	6,451,381,092	6,673,393,738	3%
Equity investments	14,572,808	19,408,457	33%

Intangible asset

The company significantly increased in-house software development, leading to a 71% increase, which contributed to a 19% overall growth in intangible assets. This indicates a strategic emphasis on advancing technology to enhance operational efficiency in 2024.

Performance Metrics

- Earnings Per Share (EPS)

EPS for the year 2024/24 was Rs 0.07 and reflects the move from loss to profit.

- Return on Assets (ROA): 1.01%

Moving to positive ROA shows better asset utilisation, but 1.01% is below industry norms (2-3% for insurers), indicating room for improvement.

- Return on Equity (ROE): 2.28%

The positive ROE reflects shareholder value creation at 2.28%. Despite being low, it indicates modest profitability relative to equity.

- Capital Adequacy: 312%

High CAR (above regulatory norms) ensures strong solvency.

- Debt to Equity: 0.22%

A Stable, very low ratio indicates minimal leverage, reducing financial risk and aligning with a conservative capital structure.

- Interest Cover: 1.49%

The shift to 1.49% suggests improved ability to cover interest expenses, though low coverage indicates limited earnings relative to interest obligations.

Improvements in EPS, ROA, and ROE, which shifted from negative to positive, signal a recovery, driven by higher premiums and better cost/claims management. The High Capital Adequacy (312%) ensures stability, despite a slight decline. Low Debt to Equity (0.22%) reflects minimal leverage. The turnaround in ROA and ROE from negative to positive suggests improved operational efficiency and profitability in 2024 compared with 2023, despite Reinsurance recoveries.

Sound Financial Performance

	2023		2024	
	CICPLC	Cooplife	CICPLC	Cooplife
Total available capital (TAC)	Rs 3,485 Mn	Rs 2,147 Mn	Rs3,163 Mn	Rs2,500 Mn
Minimum capital requirement	Rs. 500	500, Mn	Rs. 500 Mn	Rs. 500 Mn
Risk-based capital adequacy ratio (CAR) ratio (CAR)	333%	356%	312%	415%
Regulatory minimum CAR	120%	120%	120%	120%

Shareholder Value

The recent interim cash dividend payment of Rs 165 Mn to shareholders demonstrates our dedication to delivering value to investors.

Renewed Outlook

Our vision for the upcoming year focuses on enhancing financial stability through improved risk assessment, optimised investments, strategic partnerships, and sustainable practices that support financial goals. To increase the insurance product pricing, we will improve risk assessment models. Our investment plans will be tailored to minimise risks, adhere to legal requirements, and optimise returns. To maintain stakeholder trust, we will place a strong emphasis on open and honest financial reporting. Additionally, we will seek strategic partnerships to drive financial synergies and bolster our market position.

BROADENING BOUNDARY LINES

Our manufactured capital encompasses physical assets, such as office buildings, our express counters and other properties, as well as equipment. These are critical to our service delivery apart from digital and technological assets. Our manufactured capital also includes office facilities and IT infrastructure, such as networks and digital platforms, which enable us to perform core insurance processes, such as policy management and claims processing. These resources ensure seamless connectivity between our head office, branches, and partners.

Connectivity

Material topic

SDGs

OUR APPROACH TO ENHANCING THE CAPITAL

We continuously invest in infrastructure and technology to boost operational efficiency, productivity, and long-term stakeholder value.

Challenges and opportunities

Challenges	Opportunities
High cost of upgrading and expanding physical branches	Leverage targeted online campaigns and virtual engagement tools to attract new customers
High costs of upgrading and expanding physical branches	Invest in cost-effective digital platforms, like mobile apps and online portals, to enhance service delivery

Branch Operations and Consolidation

Streamlining operations to provide a better service, we focused on enhancing our branch operations while reducing capital investments on new branches. During the year, our branch number declined from 112 to 110 with no new branches being established, demonstrating our strategic focus to optimise existing resources.

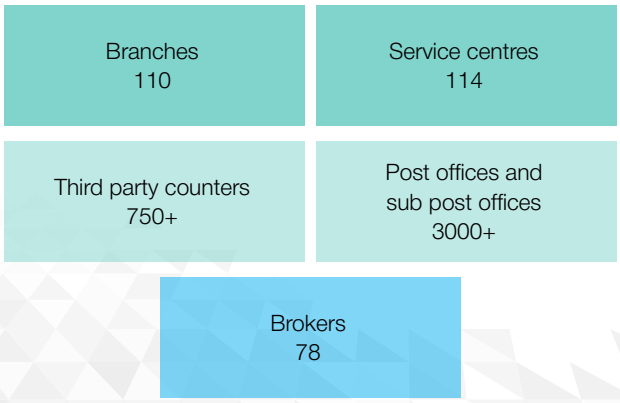
Maintenance costs for branch operations amounted to Rs 33 Mn, indicating our commitment to sustaining facilities. Our operational facilities cover a total space of 209,218 square feet, with branch-specific space accounting for 174,456 square feet. The head office occupies 28,262 square feet, while dedicated storage or warehouse space is 6,500 square feet.

During the year, we consolidated branch operations of Metro and Nugegoda South while relocations were undertaken for Mawanella sub-branch, Wellawaya, and Dehiwala; relocation costs amounted to Rs 1 Mn. This reflects a proactive approach to managing operational expenditures and enhancing the service experience for customers.

Our express counters increased during the year, with 4 new counters added to the network. COOP Express units were launched in 2024, in Ja-ela, Mannar, Trincomalee and Waikkal. Additionally, the company extends its services through a network of 768 post offices dispersed across the island.

Service Delivery (Distribution Network)

Our services are distributed through several channels established with the purpose of serving our policyholders. We also work with third-party channels, which have amplified our service presence at a grassroots level. These physical touchpoints enable us to maximise our presence without incurring heavy capital investments.



Broadening Boundary Lines

30% of our branches are located within the western province, making our presence in urban areas strong. We have established our network in regional areas, including 13% of our branches in the Southern region, 12% in the North Western Province and 10% in the Central region. Customers have the ability to reach us across each province.

Financial Position of PPE

The total value of our property, plant and equipment reached Rs 1.1 Bn during the year, reflecting our strategic position in infrastructure.

During the year, capital expenditures amounted to Rs 91 Mn, a notable increase from Rs 34 Mn in the previous year, indicating our commitment to enhancing operational capacity and modernising facilities. Furthermore, depreciation expenses were reported at Rs 637 Mn, indicating the ongoing wear and tear of physical assets.

In 2024, the company faced increased cash flow pressures due to the mandatory 100% remittance of SRCC and TC premiums on its motor business. As a result, major maintenance activities were deferred to manage these financial constraints.

Capital Expenditure on Property, Plant, and Equipment (PPE)

Significant steps have been taken to enhance the efficiency of the company's facilities and infrastructure, primarily through the investment in the data centre. The company made a capital expenditure of Rs 7.8 Mn in revamping its data centre. This plays a crucial role in supporting the company's strategic objectives.

Technological Advancements

The company upgraded its infrastructure with a new firewall and enhanced endpoint security systems to bolster operational resilience and threat prevention. To further safeguard our technological systems, a vulnerability assessment was conducted, and employee awareness programs on cyber security were implemented. Endpoint security tools were also deployed to protect devices from malware and unauthorized access. Importantly, throughout the year, there were no notable system downtimes, failures, or vulnerabilities reported.

Significant steps have been taken to enhance the efficiency of the company's facilities and infrastructure, primarily through the investment in the data centre.

Mobile Application (CO-OP Insu)

We are pleased to announce the release of our mobile application, COOP Insu, which aligns with our mission of improving customer satisfaction through digital services. The app was developed as part of our digital transformation strategy, and it is also aimed at increasing customer engagement and streamlining customer service operations.

Policyholders can access insurance information, including policy details, premium payments, and accident reports, at any time with COOP Insu. The app's ability to report accidents by enabling users to send photos directly from their smart phones is one of its most versatile features. Apart from providing digital proximity of services to clients, the application enables policyholders to manage their policies from a single point of use through an easily navigable interface.

Future Growth Strategy

We plan to invest further in enhanced security features and adopting new technologies. Initiatives include upgrades to existing systems, the introduction of advanced threat detection tools, and the exploration of cloud or hybrid solutions to improve scalability, resilience, and performance.

The organisation is planning to develop digital touchpoints in the MPCS network response to customer needs, aiming to expand its footprint and enhance accessibility.

To keep in line with digital advancements, all touchpoints will be digitalised through a mobile application. This initiative is aligned with current trends in customer engagement and service delivery. The company aims to further digitise the customer experience through modern technologies, which may involve automation, self-service portals, digital onboarding, and AI-driven support. These planned innovations are expected to significantly improve service delivery, enhance customer satisfaction, and align with the company's long-term digital transformation goals, ultimately supporting its future growth and strategic objectives.

Furthermore, invest in talent acquisition to strengthen organisational capabilities. Allocate resources to develop alternative distribution channels, thereby reducing overdependence on traditional ones. Prioritise digitalisation to automate underwriting and claims processes, enhancing efficiency and productivity in a cost-effective manner. Moreover, leverage digital marketing tools to boost sales of microinsurance products.

TRANSFORMATIONS AND INNOVATIONS FOR A PARADIGM SHIFT

Over the years, the intellectual capital of CICPLC has shaped its strategic position, competitiveness and value propositions. The sum of our intellectual assets comes through the intellectual capabilities of our staff and the existing internal capabilities we have shaped over the years through robust processes.

We have leveraged data-driven insights in developing useful and impactful insurance solutions, providing customer-oriented services while adapting to industry challenges. Over the past year, we have strengthened our intellectual capital through digital transformation, operational efficiency, and customer-centric initiatives. Investments in process refinement and brand enhancement have further enhanced our business strengths.

Connectivity

Material topic

SDGs

CHALLENGES AND OPPORTUNITIES

Challenges	Opportunities
Difficulty in attracting and retaining top talent with specialised expertise	Leverage online platforms and professional networks to recruit global talent and foster knowledge sharing
High costs of continuous training and development programs	Invest in digital tools and AI-driven training platforms to provide scalable, cost-effective skill development
High costs in implementing technological infrastructure	Create systems in-house by acquiring experienced tech professionals, thereby enhancing organisational capital
Resistance from non-tech-savvy individuals towards digital solutions	Promote digital solutions as easy, reliable and highly accessible.

INTELLECTUAL CAPABILITIES OF CICPLC

Insurance Product Offering

Insurance Product Offering

Our product portfolio offers policyholders and prospective seekers a range of comprehensive insurance products. Developed with over two decades of expertise and market understanding, these products have become the key to our value proposition. Grounded on affordability, comprehensibility and inclusivity, our solutions provide policyholders coverage on personal and business insurance needs.

We deployed comprehensive market research to assess the potential prospects for this product. We obtained feedback from sales and branch networks, which indicated the demand for a straightforward, high-value accident protection solution. Additionally, analysis of claims data revealed a significant need for basic accident coverage, particularly among first-time policyholders and lower-income customers. Furthermore, our market trend observation revealed an increased awareness and demand for standalone personal accident policies, especially in the post-COVID era.

Transformations and Innovations for a Paradigm Shift

Product development (PAB) and Research

- Sales & Branch Feedback:

Input from our sales and branch network highlighted the demand for a simple, high-value accident protection product that could be easily positioned in the mass market.

- Claims Data Analysis:

Internal data revealed a growing need for basic accident coverage among first-time policyholders and lower-income customers, prompting us to design a product that directly addresses this risk.

- Market Trend Observation:

We tracked broader industry trends showing increased awareness and demand for standalone personal accident policies, especially in the post-COVID era, where financial protection is top of mind

Brand Equity

During the year, we focused on initiatives that strengthened brand recognition and loyalty. Over the past year, efforts included localised community engagement activities that enhanced visibility and nurtured trust within the market, positioning CICPLC as a reliable and community-oriented insurer.

Throughout the year, we focused extensively on digital branding and enhancing our social media presence. Actions towards this agenda included localised storytelling, customer testimonials shared on digital media and real-time engagement with social media followers. We expected this to have improved digital brand recall and attracted a younger demographic into our customer base.

Overall, Co-operative Insurance Company Sri Lanka remains dedicated to fostering brand equity, enhancing service delivery, and improving operational efficiency while proactively responding to the evolving needs of the market.

Product Diversification: CICPLC expanded its insurance solutions, offering a range of products including motor, home, travel, health, property, and personal insurance. This diversification aimed to cater to a broader customer base, including individuals, SMEs, cooperative society members, and corporates.

Community Engagement: The Company actively participated in community events and initiatives, strengthening its brand image and fostering trust among clients.

Digital Outreach: Through consistent posting and interactive content, CICPLC aimed to increase its online visibility and customer engagement, contributing to brand awareness and customer acquisition.

Facebook Campaigns: The Company utilised its Facebook page to share updates, promotional content, and engage with the community. For instance, in December 2024, CICPLC announced its partnership with a prominent player in Sri Lanka's tourism industry, showcasing its commitment to supporting local businesses.

LinkedIn Launch

By establishing a presence on LinkedIn, CICPLC sought to connect with industry professionals, potential clients, and partners, fostering relationships that align with its business objectives.

The platform serves as a valuable tool for attracting and recruiting top talent, allowing the company to showcase its culture, values, and career opportunities.

Maintaining an active LinkedIn profile enables CICPLC to share company news, industry insights, and thought leadership content, thereby increasing its visibility and credibility in the market

Technology and Digital Solutions

At CICPLC, our initiatives and projects that involve technological and digital solutions serve the objectives of reducing dependence on resources, such as paper, thereby transitioning towards a paperless environment, which has been achieved to a certain extent. Moreover, tech-based projects and activities enable us to increase staff productivity and motivate them to work efficiently in less time with fewer manual processes. Thirdly, it serves the purpose of establishing environmentally friendly solutions by reducing the consumption of paper and plastic. With these objectives in mind, we introduced several digital solutions in the year under review.

During the year, we introduced E-Motor Cards and E-Cover notes have improved the company's operational efficiency. These new solutions have resulted in faster policy issuance, improved accuracy and compliance, enhanced customer convenience, and the ability to handle large customer volumes without requiring additional physical resources. Digital transformation efforts are further leveraged through mobile and web accessibility, the implementation of paperless processes, and real-time notifications to keep customers informed.

- E Motor Certificate/Card

Innovation: Introduction of end-to-end digital policy issuance, including instant e-certificates and online policy documents.

Customer Impact: Reduced waiting time from days to minutes, allowing customers to receive their policies instantly via email or WhatsApp. This has significantly improved convenience and trust.

- Mobile App Enhancements

Innovation: Major upgrade to the Co-operative Insurance mobile app, adding features like policy tracking, premium payment reminders, claim status updates, and in-app customer support.

Customer Impact: Improved transparency and real-time access to policy information, resulting in higher engagement and lower support centre call volume.

There have been no investments in Research and Development during this timeframe; however, in 2024, the company allocated Rs. 78 Mn toward upgrading data centre infrastructure, emphasising a commitment to enhancing technological capabilities.

Key innovations, such as the Digital Policy Issuance and E-Documentation, drastically reduced the customer waiting time for policy delivery from days to minutes, significantly improving convenience and fostering trust. Major upgrades to the mobile app incorporated features such as policy tracking, premium payment reminders, claim status updates, and in-app customer support, resulting in higher customer engagement and a lower volume of calls to support centres.

Significant advancements were made with the launch of a mobile app and a customer feedback portal. These innovations have notably enhanced the customer experience by facilitating faster claim processing, providing 24/7 accessibility, enabling easy premium payments, and improving document management.

How innovations have enhanced customer experience

- Faster Claim Processing
- 24/7 Accessibility
- Easy Premium Payments
- Document Management

Enhancing Organisational Knowledge

Enhancing organisational capital

Internal training sessions have been established to encourage knowledge sharing among employees, while Standard Operating Procedures (SOPs) ensure that valuable organisational knowledge is effectively captured and utilised for future improvement. Moreover, the following actions have been taken to ensure knowledge is captured and utilised effectively.

Specific actions:

- High-value or complex claims are documented as learning cases to guide future decisions.
- Helps improve consistency and reduces risk exposure.
- New employees are paired with experienced mentors to ensure smooth knowledge transfer and cultural integration.
- Reinforces core values and operational discipline from the start.
- CRM and claims platforms are used to gather frontline insights, customer behaviour, and issue patterns.
- Data-driven decisions support timely interventions and future product/service enhancements.

Continuous Improvement Programs

During the year, our approaches towards continuous improvement efforts included Lean Process Workshops with the aim of optimising internal operations. This objective serves the goals of reducing policy processing time and eliminating inefficiencies. Lean process workshops enabled our teams to improve turnaround times in underwriting and claims processing, ensuring faster service delivery.

Moreover, quarterly cross-functional team meetings helped identify service gaps, where employees shared practical solutions while branch and regional staff were empowered to drive localised improvements. Additionally, ongoing training sessions equipped underwriters, claims officers, and sales staff with crucial skills in product knowledge, customer communication, regulatory updates, and digital tools, fostering efficiency and professionalism.

Intellectual Property Management

CICPLC is cognisant of the strategic value Intellectual Property (IP) brings on board; it is essential to maintain long-term competitiveness and brand integrity. At present, we are at the nascent stage of developing a structured approach to managing and safeguarding our intellectual property. We have commenced a gradual focus on strengthening our IP governance framework.

Internal Knowledge Portals

- A centralised intranet platform hosts SOPs, policy manuals, training videos, and product updates.
- Staff can easily access current resources and submit suggestions or improvements
- Promotes transparency and interdepartmental collaboration.
- Monthly Branch Managers forum

In 2024, no new intellectual property was formally developed or registered. However, the company continues to maintain internal safeguards for brand assets, proprietary processes, and digital tools, and is exploring opportunities to formalise IP management in the future.

In 2024, Co-operative Insurance Company Sri Lanka did not enter into any formal strategic partnerships or collaborations specifically aimed at enhancing intellectual capital.

Transformations and Innovations for a Paradigm Shift

However, the company continues to recognise the value of external collaboration in driving innovation and long-term growth. In the future, efforts will focus on identifying suitable partners, such as technology providers, academic institutions, and industry bodies, to support capability building, product development, and knowledge sharing.

At present, Co-operative Insurance does not have formally documented or clearly defined brand values. This is due to a variety of internal and external factors, including ongoing organisational issues and evolving market dynamics. Recognising the importance of strong brand values in guiding strategy and building customer trust, the company is committed to developing and articulating these core principles in the near future to better align with its vision and stakeholder expectations.

Future Strategy

The future of our intellectual capital will focus on developing products that are geared for the future in insurance, while keeping in mind affordability and convenience for customers. Technological systems will be enhanced, and advanced solutions will be integrated into workflows and digital solutions to improve employee efficiency and ensure utmost convenience to customers.

Timeframe	Focus Areas
Short to Medium Term	• Launch customer-centric solutions for accessibility, affordability, and convenience • Develop SLFRS 17-compliant underwriting system • Introduce the spare parts quotation module • Create a medical insurance portal • Implement a non-motor claims system • Address product gaps with a new non-motor offering • Explore product bundling • Establish a training unit with specialised manager • Digitalization the operation.
Long Term	• Build an integrated, paperless IT ecosystem for all operations • Drive continuous product innovation • Ensure exceptional customer service to maintain industry leadership • Automate the underwriting and become self-service insurance product

BUILDING A WINNING CULTURE

The sum of the Company's intellectual capabilities and its propensity to grow comes from its employees. Our employees bring on board immense value, which requires a strong value proposition in order to be retained within our highly competitive insurance industry. The relationship between the leadership and employees has remained stable and is based on the mutual understanding of creating value for each other's interests.

Connectivity

Material topic

SDGs

TEAM STATS

As at the end of the financial year under review, our staff included 1,009 employees; the total number of employees has declined over the year, with a substantial reduction in our male staff. This is due to a substantial reduction in the number of probationary staff and employees who were hired on a contract basis.

The number of permanent staff and trainee staff shows an increase when compared with the previous year.

Category	2023		2024	
	Male	Female	Male	Female
Permanent	362	268	370	308
Probationary	220	112	76	49
Contract	128	95	49	34
Trainee	22	31	46	77

Our team comprised more employees who are below 30 years of age. However, the Company also witnessed a 25% increase in employees who are above the age of 50.

Employees based on tenure

The team comprises a majority (52%) of staff with a tenure that is less than five years, followed by 5-10 years of service.

DIVERSITY, INCLUSION AND EQUITY

Our focus on competence-based recruitment and recruitment across various regions has organically enhanced the diversity, inclusion and equity (DEI) within CICPLC. Equality remains valued with discrimination and biases of any kind condoned by the management. The level of socio-ethnic diversity amongst our team has helped gain acceptance in rural and urban areas.

In the year under review, the Company's gender gap was organically narrowed, as the female population increased to 46% of the total workforce, from 41% in 2023.

POLICIES

Our HR department is the focal point of our people management and competency management. They develop and refine employee policies, which serve as a foundation for a productive and motivated workforce. The HR Committee also plays a central role in shaping and updating employee policies. Our Human Resource Department ensures that the Company has adhered to all labour-related laws and regulations.

Anti-Corruption

We maintain a zero-tolerance policy against any unethical and corrupt behaviour. Actions against such actions and procedures for reprimanding are enforced through the Company's code of conduct and further ensured by adhering to the requirements set forth by the Securities Exchange Commission of Sri Lanka's code of best practice on related party transactions. The Company takes firm action against employees engaging in unethical or corrupt behaviour and pursues legal measures to protect the Group's reputation.

Non-Discrimination and Anti-Child Labour

We uphold non-discrimination and prohibit child labour as fundamental ways of safeguarding employees' rights. Oversight of such incidents and proactive awareness is overseen by the HR division. Swift action is taken against such incidents.

Grievance Management

A grievance management policy governs how we manage employee grievances and concerns that arise from violations of our code of conduct and ethical or disciplinary behaviours.

Building a Winning Culture

TALENT ACQUISITION (RECRUITMENT)

A proactive and systematic approach to managing talent acquisition and resignations has been set in place by the management and the HR department. This focuses on finding competent individuals to fill skill gaps and to build a talent pipeline aligned with long-term goals. Hiring is based on an unbiased selection process, which prioritises individual competencies and experience. Internal recruitment is always the preferred choice for corporate management roles, while external recruitment fills non-managerial vacancies.

In 2024, we recruited 445 persons through various recruitment programs. Most recruits were for our branches and the head office in the Western Province, followed by recruitments for branches in the Central, North Central and Southern provinces. 59% of recruits are below the age of 30 (263). Recruitments dipped during the year. 47% of recruits were hired for sales positions, while 209 persons were recruited for clerical and technical jobs.

Category	2023		2024	
	Male	Female	Male	Female
Under 30	247	181	135	128
30-50	191	134	96	80
over 50	3	2	4	2

Recruits by region and age

	2024		
	Under 30	30-50	over 50
Western	59	42	3
Central	45	34	2
Southern	35	21	
North Central	31	25	
Sabaragamuwa	27	22	
Wayamba	26	11	1
Uva	19	9	
East	15	8	
Northern	6	4	

WORKFORCE STABILITY

In 2024, CICPLC experienced a retention rate of 81.5%, lower than the previous year. A total of 568 employees left, with 391 males and 177 females, due to reasons such as overseas migrations and retirements. Of those who left, 356 were under 30 years of age, and 197 were aged 30–50.

Retirement

In 2024, CICPLC recorded an 10 number of employees who retired, while 08 employees, mostly male, remained with the Company under extended retirement limits.

INVESTMENT IN EMPLOYEES

In 2024, we invested Rs 477 Mn on staff-related salaries and remuneration compared to Rs 510 Mn in 2023. When considering total staff-related expenses, the cost stood at Rs 621 Mn compared to Rs 684 Mn in 2023.

Remuneration and financial incentives

Financial benefits, such as competitive pay, performance-based annual bonuses, full medical insurance for cost savings, staff loans, fuel allowances, and performance-based annual increments, are given top priority in our compensation plan. In addition, employees receive financial assistance when a loved one passes away, as well as provisions for their families in the event that an employee passes away. Low-cost transportation for long-distance employees is one example of a non-monetary benefit.

	Medical Insurance	Staff Loan	Fuel Allowance	Bonus	Annual Increment	Staff Promotion
Cleaning Staff	√	√		√	√	
Clerical & other staff	√	√		√	√	√
Technical Staff	√	√	√	√	√	√
Sales Staff	√	√	√	√	√	√
Executive Grade Staff	√	√	√	√	√	√
Managerial Staff	√	√	√	√	√	√

FAIR PAY

Our goal is to attract the best talent in a cutthroat industry by providing fair and competitive.

Our goal is to attract the best talent in a cutthroat industry by providing fair and competitive compensation coupled with increments and bonuses. This strategy ensures that their values and motivations align with those of the Company. Each job category and employment types have fair pay levels set by the HR department and remuneration committee, taking into account industry norms, cost of living, and individual performance.

We have made timely contributions to the Employees' Provident Fund, with CICPLC contributing 12% of each employee's salary. In a similar vein, we have promptly contributed 3% of each employee's pay to the Employees' Trust Fund, guaranteeing that our employees' post-employment benefits are maintained.

Sales force remuneration

With salaries and performance-based bonuses, including commissions linked to premiums sold, our sales team plays a critical role in the company's expansion and financial success. These rewards, which are tied to exceeding goals and revenue performance, encourage agents to perform well while coordinating their objectives with those of the company, thereby promoting their professional and personal growth. In order to recognise their vital role, the company makes sure that their compensation is transparent and equitable.

PERFORMANCE MANAGEMENT

The Company employs a performance evaluation system based on Key Performance Indicators (KPIs) to guide promotions and rewards. These enable staff to align performance with company and job goals, revenue targets and service standards. The management provides regular feedback to help employees identify their gaps and weaknesses for improvement. This has fostered an organic environment of learning and growth.

PROMOTIONS AND CAREER PROGRESSION

In 2024, we promoted 242 of our outstanding employees (165 male, 77 female) to fill vacant roles. Additionally, a Cooplife Insurance agent from the Nikaweratiya and Kandy branch achieved MDRT status for 2024.

REWARDS AND RECOGNITION

Employee Rewards and Recognition – 2024

In 2024, Co-operative Insurance reaffirmed its deep commitment to recognising and celebrating the remarkable contributions of our employees. We implemented strategic recognition initiatives designed to foster a culture of excellence, motivation, and meaningful appreciation.

Annual Excellence Awards

The Annual Excellence Awards celebrated outstanding individuals and teams who exemplified exceptional performance, innovation, and commitment in sales throughout the year. These recognitions not only applauded high achievers but also elevated the overall performance culture across the organisation.

Long Service Recognition – A Tribute to Loyalty

At our Annual Awards Ceremony, held at Waters Edge Hotel, we proudly honoured employees who have dedicated over 20 years of service to Co-operative Insurance. Their consistency, passion, and contribution have been vital to our journey.

A special tribute was made to those who reached the exceptional milestone of 25 years of service. Their long-standing dedication reflects the values we uphold and continues to inspire the entire Cooperative family.

Support for Professional Growth

Recognising that empowered employees drive excellence, we strengthened our focus on continuous learning. Throughout the year, we offered professional development programs, introduced special promotional schemes, and implemented robust KPI systems, providing our teams with the tools to grow, lead, and excel.

These recognition and development efforts have played a vital role in enhancing employee satisfaction and loyalty, reinforcing Co-operative Insurance's position as a modern employer of choice in the insurance industry.

TRAINING AND GROWTH

We recognise the strategic importance of continued learning within a dynamic industry, and by implementing training programs that align with company and employee needs, we strive to create a balanced approach to talent development. Our training programs have been designed to nurture leadership skills, boost technical skills and regulatory knowledge, apart from other soft skills required to meet service requirements.

Program name	Participants (2024)
Insurance Fundamentals & Regulatory Mastery	203
Advanced Underwriting & Risk Assessment	171
Customer-Centric Claims Handling	156
Digital Tools & Data Analytics in Insurance	115
Future Leaders in Insurance	189

In 2024, our dedicated training initiatives successfully engaged a total of 834 employees across diverse programs, demonstrating our strong commitment to professional development and continuous learning. Our courses—such as Insurance Fundamentals & Regulatory Mastery, Advanced Underwriting & Risk Assessment, Customer-Centric Claims Handling, Digital Tools & Data Analytics in Insurance, and Future Leaders in Insurance empowered our team with vital skills and knowledge.

This focus on training encompassed five core modules, each comprising three sessions, totalling nearly 18 hours per module. This comprehensive approach has not only enhanced individual expertise but also strengthened our overall organisational capabilities, positioning us for sustained success and innovation in the industry.

WORK-LIFE EQUILIBRIUM AND EMPLOYEE ENGAGEMENT

CICPLC emphasises work-life balance by offering recreational outlets and programs to help employees manage stress from work responsibilities. These initiatives support employees' mental well-being, enabling them to effectively balance personal life and workplace demands.

Building a Winning Culture

Parental leave

During the evaluated year, 24 employees (female: 22 and male: 2) had obtained parental leave. 18 employees have returned to work before the end of 31st December 2024.

	2023		2024	
	Female	Male	Female	Male
No. of employees entitled to parental leave	447	638	468	541
No, of employees who took parental leave	22	1	22	2
No. of employees that returned to work before December 31st 2024	22	1	22	2

Our HR team, along with employees, organised various employee-driven programs to foster engagement, camaraderie, and corporate spirit among staff and management. These included a religious program (Pirith), Christmas carols, Avurudu Uthsawaya, Pola, eye clinic programs to boost morale, and Dansal, creating a familial atmosphere within the organisation.

WORKPLACE HEALTH AND SAFETY

We prioritise employee health and safety by implementing comprehensive measures across our offices. These include maintaining proper hygiene, providing access to clean water, and ensuring secure premises with CCTV cameras, security officers, and clear exit signage. Fire extinguishers and smoke detectors are also installed to enhance physical safety in case of fire emergencies.

WHAT WE ENVISION

The effectiveness of our human capital development will be aligned with the Company's strategic objectives. We regularly revise and modify plans as required. In 2025, we will be committed to advancing human capital development by enhancing HR policies to meet industry demands and ensure operational continuity, implementing succession planning to prepare high-potential employees for critical management roles, advancing a dedicated training unit to address skill and knowledge gaps, and reinstituting the annual awards program to recognise top performers and long-serving employees, all aligned with the Company's strategic objectives to maintain a competent workforce.

IMPACTFUL RELATIONSHIPS BUILT ON PURPOSEFUL VALUE CREATION

At Cooperative Insurance Company PLC (CICPLC), we understand that our Social and Relationship Capital is not only an asset but the very foundation of our stability and success. This capital exemplifies the positive relationships we build with our diverse stakeholders, which in turn defines our strategic objectives and day-to-day operations. Moreover, our commitment to solid and lasting connections with all our stakeholders is a reflection of the Company's core values and corporate culture.

Connectivity

Material topic

SDGs

ENGAGEMENT WITH POLICYHOLDERS

A core focus of value creation is the value and service we offer to our policyholders; hence, as a result, we direct our capabilities and capacities to improve our value offerings and find better solutions to customer needs. Our clientele encompasses a diverse spectrum, including retail and institutional clients. We also work with communities and persons deeply rooted in the cooperative sector; their needs provide the focus we need to address portfolio and service gaps, which pushes us to continuously improve our functions and operations.

In the past year, we have exerted our focus on refining our approaches to provide customers with improved services. To achieve this, we focused on strengthening internal processes and our efficiencies. To elicit this effect, a new data centre was established, which now supports process efficiency. Such approaches are made necessary, especially due to the evolution of technology and how it provides agility and competitive advantages to organisations.

Moreover, technological improvements play a vital role in simplifying processes related to policy acquisition, claims management, and customer support. Our unwavering objective is to cultivate lasting relationships with our policyholders, strengthening their trust and loyalty.

Moreover, our teams focused on identifying customer needs while prioritising the financial concerns of policyholders as an insurer with a purpose to secure the disadvantaged within our society.

Creating value for our socially diverse policyholders extends beyond providing insurance products. It involves providing inclusive and affordable insurance coverage that secures important aspects of life: this includes offering flexible terms, tailored pricing, and providing dependable company-policyholder relationships.

Moreover, technological improvements play a vital role in simplifying processes related to policy acquisition, claims management, and customer support. Our unwavering objective is to cultivate lasting relationships with our customers, strengthening their trust and loyalty while driving sustainable growth and shared financial success.

CUSTOMER GROWTH

Over the past year, we have served a policyholder base of over 1 million, which has grown by over 30,000 since 2022. Our policyholders are primarily composed of motor insurance policyholders, who form nearly 70% of our total customer base. This propels us to continually enhance our service offerings in motor insurance while simultaneously striving to expand our portfolio in the non-motor insurance sectors.

Impactful Relationships Built on Purposeful Value Creation

Customers

	2023	2024
Direct	100,000 +	100,000 +
Corporate	600,000 +	600,000 +
Broker	180,000 +	180,000 +
Other	120,000 +	120,000 +

Diverse Product Portfolio

To provide financial security and peace of mind to our customers, CICPLC and our wholly-owned subsidiary, Cooplife Insurance Limited, have developed two distinct portfolios tailored to our business sectors and service offerings.

CICPLC - General Insurance Portfolio

Our general insurance solutions cover various personal insurance needs and encompass all aspects of business-related insurance as well. Our product offerings include motor, home, and health insurance, which provide protection against unforeseen circumstances such as accidents, property damage, and illnesses.

Cooplife - Life Insurance Portfolio

Cooplife specialises in life insurance products, offering flagship solutions as well as personalised options designed to meet both individual and corporate needs.

Customer-Centric Product Development

The development of new products is a key strategic initiative for CICPLC, focusing on fulfilling gaps within our existing offerings and addressing specific customer needs. This process involves active identification of industry trends and diligent compliance with regulatory standards to ensure that our offerings remain competitive and relevant.

By continually evaluating the market and soliciting customer feedback, we are able to introduce innovative products that resonate with the changing demands of our policyholders.

During the year, our product offering continued to expand, with one new policy introduced which was an enhanced coverage including a Rs 1 Mn PAB cover.

Benefits and Claims

Both CICPLC and Cooplife have continuously disbursed claims for losses in accordance with policy terms, which is a crucial part of our value proposition as an insurer. The claims settlement procedure takes seven days on average, with expedited settlements available for sums under Rs 50,000. Our employees at the branch level or through the Head Office evaluate the veracity of claims, the completeness of the necessary documentation, and compliance with policy terms.

CICPLC paid Rs 2.8 Bn in net benefits and claims in 2024, up from Rs 3.5 Bn in 2023. Furthermore, our life insurance subsidiary Cooplife processed net claims and benefits for policyholders totalling Rs 1.2 Bn.

Effective Communication with Customers

Customer loyalty at CICPLC is built through continued communication and meaningful engagement. We also prioritise convenience and accessibility, ensuring that clients are well-informed about our products and services, reinforcing trust and long-term relationships. Our approach pivots on customer engagement beyond renewal periods, ensuring stronger relationships and consistent support. Moreover, effective communication is imperative to manage customer complaints and resolve them. During the year, we received over 14,000 complaints, with over 10,000 resolved during the year.

Digital platforms, including Facebook and our corporate website, were utilised for the timely communication of company activities. Customers have multiple ways to engage, including WhatsApp and other communication methods, which have increased accessibility. Moreover, we expedite customer service training every six months to maintain quality.

Accessibility via Digital

In order to improve customer convenience, we have accelerated the development of digital and online services in spite of previous obstacles. Particularly among younger, tech-savvy demographics, our digital channels present substantial opportunities to broaden our reach, draw in new policyholders.

Call centre

Average response time	Within 5 minutes
Abandoned call rate	Below 2%
Average time to resolve queries	10-15 minutes

Touchpoints

We have a considerable competitive advantage thanks to our vast network of 110 branches and 114 service centres connected to MPCS. Policyholders can also obtain bancassurance services through 9 banking partners and 3000+ post offices.

Service Improvements

At CICPLC, we have taken steps to enhance our most critical functions and processes; this includes underwriting decisions, which are completed within 24 hours to a maximum of 3 days, while policy formulation varies based on circumstances. Customer queries are typically resolved within one week, and complaints are managed by relevant supervisors. Information is accessible through leaflets and social media.

Privacy and Customer Data

Protecting our data is of utmost importance. Secure storage and handling are essential given the trend toward tech-driven solutions and the large amounts of data collected during policy initiation and claims processing. From senior management to the branch level, data usage is subject to stringent approval procedures.

Future Strategy

Our plans involve the prioritisation of customer services, with more focus on improving in-branch customer experiences. It also involves improving standards of partner-operated service delivery, to enhance seamless services and to maintain the co-operative insurance philosophy. The future strategy also includes improving customer experiences in branches and service centres, as well as training partners to better serve policyholders. We aim to leverage technology to increase the rate of our employees' efficiency and optimise claims processing and pricing for the benefit of policyholders.

Expanding market reach and reaching more customers is a key focus, utilising branch and partner networks to extend affordable insurance solutions to persons who lack access to employer coverage. Additionally, new products with enhanced value propositions will be introduced to strengthen general and life insurance portfolios.

Partners, Suppliers, Regulatory Bodies and the Government

The support of our external stakeholders, such as partners and suppliers, offers distinct competitive strengths and strategic opportunities for business growth. These partnerships have fostered collaboration and adaptability, enabling us to navigate complex challenges effectively. By prioritising strong, trust-based relationships, we have mitigated risks and enhanced our operational strength, especially during recent difficulties. Moving forward, we are dedicated to deepening these connections to fuel our ongoing growth and impact.

How we create value:

- Commitment to tax payments.
- Generous commissions to empower our network.
- Significant premiums ceded to reinsurers for risk-sharing.
- Comprehensive training to enhance sales force capabilities.

Outputs

- Rs 407.8 Mn in total commissions paid to distribution partners.
- Rs 1,363 Mn in premiums ceded to reinsurers.
- Rs 34 Mn in withholding tax on interest income.

Outcomes

- Strengthened commitment to fair and timely commission payments.
- Increased value through consolidated reinsurance premiums.
- Tax contributions.

Distribution Partners

Our business model and the value we generate are significantly influenced by our distribution partners, which include agents, brokers, and intermediaries. By promoting and delivering our insurance products across multiple market sectors, they enable us to connect with policyholders and to effectively tailor offerings to meet customer demands. We also receive the ability to leverage their local networks and gain insights into local regional market conditions.

We enable our partners with brand association and a wide range of products, as well as certain marketing material, training, and support with customer service. Due to this, they are able to serve clients more effectively, which in turn helps increase our visibility and impact in the domestic market.

Agents and Brokering Partners

Agents are essential to our operations across Sri Lanka in establishing and preserving relationships with our diverse clientele. By December 2024, this team had expanded to include 255 agents, whose efforts helped us reach a premium goal of Rs. 2,045 Mn Gross Written Premium (GWP).

Valuing their support and recognising their need for growth, we provide our agents with comprehensive training, motivational support, and monthly assessments. We held periodic training sessions for our agents during the reviewed year. Moreover, the cornerstone of our partnership is in delivering equitable remuneration through commission payments, which mirror their commitment to customer service and business expansion.

The service provided by brokerage firms is essential to promoting our insurance products, particularly to clients in need of tailored plans that align with their budgetary requirements and flexible premiums. We ensure that our brokering partners receive timely commission payments for the services they render, and we also provide in-depth product knowledge to better serve clients. During the year, we worked with 78 brokers and held monthly evaluation meetings and training sessions.

Through our bancassurance partners, we are able to reach a larger customer base by partnering with eight notable banking leaders we have expanded our network to reach targeted clients outside of our traditional boundary. During the year, we worked with Sampath Bank, Seylan Bank, PABC, RDB, People's Bank, SMIB, and NTB as prominent bancassurance partners.

Impactful Relationships Built on Purposeful Value Creation

Value received from	2023	2024
Bancassurance	199,843	213,333,547
Agents	1,730,996	299,967,527
Brokers	1,740,113	1,746,596

Payments and commission	2023	2024
Agents	28,757,379	28,544,711
Brokers	184,868,864	183,501,711
Sales force	131,462,303	130,490,106

Suppliers

We collaborate with domestic and foreign suppliers and service providers. Office equipment, furniture, fixtures, tools, and machinery that are essential to our operations are among the many items we purchase from suppliers.

Similarly, we work with service providers to obtain a variety of services required for our operations. These services, which support seamless and effective operations across our organization, include banking, IT, auditing, and telecommunications. Across the year, we collaborated with 61 suppliers and 15 service providers.

Partners in Reinsurance

Our reinsurance partners are essential to safeguarding our profitability and stability in a sector characterised by a wide range of risk exposures and unforeseen losses. As a result, we are able to withstand volatile market conditions.

	2023	2024
Premium ceded to reinsurers	722,660,216	1,363,127,490

Industry Associations

In the UK, we are proud to be members of the International Co-operative and Mutual Insurance Federation (ICMIF), a globally recognised organisation that represents 120 cooperative insurance companies in 65 countries. We also belong to the Asia and Oceania Association (ACA). Our commitment to providing acknowledged expertise in the insurance industry is demonstrated by our ability to offer CII-UK-accredited professional qualifications through our affiliation with the Chartered Insurance Institute – UK, which is made possible by CITA.

In accordance with regulatory capital requirements, we consistently maintained capital adequacy ratios well above industry norms throughout the year. Cooplife and CICPLC have continuously maintained sufficient capital reserves. Both CICPLC and Cooplife fulfilled their tax obligations in accordance with the relevant revisions, and the company's total tax liability for the year was Rs. 37.5 Mn.

Future

As we proceed, we are committed to producing value that meets the expectations of our stakeholders, opens up business opportunities, and supports the financial development of our partners and regulatory agencies. We have placed a high priority on providing our partners with financial compensation in recognition of their invaluable contributions to our company.

Community

Empowered by the principles of inclusivity and community support, we are committed to serving members within our brotherhood of cooperative associations and members. We remain committed to extending this objective by providing affordable and responsible solutions. We have also conducted community-based activities and provided regional employment, distributing modest value among community stakeholders.

During the year, we organised three community support programs, with multiple people positively impacted by them.

1. Sri Lanka deaf rehabilitation organisation
2. Sri Lanka welfare society of blind women
3. Temple Repairing

Economic Growth through Employment

By establishing our physical presence in cities outside of the Western Province, we have created hundreds of employment opportunities for men and women residing in suburban and rural locales. In 2024, we have recruited 341 individuals to the cadre from regional provinces, other than the western province, showing the number of individuals empowered with economic growth.

Environmental

To support environmental sustainability, we continue to promote insurance cards and digital policies. This provides a viable and sustainable alternative to traditional plastic insurance cards and paper documentation, aimed at minimising or eliminating plastic waste and reducing any negative environmental impacts.

Solutions for the Masses

With economic limitations comes the inability to obtain proper coverage to safeguard life's interests from risks. Therefore, we strive to provide tailored solutions that are affordable and comprehensible to those who are financially and socially disadvantaged. Through such solutions, we aim to provide insurance coverage to individuals and groups.

Our support extends to small businesses and industries, such as agriculture apart from those with low-income sources and from rural communities; moreover, by partnering with Multi-Purpose Cooperative Societies (MPCS) and other cooperative sector allies, we deliver cost-effective insurance solutions to protect MSMEs and financially at-risk individuals, fostering a safer future and improving living standards.

Future

As we work to provide affordable solutions to people going through financial difficulties, increasing future corporate social responsibility investments will be a top priority. Our long-term objective is to make our policies more comprehensive for rural communities and people who require easily accessible insurance so that their loved ones, property, and lives are safeguarded against possible losses. We are dedicated to strengthening our environmental sustainability initiatives and improving digital insurance solutions to reduce our operational environmental impact for the benefit of all citizens across the country.

Overall Future Approach

Looking beyond the financial year, we remain committed to creating consistent value for our shareholders while forging meaningful connections with stakeholders. We will continue to prioritise customer-centric strategies, mutually beneficial agreements with partners and service providers, while setting aside funds for social development initiatives. Our financial constraints have limited us from undertaking more social development initiatives; however, we will take every reasonable opportunity to provide economic and non-economic support to the country's disadvantaged, without burdening the financial status of the Company or passing the burden to our customers.

DEVELOPING ENVIRONMENTAL SUSTAINABILITY

In recent years, our focus on the environment has improved. Despite facing constraints financially and operationally, we have made modest improvements to preserving natural resources and make small meaningful changes within our operational framework and processes.

Connectivity

Material topic

SDGs

RESOURCE CONSUMPTION

	Head Office		Branches	
	2023	2024	2023	2024
Electricity -kwh	277,325	272,829	574,758	635,039
Pipe water -Units	4,769	4,356	8,335	6,843

Naturally derived resources consumed by the Company include electricity, pipe-borne and bottled water, and fuel to power operations across company-owned physical locations. We have adopted practices that help conserve resources and have enabled us to consume them prudently to ensure minimal negative environmental impacts.

In 2024, our total electricity consumption reached 907,868 units. While overall consumption has increased in comparison to 2023, electricity usage at the head office has declined marginally by 1.6%, reflecting responsible consumption. However, collective consumption of energy at branches has increased by 10% during the year, as a result of the work from home facility being removed, so full-time employees worked from the office to optimise energy consumption. We have implemented several initiatives:

- Maximising Natural Light: We utilise natural lighting in areas with ample exposure during daytime hours to reduce reliance on artificial lighting.
- Promoting Energy Conservation: Internal campaigns and communications emphasise the importance of conserving electricity across all operations. These include air conditioner settings adjusted to optimal power consumption and LED light fixtures across our branches and at the head office for long-term usage and to increase energy efficiency.

Water Usage Management

In 2024, CICPLC consumed 11,199 Units of pipe-borne water and 154,350 litres of bottled water by the head office and branches. Compared to the previous year, pipe-borne water usage has declined as a collective figure (head office and branches), while bottled water consumption has increased.

Technology-Driven Sustainability

Promoting sustainable practices through digital technologies, we have implemented solutions that have replaced or reduced the usage of paper. Over the recent past, we have adopted the following digitisations and digitalisations.

- Eco-friendly Insurance Solutions: We have introduced the e-card alternative for motor insurance policyholders, eliminating the need for plastic insurance cards that contribute to environmental waste.
- Smart Tendering: The digitalisation of the tender process has streamlined operations, reduced paperwork and enhanced transparency.
- In-House Solutions: Our custom-built assessor application minimises the need for physical documentation and image printing, optimising resource use.
- Document Management: The implementation of our Document Management System provides staff with access to policy information and claim intimations, reducing dependency on physical documentation.

Waste Management

Waste management is fulfilled in a disciplined and systematic manner across all our branches and at the Head Office. In-house cleaning staff diligently collect waste, ensuring proper gathering and disposal through municipal waste collection services. Moreover, electronic waste is minimal and is disposed of responsibly or recycled for further use.

Environmental Efforts

As part of our commitment to environmental sustainability, we actively supported the green concept by significantly reducing paper usage throughout the year. By promoting digital communication, encouraging electronic document submissions, and shifting towards e-billing. We also implemented double-sided printing and paper reuse practices where printing was unavoidable. These efforts not only contributed to reducing our ecological footprint but also fostered a culture of environmental responsibility within our organisation.

Future Goals

CICPLC aims to further integrate sustainable practices, balancing business needs with responsible resource use to minimise environmental impact and enhance long-term sustainability.

Future approaches may include:

- Tracking resource consumption: monitoring energy, water, and fuel usage to enable data-driven decision-making.
- Minimising paper usage: Leveraging digitisation and digitalisation to significantly reduce reliance on printed documentation.

DIGGING IS THE SKILL OF ABSORBING HIGH-PRESSURE PLAYS, WHERE CO-OPERATIVE INSURANCE PROVED ITS STRENGTH IN THE TOUGHEST MOMENTS. FACED WITH LICENSE SUSPENSIONS AND FINANCIAL STRAIN, THE COMPANY MET ADVERSITY HEAD-ON. THROUGH INTERNAL RESTRUCTURING, RISK MITIGATION, AND OPERATIONAL RECALIBRATION. IT DUG DEEP TO PROTECT IT'S INTEGRITY AND SUSTAIN SERVICE CONTINUITY. THIS PHASE OF RESILIENCE NOT ONLY SAFEGUARDED THE BUSINESS BUT IT REDEFINED THE COMPANY, ALLOWING QUALITY TO EMERGE NOT JUST AS A STANDARD, BUT AS A SURVIVAL STRATEGY.

DIGGING

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of Directors in relation to the preparation of Financial Statements of the Company is set out in the following statement.

The Companies Act No. 07 of 2007 places responsibility on the Directors to prepare Financial Statements as at the Balance Sheet date of the Company which gives a true and fair view of the state of affairs of the Company, Profit and Loss and cash flows of the Company as at end of the financial year.

The Financial Statements of the Company for the year ended 31st December, 2024 have been prepared in compliance with applicable Accounting Standards. It also provides information required by and otherwise complies with the Companies Act No. 7 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto, and the Listing Rules of the Colombo Stock Exchange.

In preparing the Financial Statements, the Directors have selected the appropriate accounting policies and have applied them consistently and reasonable and prudent estimates and judgments have been made. The Directors are of the view that adequate funds and other resource are available within the Company for the Company to continue in operation for the foreseeable future and continue to adopt the Going Concern basis in preparing the Financial Statements.

All reasonable steps have been taken by the Directors to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors confirm that they have provided the Auditors all the information and explanations which were considered necessary for the conduct of their audit.

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to all relevant regulatory and statutory authorities, which were due and payable by the Company as at the Balance Sheet date have been settled or accrued in the Financial Statements.

By order of the Board,

Secretary
Kalupahana & Thilakaratne Law Associates
Secretaries to Co-operative Insurance Company PLC
30th April 2025

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The financial statements are prepared and presented in compliance with the following;

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Insurance Industry Act No. 43 of 2000 and amendments thereto;
- Statement of Recommended Practice (SoRP) issued by Insurance Regulatory Commission of Sri Lanka (IRCSL);
- Listing Rules of the Colombo Stock Exchange (CSE) and;
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The formats used in the preparation of the financial statements and disclosures made comply with the specified formats prescribed in the SORP issued by IRCSL. The Company presents the financial results to its shareholders on a quarterly basis.

The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, unless otherwise stated in the notes accompanying the financial statements.

The Board of Directors and the management of the Company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to these financial statements were made on a prudent and reasonable basis in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and that the Company's state of affairs is reasonably presented. To ensure this, the Company has taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. The internal audit department conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company are consistently followed. However, there are inherent limitations that should be recognised in weighing the assurance provided by any system of internal controls and accounting.

The Board Audit Committee of the Company meets periodically with the internal auditors and external auditors to review the manner in which these auditors are performing their responsibilities and to discuss auditing, internal controls and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Board Audit Committee to discuss any matter of substance.

The financial statements of the Company were audited by Messrs. Jayasinghe & Company and their report is given on pages 128 to 131 of this Annual Report.

We confirm that;

1. To the best of our knowledge, the financial statements, significant accounting policies and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of the operations and the cash flows of the Company during the period under review;
2. The Company has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements;
3. The Company has complied with all applicable laws, regulations and prudential requirements and there is no material noncompliance;
4. There are no material litigations that are pending against the Company other than those disclosed in Note 36 of the financial statements of this Annual Report;
5. All taxes, duties, levies and all statutory payments by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at 31st December 2024 have been paid or where relevant provided for;
6. The Company has complied with all the legal and regulatory provisions of the Regulation of Insurance Industry act;
7. The Company has arranged treaty reinsurance with approved reinsurers as per IRCSL guidelines;
8. Reserving and solvency guidelines have been complied with and total reserves are backed by matching admissible assets;
9. The equity capital meets the set minimum capital requirement in accordance with the applicable regulations.

Mr. D U P Rajapakshe
Chief Executive Officer

Mr. P G N Gunathilaka
Acting Chief Financial Officer
30th April 2025

REPORT OF THE BOARD AUDIT AND RISK COMMITTEE (BARC)

INTRODUCTION

The Audit Committee presents this report as part of its oversight responsibility regarding the financial reporting process of the Company for the financial year 2024. This report aims to provide stakeholders with insights into the effectiveness of internal controls, risk management, and the integrity of financial reporting.

ROLE OF THE BOARD AUDIT COMMITTEE

The Audit Committee supports the Board in discharging its oversight responsibilities with respect to the integrity of the Company's and its subsidiarie's financial statements, the effectiveness of the internal controls and risk management frameworks, and compliance with applicable legal and regulatory requirements.

The Committee also evaluates the suitability, performance, and independence of the External Auditors, as well as the adequacy and effectiveness of the Internal Audit function, which is carried out by Messrs. BDO Partners (Chartered Accountants). The Committee's scope of duties and responsibilities is clearly defined in its Terms of Reference (TOR), which is approved by the Board and reviewed on an annual basis.

The Audit Committee Charter clearly defines the terms of reference of the Committee and regulates its composition, role and responsibilities. The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to ensure that new developments relating to the function of the Committee are adopted.

EFFECTIVE FINANCIAL REPORTING SYSTEMS

Ensuring the integrity of the financial statements of the Company and that good financial reporting systems are in place to provide accurate, appropriate and timely information to the management, regulatory authorities, shareholders and other stakeholders in accordance with the Sri Lanka Accounting Standards as defined by The Institute of Chartered Accountants of Sri Lanka, Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards and the Listing Rules of the Colombo Stock Exchange (CSE). The Audit Committee has reviewed and discussed the Company's quarterly and annual financial statements with the Management.

INTERNAL CONTROLS

Ensuring the prevalence and adequacy of Company's internal Controls and risk management framework.

AUDIT

Assessing the independence and monitoring the performance of external auditors and outsourced internal auditors and follow up on their findings and recommendations.

RISK MANAGEMENT

Review and assess principal and emerging risks faced by the Company and the risk management process adopted.

ASSESSING GOING CONCERN

Assessing the Company's ability to continue as a going concern in the foreseeable future.

COMPLIANCE

Reviewing the Company's compliance with relevant legal and regulatory requirements and ensuring that high standards of Corporate Governance are in place.

COMPOSITION OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee is appointed by and accountable to the Board of Directors and is formally constituted as a Sub Committee of the Board in accordance with the Listing Rules of the CSE. Its members possess a diverse range of expertise and experience necessary to fulfill their responsibilities, and the details which can be found on pages 26 to 30.

COMPOSITION AND ATTENDANCE OF THE AUDIT COMMITTEE

Name of the Director	Nature of directorship	Eligibility to attend/Attended
Mr. L.Waragoda (Chairperson)	Independent Non-Executive	12/12
Mr. P. B. Jayarathne -Resigned wef February 2024	Independent Non-Executive	1/1
Mr. T.B.H.Kumara	Independent Non-Executive	12/12
Mr. G.G.Dayasumana	Independent Non-Executive	12/12
Mr. H.H.D.E.P.Herath- Appointed wef February 2024	Independent Non-Executive	11/11
Mr. S.Wickramasinghe – Appointed wef June 2024	Independent Non-Executive	7/7
Mr.Ganaka Amarasinghe Appointed wef December 2024	Independent Non-Executive	0/0

Manager Internal Audit of Cooperative Insurance Company PLC Group, serves as the Secretary to the Committee.

MEETINGS OF THE BOARD AUDIT COMMITTEE

The Committee convened monthly meetings during the fiscal year 2024 and the attendance of the committee members at these meetings are summarized above. Chief Executive Officer, and Chief Financial Officer, Marketing, Human Resources and Information Technology Managers attended meetings by invitation. Other officials are invited to attend on a need basis. Outsourced internal auditors Messrs. BDO Partners (Chartered Accountants) also attend meetings.

The activities and perspectives of the Committee have been conveyed to the Board of Directors by presenting the minutes of the meetings during Board meetings, and verbally when deemed necessary. The Chairperson and Committee members maintained regular communication with the Company's management through various meetings and correspondence to oversee the auditing and control aspects in the Company.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR

FINANCIAL REPORTING

- The Committee reviewed the financial reporting process used in the preparation of quarterly and annual financial statements, ensuring the reliability of processes and the consistency of the accounting policies and methods adopted in accordance with Sri Lanka Accounting Standards.
- Subsequently, the Committee endorsed the Annual and the Quarterly Financial Statements to the Board for consideration and approval. Furthermore, in evaluating the financial reporting system, the Committee acknowledged the sufficiency and quality of routine management information reports provided to its members.
- Assessed the adequacy and effectiveness of the internal controls and procedures in place, to obtain reasonable assurance that the financial reporting system is effective in providing reliable and timely information.
- The Committee is satisfied that all relevant matters have been considered in the preparation of the financial statements through discussion with management regarding the operations of the company both during the financial year and its outlook.
- The Committee continues to monitor compliance in accordance with the Sri Lanka Financial Reporting Standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards and the Listing Rules of the Colombo Stock Exchange.

INTERNAL AUDIT

- The Committee monitors the effectiveness of the Internal Audit function within the group and is responsible for recommending to the Board their appointment or removal, and for ensuring they are adequately resourced to conduct audits.
- Monitored and reviewed the scope, extent, methodology, and effectiveness of the Internal Audit function. The scope was designed based on a fraud deterrent framework, which was implemented across the Group.
- Met the outsourced Internal Auditors Messrs.BDO Partners (Chartered Accountants) without the presence of Key Management Personnel during the year.

EXTERNAL AUDIT

- The Committee along with the external auditors and the management, reviewed and approved the external auditor's work plan and resources and agreed on various key areas of focus prior to the commencement of the audit.
- The external auditor updated the committee on an on-going basis regarding any unresolved matters of significance.
- The Committee met with the external auditors prior to the conclusion of the audit, discussed all audit issues and agreed on their treatment. The Committee also met the external auditors, without the presence of the key management personnel, prior to the finalisation of the financial statements.

- A declaration has been submitted by Messrs. Jayasinghe & Company to the Committee, confirming the compliance on its independence criteria as required by the Companies Act No.07 of 2007 and the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. The Committee is satisfied that the independence and objectivity of the external auditors are safeguarded and has not been impaired by any event or service that gives rise to a conflict of interest. The assigned audit and non-audit work were reviewed by the Committee and due consideration has been given to the level of audit and non-audit fees received by the external auditors.
- The Company's senior management conducted a structured assessment to appraise the performance of the External Auditors. Taking into consideration the fact that Messrs. Jayasinghe & Company has acted as the External Auditors of Cooperative Insurance Company PLC, for five consecutive fiscal years, the Committee has recommended to the Board of Directors to appoint another suitable firm of Chartered Accountants as the External Auditors for the fiscal year ending December 31, 2025, pending approval by shareholders at the upcoming Annual General Meeting.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasises the importance of upholding ethical values by all staff members. All appropriate procedures are in place to conduct independent investigations into incidents reported through internal audits or other means.

EVALUATION OF THE COMMITTEE

The effectiveness of the Committee shall be evaluated annually by each member of the Committee. The outcome of the evaluation was presented to the Board, and it was determined that the Committee was effective.

COMPLIANCE OF THE BOARD AUDIT COMMITTEE

The Committee, with the assistance of the Internal Auditors, External Auditors closely scrutinises compliance with mandatory statutory requirements, reviewing the alignment of the systems and procedures in place to ensure compliance with such requirements. Formal confirmations and assurances were obtained from the senior management of the company on an annual basis regarding the efficacy and status of the internal control systems and risk management systems and compliance with applicable laws and regulations. The Committee is of the opinion that the Company is in compliance with relevant legal and regulatory requirements, including financial reporting requirements, CSE Rules, Companies Act and SEC Act, Insurance Industry Act No 43 of 2000 and other relevant reporting related regulations and requirements.

CONCLUSION

The Committee is satisfied that internal controls have been operating as designed, and the Company's assets have been adequately safeguarded during the period under review. The Committee is also satisfied that the Company's Internal and External Auditors have been effective and independent throughout the period. The Committee believes that the Company's accounting policies are appropriate and have been applied accurately throughout the year under review.

L. Waragoda
Chairperson of the Board Audit and Risk Committee
26th May 2025

REPORT OF THE BOARD REMUNERATION COMMITTEE (BRC)

INTRODUCTION

The Board Remuneration Committee presents this report as part of its oversight responsibility towards the development and maintenance of a formal and transparent policy on executive remuneration within the Company during the financial year 2024. This report aims to provide stakeholders with insights into the effectiveness of corporate governance requirements addressed within the company in respect of remunerating executive and non-executive directors and key Management employees.

POLICY

The Remuneration Policy of the Company aims to attract, motivate and retain Executive Directors, key Management Personnel and other employees with appropriate professional, managerial and operational expertise necessary to achieve the objectives of the company

CHARTER OF THE COMMITTEE

The terms of reference of the Committee are defined in the Remuneration Committee Charter, which is reviewed annually. The Charter defines the objectives, duties and responsibilities, composition, etc., of the Committee. The Remuneration Committee Charter outlines the company's strategic intent in adopting HR practices that provide the employees with quality service while creating a platform that would enable each one to offer their services with trust and confidence to attain Company goals while fulfilling individual aspirations.

KEY RESPONSIBILITIES OF THE COMMITTEE

- Determining the remuneration of the Chairman, Wise Chairman, Chief Executive Officer and other members of the Board of Directors of the Company, while ensuring that no Director is involved in setting his or her own compensation.
- The Committee has the authority to engage independent professional advisors on matters within its purview.
- Recommend the level and structure of remuneration for key management personnel (Senior Management Team).
- Recommend increments and bonuses payable based on recommendations submitted by the CEO.
- Provide direction in developing HR policies and strategies of the company.
- Direct the Human Capital strategy of the Company.
- Guide, influence and shape the HR strategies and policies of the Company.

COMPOSITION

Name of the Director	Nature of directorship	Date of appointment to the Committee	Eligibility to attend/ Attended
Mr.Lalith Waragoda (Chairperson)	Non–Executive Independent Director	01.05.2024	2/2
Mr. H.H.D.E.P Herath	Non–Executive Non–Independent Director	01.05.2024	2/2
Mr.A.A.J Amarasinghe	Non–Executive/ Non Independent Director	01.05.2024	2/2
Mr. G.G. Dayasumana	Non-Executive Independent Director	01.05.2024	2/2
Mr. Suraj Wickramasinghe	Non-Executive Independent Director	01.05.2024	2/2

ATTENDANCE BY INVITATION

The Chief Executive Officer (CEO) is attended the committee meetings by invitation.

SECRETARY TO THE COMMITTEE

The secretary of the Company or the Committee's nominee shall act as the Secretary to the Committee.

EXPERTISE

The Chairman and members of the Committee have extensive experience in diverse fields, the details which can be found on pages 32 to 34.

REMUNERATION PACKAGE OF DIRECTORS

All the non-executive directors receive a fee for serving in the Board and Board sub committees based on their participation in the committees. They do not receive any performance related incentive payments.

Non-executive directors are not entitled for retirement benefits or other long term benefits and Company does not have any share based payment schemes for directors.

Total fees paid to all Directors including the Chairman are disclosed in Note 35.01 on page 187 in this report.

REMUNERATION PACKAGE OF EMPLOYEES

The remuneration package of employees consists of a fixed component, variable component and other benefits as noted below:

1) Fixed Components

Basic salary and Traveling Allowance are the fixed component in the package which is based on the scope and complexity of the role and is reviewed annually. Annual performance appraisals are conducted, and increments and promotions are granted purely based on results of such appraisals. Overall competence and performance are key factors that determine an individual's base pay.

2) Variable Components

The main component of our variable pay is the annual bonus to employees at all levels based on individual performance as evaluated at the annual performance appraisals and the performance of the Company. In addition, the distribution management team is entitled for a production and quality incentive scheme based on achievement of business targets under predetermined criteria.

3) Other Employee Benefits

Benefits provided to employees include various insurance benefits.

4) Retirement Benefits

Permanent employees of the company are entitled to gratuity, EPF & ETF.

5) Employee Share Schemes

There are no Employee Share Ownership Schemes for employees at present.

COMMITTEE EVALUATION

As part of the annual self-assessment of the Board of Directors, the performance an effectiveness of the Board Committees is assessed by the Board as a whole.

Lalith Waragoda
Chairperson - Remuneration Committee
26th May 2025
Colombo

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

INTRODUCTION

The Board Nomination and Governance Committee presents this report as part of its oversight responsibility towards the development and maintenance of a formal and transparent policy on selection, appointment and re-appointment of Directors and the Chief Executive Officer of the Company during the financial year 2024. This report aims to provide stakeholders with insights into the effectiveness of corporate governance requirements addressed within the company in respect of appointment and re-appointment of directors and the Chief Executive Officer.

CHARTER OF THE COMMITTEE

The terms of reference of the Committee are defined in the Nomination & Governance Committee Charter. The purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the selection/ appointment of new Directors, re-appointment of current Directors, selection and appointment of the Chief Executive Officer.

COMPOSITION OF THE COMMITTEE

Name of the Member	Directorship Status	Membership Status	Date of appointment to the Committee	Eligibility to attend/Attended
Mr. H.H.D.E.P Herath	Non-Executive Independent Director	Chairperson	01.05.2024	4/4
Mr. A A J Amarasinghe	Non-Executive Non-Independent Director	Member	01.05.2024	4/4
Mr. Lalith Waragoda	Non-Executive Independent Director	Member	01.05.2024	4/4
Mr.Suraj Wickramasinghe	Non-Executive Independent Director	Member	01.05.2024	4/4

ATTENDANCE BY INVITATION

The Chief Executive Officer (CEO) is attended the committee meetings by invitation.

SECRETARY TO THE COMMITTEE

The secretary of the Company or the Committee's nominee shall act as the Secretary to the Committee.

EXPERTISE

The Chairman and members of the Committee have extensive experience in diverse fields, the details which can be found on pages 32 to 34.

Key responsibilities of the Committee are given below:

- Exercise general oversight with respect to corporate governance.
- Implement approved procedure in selecting and appointing Directors/CEO.
- Assess performance and contributions made by Directors towards the overall discharge of responsibilities of the Board and make a recommendation on the re election of current Directors to the Board of Directors.
- To determine qualifications, experience and key attributes required for eligibility to be considered for appointment of the CEO.
- To consider and recommend from time to time the requirements of additional/ new expertise and the succession arrangements for retiring Directors and Key Management Personnel.
- To regularly review the structure, size, composition and competencies (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- Periodically appraise the framework for assessment of Board performance and the Board self-evaluation discussion.

DISCLOSURE

- The company has an established policy and procedure in place for the nomination of Directors to the Board.
- Independent Directors retire by rotation and are required to seek re-election at regular intervals, ensuring this occurs at least once every three years.
- The CICPLC Board comprises diverse Directors whose expertise drives the company's objectives. Director profiles are on pages 32 to 34 of the Annual Report.
- The performance of the Board of Directors and the CEO is evaluated annually against the financial and non-financial objectives set out for achieving the company's short, medium, and long-term goals.
- All Directors undergo an induction program upon appointment, covering industry regulations and the company's business strategy.
- Developing and maintaining the Company's Code of Conduct related policies, monitoring compliance, and periodically recommending any changes to the Board for approval.

- All Declarations on Independence are submitted to the Committee annually and on appointment of new Directors. The Board is satisfied that the Independent Directors of the Company meet the criteria for determining independence.
- The process of informing Independent Directors of Major issues relating to the entity.
- Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations.
- No directors were re-elected to the committee during the year.

H.H.D.E.P Herath
Chairperson - Nominations & Governance Committee
30th April 2025
Colombo

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

INTRODUCTION

The primary objective of the Board Related Party Transactions Review Committee is to ensure, all related party transactions of the company are consistent with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka, the listing rules of the Colombo Stock Exchange and other laws, rules, regulations and standards. This report aims to provide stakeholders with insights into the effectiveness of corporate governance requirements in respect of Related Party Transactions, addressed within the company.

CHARTER OF THE COMMITTEE

The purpose of the Committee is to conduct an appropriate review of all related party transactions to ensure that the Group/ Company complies with the rules set out in Section 09 of the Listing Rules and in the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission (SEC). The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions and to prevent Directors, Key Management Personnel (KMP) or substantial shareholders from taking advantage of their positions.

COMPOSITION OF THE COMMITTEE

Name of the Member	Directorship Status	Membership Status	Date of appointment to the Committee	Eligibility to attend/Attended
Mr. G G Dayasumana	Non–Executive Independent Director	Chairperson	01.05.2024	2/2
Mr.A.A.J Amarasinghe	Non–Executive Non–Independent Director	Member	01.05.2024	2/2
Mr. M. Widanagamage	Non-Executive Independent Director	Member	01.05.2024	2/2
Mr.Lalith Waragoda	Non-Executive Independent Director	Member	01.05.2024	2/2

ATTENDANCE BY INVITATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended meetings by invitation regularly.

SECRETARY TO THE COMMITTEE

The secretary of the Company or the Committee's nominee shall act as the Secretary to the Committee.

EXPERTISE

The Chairman and members of the Committee have extensive experience in diverse fields, the details which can be found on pages 32 to 34.

KEY RESPONSIBILITIES OF THE COMMITTEE

- Developing and formulating guidelines to ensure that the Company complies with the rules listed in Section 09 of the Listing Rules and rules set out in the Code of Best Practices on Related Party Transactions issued by the SEC and Sri Lanka Accounting Standards: LKAS 24 - Related Party Transactions.
- Review in advance all proposed related party transactions of the Company except those explicitly exempted in the Code. Any material changes to previously reviewed Related Party Transactions should also be reviewed by the Committee before completion.
- Regularly report to the Board on the Committee's activities.
- Ensure that they have access to enough knowledge/ expertise to assess proposed Related Party Transactions and where necessary obtain appropriate professional and expert advice from an appropriately qualified person.

METHODOLOGY ADOPTED BY THE COMMITTEE

- Adopt policies and procedures to review related party transactions of the Company.
- Determine whether such related party transactions require the approval of the Board and if necessary forward the same for their approval. In such instances Board approval must be obtained prior to entering into the transaction.
- If related party transactions are recurrent, the Committee shall establish guidelines for senior management to follow in its ongoing dealings with the relevant related party. Thereafter, the Committee on an annual basis shall review and assess ongoing relationships with the related party to see that they are in compliance with the Committee's guidelines and that the related party transactions remain appropriate.
- Ensure that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.
- If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.
- Ensure that immediate market disclosures and disclosures in the Annual Report as required by the Listing Rules are made in a timely and detailed manner.

DECLARATION

Related party transactions that took place during the year in terms of the Sri Lanka Accounting Standards are disclosed in the Financial Statements and have been approved by the Board of Directors and has thus complied with the rules pertaining to Related Party Transactions as set out in Section 9 of the listing rule of the CSE. It may also be noted that there were no related party transactions that occurred during the financial year under review which required approval of the shareholders of the Company as determined in Rule 9.14.6 of the Listing Rules. No related party transaction falling within the ambit of the Listing Rules which required an immediate market disclosure was entered into by the Company during year ended 31 December 2024.

G.G. Dayasumana
Chairperson - Related Party Transactions Review Committee
26th May 2025
Colombo

INDEPENDENT AUDITORS' REPORT

Russell Bedford
taking you further

Jayasinghe & Co.
CHARTERED ACCOUNTANTS
94/12, Kirulapone Avenue,
Colombo 05, Sri Lanka.
Tel: +94 11 2512514, 2512400, 2512069
Website: www.aajco.lk
Email: info@aajco.lk

TO THE SHAREHOLDERS OF CO-OPERATIVE INSURANCE COMPANY PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Co-operative Insurance Company PLC ("the Company") and the consolidated financial statements of the Company and its Subsidiaries ("Group"), which comprise of the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at December 31, 2024, and of their financial performance and its cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards (SLFRS /LKAS).

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for out audit opinion on the accompanying financial statements.

Key Audit Matters	How our Audit addressed the Key Audit Matters

1. LIFE INSURANCE CONTRACT LIABILITIES

Life Insurance Contract liabilities amounting to Rs. 4.89 Bn (note 15) represent 43% of the total liabilities of the Group as at 31 December 2024.

These were key audit matters due to:

- materiality of the reported Life Insurance Contract Liabilities;
- the degree of assumptions, judgements and estimations of uncertainty associated with the actuarial valuation of Life Insurance Contract Liabilities; and
- Liability Adequacy Test carried out to ensure the adequacy of the carrying value of Life Insurance Contract Liabilities.

Key areas of significant judgments, estimates and assumptions used in the valuation of the Life Insurance Contract Liabilities included the following:

- determination of assumptions such as mortality, morbidity, lapses and surrenders, loss ratios, bonus, interest rates, discount rates and related claim handling expenses.

To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included, amongst others the following, based on the best available information up to the date of our report;

- checked the completeness and accuracy of the data used in the valuation of Life Insurance Contract Liabilities by agreeing significant details to source documents and accounting records.
- performed procedures to understand and evaluate the work of management's specialists.
- engaged specialized resources to assess the reasonableness of the assumptions used in the actuarial valuations of Life Insurance Contracts with reference to the market data and policyholder experience.
- assessed the adequacy of the disclosures in note 15 to the financial statements.

2. NON-LIFE INSURANCE CONTRACT LIABILITIES

Non-Life Insurance Contract liabilities amounting to Rs 3.43 Bn (note 15) represent 30% of the total liabilities of the Group as at 31 December 2024.

Non-Life Insurance Contract Liabilities include provision for reported claims, provision for claims IBNR & IBNER and provision for unearned premium.

Non-Life Insurance Contract Liabilities are determined as described in note 15

These were key audit matters due to:

- materiality of the reported Non-Life Insurance Contract Liabilities;
- the degree of assumptions, judgements and estimations of uncertainty associated with valuation of Non-Life Insurance Contract Liabilities; and
- liability adequacy test carried out to ensure the adequacy of the carrying value of Non-Life Insurance Contract Liabilities.

Key areas of significant judgments, estimates and assumptions used in the valuation of the Non-life Insurance Contract Liabilities included the following:

- determining historical experience and business expectations such as previous claim experience, existing knowledge of risk events, industry ultimate loss ratio, claims handling expenses and management expenses: and,
- determining methods used for unearned premium calculations

To assess the reasonableness of the Non-Life Insurance Contract Liabilities, our audit procedures included, amongst others the following:

- checked the completeness and accuracy of the data used in the valuation of Non-Life Insurance Contract Liabilities by agreeing significant details to source documents and accounting records.
- test-checked the unearned premium calculations.
- engaged specialized resources to assess the reasonableness of the assumptions used in the valuation of Non-life Insurance Contracts with reference to the industry data, considering both historical experience and business expectations.
- assessed the adequacy of the disclosures in note 15 to the financial statements.

Independent Auditors' Report

Key Audit Matters	How our Audit addressed the Key Audit Matters
3. INVESTMENTS IN FINANCIAL INSTRUMENTS	
Financial instruments amounting to Rs.12.69 Bn (note 6) representing 73% of the total assets of the Group. Financial instruments include financial instruments measured at amortized cost amounting to Rs. 12.66 Bn and financial instruments measured at fair value amounting to Rs. 21.56 Mn. These were key audit matters due to: • the materiality of the reported financial instrument balances; • high volume of transactions transacted during the year; • significantly exercise of management judgements for classification and reclassification of financial instruments and related impacts on subsequent measurements and presentations of those instruments; and • significant time required to verify existence of financial instruments.	Our audit procedures included amongst others the following: • assessed the adequacy of the disclosures in note 6 to the financial statements. • tested the key controls over the process of recognition and classification of financial instruments. • engaged specialized resources to assess the design, implementation and operating effectiveness of relevant automated controls including IT general controls within the system. • assessed the valuation of financial instruments by agreeing details to source documents on sample basis and agreed balances with independent confirmations.

Other Information

Management is responsible for the other information. The other information comprises of the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be furnished to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereof.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other

information are materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and if we have identified an uncorrected material misstatement of the other information obtained after the date of the auditor's report, we have a legal obligation to take specific action in response.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal controls as the management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of audit in accordance with SLAuSs, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and performing of audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the overriding of internal controls.
- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty existed related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we concluded that a material uncertainty existed, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the underlying transactions and events in a manner that achieved the fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identified during our audit.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

As required by Section 47(2) of the Regulation of Insurance Industry Act, No.43 of 2000, as far as appears from our examination, the accounting records of the Company have been maintained in the manner required by the rules issued by the Insurance Board of Sri Lanka, so as to clearly indicate the true and fair view of the financial position of the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 5319.

Jayasinghe & Co.

JAYASINGHE & CO.
CHARTERED ACCOUNTANTS
Colombo.
05th May 2025
AJ/IJ/HM/1483/1407/1409

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER (All amounts are in Sri Lankan Rupees)	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Assets					
Property, plant & equipment	04	**1,429,791,548**	1,474,141,604	**1,116,182,937**	1,108,685,485
Work in progress (WIP) -Building	4.01	**12,012,088**		**12,012,088**	
Right of use assets	04.02	**336,370,962**	381,507,040	**264,148,227**	326,506,466
Intangible assets	05	**26,204,475**	23,033,573	**19,975,556**	22,797,959
Financial investments	06	**12,685,850,160**	11,311,021,166	**6,692,802,195**	6,465,953,900
Investments in subsidiaries	07	**-**	-	**544,260,050**	544,260,050
Loans to life policy holders	08	**105,103,118**	71,346,801	**-**	-
Reinsurance receivables	09	**1,224,980,733**	983,827,328	**1,217,562,334**	971,307,802
Premiums receivable	10	**1,109,396,290**	1,304,668,277	**1,086,754,021**	1,285,546,668
Related party receivables	35	**-**	-	**17,700,070**	8,830,924
Other assets	11	**225,260,710**	195,084,072	**154,859,011**	136,862,743
Cash & cash equivalents	12	**127,373,973**	163,863,534	**98,252,723**	133,580,333
Total Assets		**17,282,344,059**	15,908,493,395	**11,224,509,211**	11,004,332,330
Equity & liabilities					
Equity attributable to equity holders of the parent					
Stated capital	13	**2,198,315,515**	2,198,315,515	**2,198,315,515**	2,198,315,515
Revaluation reserve		**1,314,590,754**	1,234,556,800	**1,090,041,186**	1,004,461,996
Available for sales reserve		**(72,200,124)**	(76,851,123)	**(6,626,274)**	(12,432,304)
Retained earnings		**2,449,273,229**	2,330,506,942	**1,693,438,456**	1,736,965,015
		5,889,979,374	5,686,528,134	**4,975,168,883**	4,927,310,223
Non-controlling interest	16	**-**	-	**-**	-
Total Equity		**5,889,979,374**	5,686,528,134	**4,975,168,883**	4,927,310,223
Liabilities					
Preference shares	17	**11,000,000**	11,000,000	**11,000,000**	11,000,000
Retirement benefit obligations	18	**124,834,359**	123,591,400	**104,276,220**	103,240,942
Lease liability	14	**409,019,322**	457,265,086	**323,962,598**	386,976,373
Insurance liabilities	15	**8,328,290,712**	7,499,054,550	**3,429,578,736**	3,574,763,101
Reinsurance creditors	19	**1,081,152,566**	835,341,873	**1,081,152,566**	830,449,668
Deferred tax liability	21	**61,458,195**	67,069,765	**46,963,905**	46,748,533
Other liabilities	20	**1,085,588,185**	1,097,054,645	**961,384,958**	992,255,548
Bank overdrafts	12	**291,021,345**	131,587,942	**291,021,345**	131,587,942
Total liabilities		**11,392,364,684**	10,221,965,261	**6,249,340,328**	6,077,022,107
Total Equity & Liabilities		**17,282,344,059**	15,908,493,395	**11,224,509,211**	11,004,332,330
Net Assets per Share		**3.56**	3.44	**3.01**	2.98

Notes on pages 121 to 213 form an integral part of these Financial Statements.

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

P G N D Gunathilaka
Acting Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board;

A A J Amarasinghe
Chairman

G.G. Dayasumana
Vice Chairman

Colombo.
30th April 2025

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER (All amounts are in Sri Lankan Rupees)	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Gross written premium	22	**5,628,997,359**	5,702,803,079	**4,525,673,733**	4,538,557,140
Less: premium ceded to reinsurers	23	**(1,409,450,169)**	(768,481,876)	**(1,363,127,492)**	(722,660,216)
Net written premium		**4,219,547,190**	4,934,321,203	**3,162,546,241**	3,815,896,924
Net change in reserves for unearned premium	24	**391,081,276**	290,573,360	**391,081,276**	290,573,360
Net earned premium		**4,610,628,466**	5,224,894,563	**3,553,627,517**	4,106,470,284
Other revenue					
Investment income	25	**1,763,088,012**	1,735,120,387	**891,938,066**	1,007,889,084
Unrealized changes in losses of financial instruments		**666,770**	403,778	**-**	-
Policy administration fees	26	**336,402,476**	279,529,101	**336,402,477**	279,529,101
Other income	27	**38,875,050**	18,327,215	**8,783,593**	9,559,127
		2,139,032,308	2,033,380,481	**1,237,124,136**	1,296,977,312
Total net revenue		**6,749,660,774**	7,258,275,044	**4,790,751,653**	5,403,447,596
Net benefits & claims					
Gross benefits & claims incurred	28	**3,526,516,256**	4,316,930,038	**3,233,300,642**	4,038,678,306
Claims ceded to reinsurers		**(404,230,637)**	(467,475,737)	**(394,698,572)**	(452,168,237)
Change in life contract liabilities		**941,803,078**	1,132,109,991	**-**	-
		4,064,088,697	4,981,564,292	**2,838,602,070**	3,586,510,069
Other expenses					
Underwriting & policy acquisition cost	29	**285,356,529**	446,213,956	**152,539,533**	322,268,438
Other operating & administrative expenses	30	**2,023,676,056**	2,148,811,023	**1,599,804,736**	1,786,022,266
Finance cost	31	**57,918,542**	55,707,096	**46,750,517**	45,871,087
		2,366,951,127	2,650,732,075	**1,799,094,786**	2,154,161,791
Profit/ (loss) before income tax	32	**318,620,950**	(374,021,323)	**153,054,797**	(337,224,264)
Income tax expenses	33	**(44,974,353)**	54,081,572	**(39,663,025)**	78,929,130
Profit / (loss) for the year		**273,646,598**	(319,939,751)	**113,391,772**	(258,295,134)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss ;					
Revaluation of property, plant & equipment		**61,444,893**	186,164,506	**78,085,615**	153,309,037
Actuarial gain/ (loss) on defined benefit plan		**13,380,843**	4,561,304	**11,342,824**	2,585,407
Items that may be reclassified subsequently to profit or loss ;					
Net change in fair value of available-for-sale financial assets		**3,976,116**	5,328,723	**3,976,116**	5,328,723
Tax on other comprehensive income		**13,001,773**	(9,980,221)	**1,906,286**	(5,827,330)
		91,803,626	186,074,312	**95,310,843**	155,395,836
Total comprehensive income for the year, net of tax		**365,450,223**	(133,865,439)	**208,702,614**	(102,899,298)
Profit attributable to :					
Equity holders of the Company		**273,646,598**	(319,939,751)	**113,391,772**	(258,295,134)
Non controlling interest		**-**	-	**-**	-
		273,646,598	(319,939,751)	**113,391,772**	(258,295,134)
Total comprehensive attributable to :					
Equity holders of the Company		**365,450,223**	(133,865,439)	**208,702,614**	(102,899,298)
Non controlling interest		**-**	-	**-**	-
		365,450,223	(133,865,439)	**208,702,614**	(102,899,298)
Earnings per share					
Basic earnings per share	34	**0.17**	(0.19)	**0.07**	(0.16)

Notes on pages 121 to 213 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Group	Stated Capital (Note 13)	Revaluation Reserve	Available for Sale Reserve	Retained Earnings	Total
Balance as at 01st January 2023	2,198,315,515	1,057,497,653	(80,281,013)	2,645,383,748	5,820,915,903
Total comprehensive income					
Loss for the year	-	-	-	(319,939,749)	(319,939,749)
Other comprehensive income for the year					
Net change in revaluation of property, plant & equipment	-	186,164,506	-	-	186,164,506
Net change in fair value of available for sale financial assets	-	-	5,328,723	-	5,328,723
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments of Cooplife Insurance Ltd	-	-	(522,332)	-	(522,332)
Actuarial gain / (loss) on defined benefit plan	-	-	-	4,561,304	4,561,304
De-recognition of revaluation reserve	-	(5,360,003)	-	5,360,003	-
Tax on other comprehensive income	-	(3,745,356)	(1,376,501)	(4,858,364)	(9,980,221)
	-	177,059,147	3,429,890	5,062,943	185,551,980
Total comprehensive income for the year	-	177,059,147	3,429,890	(314,876,806)	(134,387,769)
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-	-	-
Balance as at 31st December 2023	2,198,315,515	1,234,556,800	(76,851,123)	2,330,506,942	5,686,528,134
Balance as at 01st January 2024	2,198,315,515	1,234,556,800	(76,851,123)	2,330,506,942	5,686,528,134
	2,198,315,515	1,234,556,800	(76,851,123)	2,330,506,942	5,686,528,134
Total comprehensive income					
Profit for the year	-	-	-	273,646,598	273,646,598
Other comprehensive income for the year					
Net change in revaluation of property, plant & equipment	-	61,444,893	-	-	61,444,893
Net change in fair value of available for sale financial assets	-	-	2,821,086	-	2,821,086
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments	-	-	4,373,807	-	4,373,807
Actuarial gain / (loss) on defined benefit plan	-	-	-	13,380,843	13,380,843
De-recognition of revaluation reserve	-	416,169	-	(416,169)	-
Tax on other comprehensive income	-	18,172,892	(2,543,894)	(2,627,225)	13,001,773
	-	80,033,954	4,650,999	10,337,449	95,022,402
Total comprehensive income for the year	-	80,033,954	4,650,999	283,984,047	368,669,000
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-	(165,217,760)	(165,217,760)
Balance as at 31st December 2024	2,198,315,515	1,314,590,754	(72,200,124)	2,449,273,229	5,889,979,374

Notes on pages 121 to 213 form an integral part of these Financial Statements.

FOR THE YEAR ENDED 31ST DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Company	Stated Capital (Note 13)	Revaluation Reserve	Available for Sale Reserve	Retained Earnings	Total
Balance as at 01st January 2023	2,198,315,515	856,105,427	(24,198,263)	1,992,173,103	5,022,395,784
	2,198,315,515	856,105,427	(24,198,263)	1,992,173,103	5,022,395,784
Total comprehensive income					
Loss for the year	-	-	-	(258,295,134)	(258,295,134)
Other comprehensive income for the year					-
Net change in revaluation of property, plant & equipment	-	153,309,037	-	-	153,309,037
Net change in fair value of available for sale financial assets	-	-	5,328,723	-	5,328,723
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments	-	-	7,813,738	-	7,813,738
Actuarial gain/ (loss) on defined benefit plan	-	-	-	2,585,407	2,585,407
De-recognition of revaluation reserve		(5,360,003)	-	5,360,003	-
Tax on other comprehensive income	-	407,535	(1,376,501)	(4,858,364)	(5,827,330)
	-	148,356,569	11,765,960	3,087,045	163,209,574
Total comprehensive income for the year	-	148,356,569	11,765,960	(255,208,089)	(95,085,560)
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-		-
Balance as at 31st December 2023	2,198,315,515	1,004,461,996	(12,432,304)	1,736,965,015	4,927,310,224
Balance as at 01st January 2024	2,198,315,515	1,004,461,996	(12,432,304)	1,736,965,015	4,927,310,224
	2,198,315,515	1,004,461,996	(12,432,304)	1,736,965,015	4,927,310,224
Total comprehensive income					
Profit for the year	-	-	-	113,391,772	113,391,772
Other comprehensive income for the year					
Net change in revaluation of property, plant & equipment	-	78,085,615	-	-	78,085,615
Net change in fair value of available for sale financial assets	-	-	3,976,116	-	3,976,116
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments	-	-	4,373,807	-	4,373,807
Actuarial gain/ (loss) on defined benefit plan	-	-	-	11,342,824	11,342,824
De-recognition of revaluation reserve	-	416,169	-	(416,169)	-
Tax on other comprehensive income	-	7,077,405	(2,543,894)	(2,627,225)	1,906,286
	-	85,579,190	5,806,030	8,299,430	99,684,649
Total comprehensive income for the year	-	85,579,190	5,806,030	121,691,202	213,076,421
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-	(165,217,760)	(165,217,760)
Balance as at 31st December 2024	2,198,315,515	1,090,041,186	(6,626,274)	1,693,438,456	4,975,168,883

Notes on pages 121 to 213 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024
(All amounts are in Sri Lanka Rupees)

	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Cash flows from operating activities					
Net profit / (loss) before taxation		318,620,950	(374,021,323)	153,054,797	(337,224,264)
Adjustments for:					
Interest income		(1,763,088,012)	(1,735,120,387)	(891,938,066)	(1,007,889,084)
Interest expense		54,948,541	55,707,096	43,780,517	45,871,087
Depreciation on property, plant & equipment		190,582,574	174,427,444	150,938,097	140,495,076
Depreciation on right of use asset		94,999,988	95,070,663	70,893,602	74,839,953
Impairment loss on premiums receivable		(93,865,218)	(129,960,464)	(90,574,971)	(127,138,623)
Amortization of intangible assets		11,172,828	9,987,968	10,937,211	9,331,161
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments		-	(522,332)	-	7,813,738
(Profit) / loss on sale of tangible assets		(5,043,700)	(3,508,532)	(4,883,700)	(3,369,782)
Provision for employee benefits		29,413,362	33,617,035	24,647,474	28,210,167
gain or loss on lease modification		(1,025,131)	-	(1,025,131)	-
Operating profit before working capital changes		(1,163,283,817)	(1,874,322,832)	(534,170,169)	(1,169,060,572)
Changes in operating assets		(27,961,243)	(394,933,137)	4,235,584	(336,612,591)
Changes in operating liabilities		201,933,601	280,485,025	187,464,459	305,124,705
Changes in general insurance reserves		(145,184,365)	325,628,163	(145,184,365)	325,628,163
Increase in long term insurance provision		974,420,526	1,124,928,025	-	-
Cash flows from operating activities		(160,075,298)	(538,214,755)	(487,654,491)	(874,920,295)
Gratuity paid		(14,789,560)	(14,297,199)	(12,269,372)	(12,136,478)
Taxation paid		(5,293,417)	-	(5,293,417)	-
Rent & advances paid		(152,033,083)	(136,295,881)	(114,304,524)	(105,859,278)
Cash flows from / (used in) operating activities		(332,191,358)	(688,807,835)	(619,521,803)	(992,916,051)
Cash flows from investing activities					
Purchase of investments net of sales proceeds		(1,367,634,102)	(1,068,940,627)	(218,498,372)	(39,845,654)
Interest received		1,761,561,798	1,734,496,332	890,495,495	1,007,336,489
Dividends received		1,526,214	624,055	1,442,571	552,595
Proceeds on sale of tangible assets		11,290,999	5,598,516	10,890,999	4,998,516
Purchase of intangible assets		(14,343,728)	(4,750,521)	(8,114,808)	(4,750,521)
Purchase of tangible assets		(91,034,932)	(33,711,965)	(86,357,231)	(26,318,715)
Net cash flows from / (used in) investing activities		301,366,249	633,315,791	589,858,654	941,972,710
Cash flows from financing activities					
Dividends paid		(165,097,862)	-	(165,097,862)	-
Net cash flows from / (used in) financing activities		(165,097,862)	-	(165,097,862)	-
Decrease in cash & cash equivalents		(195,922,970)	(55,492,044)	(194,761,011)	(50,943,340)
Cash & cash equivalents at the beginning of the year		32,275,592	87,767,637	1,992,391	52,935,732
Cash & cash equivalents at the end of the year	12	(163,647,372)	32,275,592	(192,768,622)	1,992,391
Note A					
Cash & cash equivalents at the end of the year					
Cash at banks		111,888,488	156,961,901	95,405,052	130,264,767
Cash in hand		15,485,485	6,823,943	2,847,671	3,315,566
Cash in transit		-	77,690	-	-
Bank overdrafts		(291,021,345)	(131,587,942)	(291,021,345)	(131,587,942)
		(163,647,372)	32,275,592	(192,768,622)	1,992,391

Notes on pages 121 to 213 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

Co-operative Insurance Company PLC is a Company incorporated on 11th August 1997 with limited liability and domiciled in Sri Lanka. The registered office and the principal place of business of the Company is situated at 74/5, Grandpass Road, Colombo 14, while the registered offices of its Subsidiaries (Cooplife Insurance Limited and Coopinsu Training Academy) are situated at "Coop House", No. 455, Galle Road, Colombo 03 and No. 70/3, Grandpass Road, Colombo 14 respectively.

The ordinary shares of the Company are listed on the Colombo Stock Exchange (CSE) and the Company is a licensed insurance company registered under the Regulation of Insurance Industry Act No. 43 of 2000.

1.2 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the period ended and as at 31st December 2024 comprise "the Company" referring to Co-operative Insurance Company PLC as the Holding Company and "the Group" referring to Co-operative Insurance Company PLC and its Subsidiaries listed in note 3.1.1.

The financial statements of all Companies within the Group were prepared based on uniform accounting policies for a common financial period, which ends on 31st December.

1.3 PRINCIPAL ACTIVITIES & NATURE OF OPERATIONS

The Group is primarily involved in the non-life and life insurance business. In compliance with the requirements of the Regulations of Insurance Industry (Amendment) Act No 3 of 2011, the Company completed the segregation of life and non-life insurance businesses on 1st January 2015.

The Company provides general insurance solutions for both individual and corporate customers. Insurance other than 'life insurance' falls under the category of general insurance. Fire, motor, marine and miscellaneous insurance are the main categories under general insurance.

Cooplife Insurance Limited provides life insurance solutions for both individual and corporate customers. Coopinsu Training Academy provides insurance education training, mostly to employees as well as for external parties.

There were no significant changes in the principal activities during the financial period under review.

1.4 NUMBER OF EMPLOYEES

The staff strength as at 31st December 2024, of the Company was 1068 (2023 – 1268) and for the Group was 1342 (2023 – 1510).

1.5 DATE OF AUTHORIZATION FOR ISSUE

The consolidated financial statements for the period ended 31st December 2024 were authorized for issue by the Board of Directors on 30th April 2025.

1.6 RESPONSIBILITY OF FINANCIAL STATEMENTS

The directors are responsible for these financial statements as per the provisions of the Companies Act, No. 07 of 2007, the Sri Lanka Accounting Standards and the Regulations of Insurance Industry Act, No. 43 of 2000 and the Listing Rules of Colombo Stock Exchange.

The responsibility of the directors in relation to these financial statements is set out in detail in the annual report of the directors and in the statement of financial position.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in compliance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, as per the requirements of the Companies Act No 7 of 2007 and the Regulations of Insurance Industry Act, No. 43 of 2000, taken together with subsequent amendments thereto, rules and regulations of the Insurance Regulatory Commission of Sri Lanka and listing rules of the Colombo Stock Exchange (CSE).

The Company has not adopted any inappropriate accounting treatments, which are not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of these financial statements.

The Group has opted to defer full application of SLFRS 9 – Financial Instruments and adopting SLFRS -17 Insurance Contracts until 2026, exercising the temporary exemption provided to an insurer.

Notes to the Financial Statements

These financial statements, except for information on cash flows have been prepared following the accrual basis of accounting.

The financial statements have the following components:

Components	Page
Consolidated statement of financial position	132
Consolidated statement of profit or loss and other comprehensive income	133
Consolidated statement of changes in equity	134
Statement of cash flows	136
Notes to the financial statements	137-213

2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on accrual basis and under the historical cost convention except for the following material items which are measured on alternative basis, at the reporting date:

Item	MeasurementBasis	Note No.
Land and buildings	Fair value	4
Motor vehicles	Fair value	4
Held to maturity instruments	Amortized cost	6.1
Loans and receivables	Amortized cost	6.2
Available for sale financial assets	Fair value	6.3
Non derivative financial instruments at fair value through profit or loss	Fair value	6.4
Policyholder liabilities	Actuarial valuation	15
Defined benefit liabilities	Actuarially valued and recognized at present value	18

The Group and the Company presents statement of financial position broadly in order of liquidity. An analysis pertaining to recovery of settlements within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) are presented hereto. No adjustments have been made for inflationary factors affecting these financial statements.

Supplementary Statements – Statement of Financial Position of the Life Insurance Funds

Supplementary statement of financial position of the Life Insurance Fund together with the notes are disclosed as required by Statement of Recommended Practice (SORP) for Insurance, specified by the Institute of Chartered Accountants of Sri Lanka.

2.3 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements' and as specified in the subsequent amendments.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.4 GOING CONCERN

The management has made an assessment of the parent company's ability to continue as a going concern and is satisfied that the parent company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the parent company's ability to continue as a going concern. Therefore, consolidated financial statements continue to be prepared on a going concern basis.

2.5 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Sri Lankan Rupees (LKR), which is the Company's functional currency and the Group's presentation currency. Except where indicated, financial information presented in Sri Lankan Rupees have been rounded to the nearest Rupee.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Assets and liabilities or income and expenses are not offset unless required or permitted by Sri Lanka Accounting Standards or Interpretations (issued by the IFRS Interpretations Committee and Standard Interpretations Committee).

2.6 COMPARATIVE INFORMATION

The comparative information has been reclassified, where relevant for better presentation and to be comparable with those of the current period.

These financial statements provide comparative information in respect of the previous financial year.

2.7 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with Sri Lanka Accounting Standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Critical Accounting Estimates/Judgments	Disclosure Note
Useful lives of property and equipment	3.5.7
Impairment of non-financial assets	3.7
Classification of financial instruments	3.3
Unearned premium	3.11.3a
Insurance provision– Life	3.11.1
Liability adequacy	3.11.2
Provision for IBNR/IBNER	3.11.3b
Employee benefits	3.14
Deferred taxation	3.21.2

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods indicated in these financial statements, unless otherwise stated. The accounting policies of the Company have been consistently applied by the Group where necessary and deviations, if any have been disclosed accordingly.

3.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent and its investees that are considered as Subsidiaries as at 31st December 2024, in terms of SLFRS 10 - Consolidated Financial Statements.

3.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investees. The financial statements of the Subsidiaries are included in the consolidated financial statements from the date on which control commences, until the date on which the control ceases.

Notes to the Financial Statements

Critical Judgments in Applying the Entity's Control

The directors have concluded that the Group controls all Subsidiaries, as it has the majority control and voting rights over its Subsidiaries as depicted below:

Interest in Subsidiaries

The interest in Group's principal Subsidiaries as at 31st December 2024 are set out below.

Name of Entity	Place of Business/ Country of Incorporation	Percentage of Ownership 2024	Percentage of Ownership 2023	Principal Activities
Coop life Insurance Limited	Colombo / Sri Lanka	100%	100%	Life Insurance
Co-opinsu Training Academy	Colombo / Sri Lanka	100%	100%	Insurance Training Education

Acquisition

NCI are measured at their proportionate share of acquiree's identifiable net assets at the date of the acquisition.

Transactions Eliminated on Consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Loss of Control

Upon the loss of control of a Subsidiary, the Group de-recognizes the assets (including goodwill) & liabilities, any related non-controlling interests and the other components of equity. Any surplus or deficit arising on the loss of control is recognized in their of it or loss. Any interest retained in a former Subsidiary, is measured at fair value at the date, the control is lost. Subsequently it is accounted for as equity accounted investee or as an available for sale financial asset depending on the level of influence retained.

3.2 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rate at the date of the transaction. Group's practice is to use the buying rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Foreign currency differences arising on retranslation are recognized in the profit or loss; except for the difference arising on the retranslation of available for sale equity instruments, which are recognized in other comprehensive income.

3.3 FINANCIAL INSTRUMENTS

The Group classifies non-derivative financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity financial assets
- Loans and receivables
- Available-for-sale financial assets.

Judgments are made in the classification of financial instruments based on the intentions of the management with regard to acquisition.

The Company classifies non-derivative financial liabilities into the other financial liability category.

3.3.1 Non-Derivative Financial Assets and Financial Liabilities – Recognition and De-Recognition

The Group initially recognizes loans and receivables and debt securities issued on the date they originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset is measured initially at fair value and, for an asset not at fair value through profit or loss with transaction costs that are directly attributable to its acquisition or issue.

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.3.2 Non-Derivative Financial Assets – Subsequent Measurement

(a) Available-For-Sale Financial Assets (AFS)

Available-for-sale financial investments are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement at fair value, available-for-sale financial investments are subsequently measured at fair value and changes therein are recognized in other comprehensive income and accumulated in the available-for-sale reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

The Group evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Group is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Group in rare circumstances may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and the management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held-to-maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity.

Available for sale financial investments of the Group comprise of equity and debt securities, which are neither classified as held for trading nor designated at fair value through profit or loss.

Interest earned whilst holding available for sale investments is reported as 'interest income' using the EIR. Dividends earned whilst holding available for sale investments are recognized in profit or loss as 'Dividend Income' when the right of the payment has been established. When the asset is de-recognized, the cumulative gain or loss is recycled to profit or loss as 'realized gain or loss'.

(b) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset is classified as at fair value through profit or loss, if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

The assets and liabilities are part of a Group's financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with the Group's investment strategy. Financial assets at fair value through profit or loss of the Group comprise of listed equity investments.

Subsequent to initial recognition, these investments are re-measured at fair value. Changes in fair value are recorded in 'fair value gains and losses' in profit or loss. Gains and losses are recognized in profit or loss when assets are disposed.

(c) Held to Maturity Financial Assets (HTM)

These are non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has both the intention and ability to hold until maturity. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, held to maturity financial assets are measured at amortized cost, using the Effective Interest Rate (EIR), less impairment. The EIR amortization is included in 'interest income' in profit or loss.

Held to maturity financial assets comprise of treasury bills and treasury bonds invested by the Group.

Gains and losses are recognized in profit or loss when the investments are de-recognized or impaired, as well as through the amortization process.

Notes to the Financial Statements

(d) Loans & Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortized cost, using the EIR, less allowance for impairment.

Loans and receivables comprise of investments in unquoted corporate debt, term deposits, asset backed securities, development bonds, commercial paper and other loans and receivables as well as cash and cash equivalents.

Gains and losses are recognized in profit or loss when the investments are de-recognized or impaired, as well as through the amortization process.

- **Reinsurance Receivables**

Group cedes insurance risk in the normal course of business to recognized reinsurers through formal reinsurance arrangements.

Reinsurance assets include the balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the statement of financial position unless a right to offset exists.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arise during the reporting period.

Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss, if any is recorded in the profit and loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished, expired or when the contract is transferred to another party.

- **Premium Receivables**

Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration receivable. Collectability of premium are reviewed on an ongoing basis.

According to the Premium Payment Warranty (PPW) directive issued by the Insurance Board of Sri Lanka (IBSL), non-life insurance policies are issued subject to PPW and are cancelled upon the expiry of 60 days, if not settled.

The Company decided to account for life insurance premium on accrual basis in accordance with Sri Lanka Accounting Standards. Accordingly, life insurance premium for policies within one-month grace period are considered as due premium, subject to a provision for premium default as at each reporting date.

Impairment losses on premiums receivable are the difference between the carrying amount and the present value of the estimated discounted cash flows. The impairment losses are recognized in profit or loss.

- **Other Receivables and Dues from Related Parties**

Other receivables and dues from related parties are recognized at cost less accumulated impairment losses.

- **Cash & Cash Equivalents**

Cash and cash equivalents comprise of cash in hand, cash at banks and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of short-term commitments.

3.3.3 Non-Derivative Financial Liabilities - Measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

3.3.4 Fair Value Measurement

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability, in orderly transactions between market participants, at the measurement date.

A fair value measurement requires an entity to determine all the following:

1) the particular asset or liability that is the subject of the measurement
2) For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use)
3) The principal (or most advantageous) market for the asset or the liability.
4) The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs, are categorized.
5) Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability taking place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model, is subsequently recognized in the profit or loss on an appropriate basis over the life of the instrument, but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.3.5 Determination of Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);and

Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

3.3.6 Amortized Cost Measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3.3.7 Reclassification

Reclassifications of financial assets, other than as set out below, or of financial liabilities between measurements categories, are not permitted following initial recognition.

Held for trading non-derivative financial assets are transferred out of the held at fair value through the profit or loss category in the following circumstances: to the available-for-sale category, where, in rare circumstances, they are no longer held for the purpose of selling or repurchasing in the near term; or to the loans and receivables category, when they are no longer held for the purpose of selling or repurchasing in the near term and they would have met the definition of a loan or receivable at the date of reclassification and the Company has the intent and ability to hold the asset for the foreseeable future or until maturity.

Financial assets are transferred out of the available for-sale category to the loans and receivables category where they would have met the definition of a loan or receivable at the date of reclassification and the Company has the intent and ability to hold the assets for the foreseeable future or until maturity.

Notes to the Financial Statements

Held-to-maturity assets are reclassified to the available-for sale category, if the portfolio becomes tainted following the sale of other than an insignificant amount of held-to-maturity assets prior to their maturity.

Financial assets are reclassified at their fair value on the date of reclassification. For financial assets reclassified out of the available-for-sale category into loans and receivables, any gain or loss on those assets recognized in shareholder's equity prior to the date of reclassification are amortized to the profit or loss over the remaining lives of those financial assets, using the effective interest method.

3.3.8 Impairment

a) Non-Derivative Financial Assets

Financial assets not classified at fair value through the profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, the disappearance of an active market for a security; or observable data, indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial Assets Measured at Amortized Cost	The Company considers evidence of impairment for these assets at both an individual asset and at collective level. All individually significant assets are individually assessed for impairment.
Available-for-Sale Financial Assets	Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in the profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through the statement of profit or loss; otherwise, it is reversed through other comprehensive income.

b) Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax asset) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 INSURANCE CONTRACTS

As permitted by SLFRS 4 Insurance Contracts, the Company continues to apply the existing accounting policies for insurance contracts that were applied prior to the adoption of SLFRS.

Contracts which transfer significant insurance risk are classified as insurance contracts whereas others are classified as investment contracts.

3.4.1 Product Classification

SLFRS 4 requires contracts written by insurers to be classified as either "insurance contracts" or "investment contracts", depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception, if insurance risk becomes significant.

All products sold by the Company are insurance contracts and therefore classified as insurance contracts under the SLFRS 4 – Insurance Contracts. Thus, the Company does not have any investment contracts within its product portfolio as at the reporting date.

3.5 PROPERTY PLANT & EQUIPMENT

3.5.1 Recognition & Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property plant and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal, with the carrying amount of the item of property and equipment, and is recognized in other income/other expenses in the profit or loss.

3.5.2 Cost Model

The Group applies cost model to property, plant and equipment except for freehold land, buildings and motor vehicles and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

3.5.3 Revaluation Model

The Group applies the revaluation model to the entire class of freehold land, buildings and motor vehicles. Such properties are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold land and buildings are revalued annually on a roll over basis to ensure that the carrying amounts do not differ materially from the fair values at the reporting date.

When an asset is revalued, any increase in the carrying amount is credited directly to equity under the caption revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit or loss and other comprehensive income, in which case the increase is recognized in that statement.

Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognized as an expense to profit or loss. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings.

3.5.4 Subsequent Costs

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, are capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the statement of profit or loss and other comprehensive income as expenses as incurred.

3.5.5 Depreciation

Provision for depreciation is calculated by using the straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets.

Notes to the Financial Statements

The estimated useful lives for the current and comparative periods are as follows:

	2024	2023
Buildings	40 years-60 years	40 years-60 years
Building improvements	20 years	10 years
Office equipment	8 years	8 years
Computers	6 years	6 years
Motor vehicles	5 years	5 years

	2024	2023
Furniture and fittings	8 years	8 years
Motor vehicles – leasehold	4 years	4 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial period end.

3.5.6 De-Recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in the profit or loss when the item is de-recognized.

3.5.7 Useful Lives of Property and Equipment

As described in accounting policies the Group reviews the estimated useful lives over which its property and equipment's are depreciated. Judgment of the management is exercised in the estimation of these values, rates, methods and hence is subject to uncertainty. The Group's management is satisfied that the estimates of useful lives are appropriate.

3.5.8 Gains and Losses on Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognized net within "other income/ other expenses" in the statement of profit or loss and other comprehensive income.

3.5.9 Capital Work-in-Progress

Capital work in progress is carried at cost, in respect of incomplete projects. Once the project is over and ready for use, the amount will be transferred to property, plant and equipment and depreciated over the useful life time of the asset.

3.5.10 Right of Use Assets

SLFRS 16 "Leases" supersedes LKAS 17 "Leases", IFRIC 4 in determining whether an arrangement contains a lease, SIC-15 Operating Leases- Incentives and SIC-27 in evaluating the substance of transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. The Company has adopted SLFRS 16 using modified retrospective method from 01st January 2019, without restating comparatives for 2018 reporting period, as permitted under the specific transitional provisions in the standard.

3.5.11 Estimating the Incremental Borrowing Rate

The Company uses its incremental borrowing rate ("IBR") to measure the lease liabilities, as it cannot readily determine the interest rate implicit in the lease. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of-use asset in a similar economic environment. Therefore, IBR reflects what the Company "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific adjustments.

3.5.12 Recognition

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group recognizes a right of using an asset and a lease liability at the lease commencement date. The right of use assets of the Group consists of branch premises taken on rent, which were previously recognized as operating leases under LKAS 17.

3.5.13 Measurement

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Company's incremental borrowing rate) adjusted for any lease payment made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred.

Where the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of using the asset is subsequently depreciated adopting the straight-line method from the commencement date to the earlier of the end of the useful life of the right of using asset or at the end of the lease term. Right of using assets are subject to impairment. The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

3.6 INTANGIBLE ASSETS – SOFTWARE

3.6.1 Basis of Recognition

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

All computer software cost incurred, licensed to be used by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and is probable that they will lead to future economic benefits, are included in the balance sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment loss.

3.6.2 Subsequent Expenditure

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

3.6.3 Amortization

Amortization is recognized in the profit or loss on straight-line basis over the estimated useful life of the software, from the date that it is available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three years.

Amortization method of each software, useful life and residual value are reviewed at each financial period-end and adjusted if appropriate.

3.6.4 De-recognition

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from the de-recognition of each intangible asset is included in the profit or loss, when the item is de-recognized.

3.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.8 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

Salvage inventory is recognized based on the salvage value on the claim reporting date supported by realizable values from independent sources or at a value realized if subsequently sold.

3.9 FOREIGN CURRENCY TRANSLATION

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rate of exchange prevailing at the time the transaction was affected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka Rupee equivalent using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resultant gains and losses are accounted for in the statement of profit & loss.

Notes to the Financial Statements

3.10 STATED CAPITAL

3.10.1 Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.10.2 Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's Board of Directors in accordance with the Articles of Association. Dividends for the year that are approved after the reporting date are dealt with, as an event after the reporting date.

The shares of the Company are quoted in the Colombo Stock Exchange-Dirisavi Board. All issued shares are fully paid. The ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a general meeting of the members of the Company.

3.11 INSURANCE CONTRACT AND LIABILITIES

3.11.1 Insurance Provision – Life Insurance

Life insurance liabilities are recognized when contracts are entered into and when premiums are charged. These liabilities are measured by using the gross premium method as specified by the Insurance Regulatory Commission of Sri Lanka (IRCSL) based on the recommendation of the independent actuary. The liability is determined as the sum of the discounted value of the expected future benefits, less the discounted value of the expected future premium that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is computed based on IRCSL specified guidelines and current assumptions, which vary based on the contract type.

Furthermore, adjustments are performed to capture the likely liabilities that may arise due to currently lapsed contracts reviving in the future.

3.11.2 Liability Adequacy Test (LAT) – Long Term Insurance

As required by SLFRS 4 –Insurance Contracts, the Company performed a Liability Adequacy Test (LAT) in respect of life insurance contract liabilities with the assistance of an external actuary. In performing the LAT, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used.

3.11.3 Insurance Contacts Liabilities – Non-Life Insurance

Non-life insurance contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities, known as the policy liability provisions include the premium and claim liabilities. The premium liabilities relate to policies for which the premiums have been received but the exposure not fully expired, while the claim liabilities relate to those that have been incurred but not yet reported (IBNR) / incurred but not enough reported (IBNER).

a) Unearned Premium

The provision for unearned premium represents premiums received or receivable for risks that have not yet expired at the reporting date. Generally, the reserve is released over the term of the contract and is recognized as premium income.

The provision is recognized when contracts are entered and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance services provided under the contract. Provision for unearned premium is calculated on a 1/24 basis except for marine / cargo class which is subject to 60 / 40 basis.

At each reporting date, the Group reviews its unexpired risk and LAT is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premium. If these calculations show that the carrying amount of the unearned premium (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the statement of profit or loss and other comprehensive income, by setting up a provision for premium deficiency.

b) Claims Payable Including IBNR

The claim liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, with a reduction for the expected value of salvage and other recoveries.

Delays can be experienced in the notification and settlement of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviations. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the contract expires, is discharged or cancelled.

IBNR reserve is decided by an independent external actuary.

3.11.4 Liability Adequacy Test (LAT) – Non-Life Insurance

At each reporting date the Group reviews its unexpired risk and LAT is performed as laid out under SLFRS 4 to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premium. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premium (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the statement of profit or loss and other comprehensive income, by setting up a provision for liability adequacy.

3.11.5 Insurance Contract Liabilities – Non-Life Insurance

Non - life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported (IBNR), at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty. The main assumption underlying estimating the amounts of outstanding claims, is the past claims development experience.

3.12 REINSURANCE ASSETS

The Company cedes insurance risk in the normal course of business to recognized reinsurers through formal reinsurance arrangements. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Reinsurance assets represent balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the statement of financial position unless a right to offset exists.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss, if any is recorded in the profit or loss.

3.13 REINSURANCE LIABILITIES

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

Reinsurance assets or liabilities are de-recognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Gross and net of reinsurance liabilities have been calculated as required in the RBC submission template. In determining the policy liabilities provisions for reinsurance have been allowed for according to the applicable reinsurance terms as per the current agreements.

3.14 EMPLOYEE BENEFITS

3.14.1 Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Group has a present legal or a constructive obligation to pay this amount as a result of past service, provided by the employee and the obligation can be estimated reliably.

3.14.2 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an expense in the profit and loss, when incurred.

a) Employees' Provident Fund

All employees of the Company are members of the Employees' Provident Fund (EPF). The Company and employees contribute 12% and 8% respectively, of the salary amount to EPF.

b) Employees' Trust Fund

All employees of the Company are members of the Employees' Trust Fund (ETF). The Company contributes 3% of the salary of each employee to ETF.

Notes to the Financial Statements

3.14.3 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by an independent actuary using Projected Unit Credit method as recommended by LKAS 19 "Employee Benefits" The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield on government bonds at the reporting date and have maturity dates approximating to the terms of the Company's obligations.

The Group recognizes actuarial gains and losses that arise in calculating the Company's obligation in respect of a plan in other comprehensive income.

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 18. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The actuarial valuation involves making assumptions about discount rate, salary increment rate and balance service period of employees. Due to the long-term nature of the plans such estimates are subject to significant uncertainty.

3.14.4 Defined Benefit Plan

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 "Employee Benefits". However, under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The obligation is not externally funded.

3.15 PROVISIONS (OTHER THAN INSURANCE PROVISION)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.16 CAPITAL COMMITMENTS AND CONTINGENCIES

All discernible risks are accounted for in determining the amount of all known liabilities. The Company's share of any contingencies and capital commitments and of its Subsidiaries for which the Company is also liable severally or otherwise, are also included with appropriate disclosures.

3.17 REVENUE RECOGNITION – NON-LIFE INSURANCE

3.17.1 Gross Premium

Gross written premium (GWP) comprises the total premium received/ receivable for the whole period of cover provided by contracts entered into during the accounting period. GWP is generally written upon inception of the policy as written and is earned primarily on a pro-rata basis over the term of the related policy coverage. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross written premium.

3.17.2 Unearned Premium Reserve (UPR)

Unearned premium are those proportions of premium written in a period that relate to periods of risk after the reporting date. UPR represents the portion of the premiums written in the period but relating to the unexpired term of the coverage. Unearned premiums are calculated on the 1/24 basis except for the marine and title policies which are computed on a 60-40 basis. The proportion attributable to subsequent period is deferred as a provision for unearned premium.

3.17.3 Reinsurance Premium

Gross reinsurance premium on insurance contracts are recognized as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with reinsurers.

3.17.4 Unearned Reinsurance Premium

Unearned reinsurance premiums are the proportions of premium written in a period that relate to periods of risk after the reporting date. Unearned reinsurance premiums are calculated on 1/24 basis except for marine policies which are computed on a 60-40 basis.

3.17.5 Unexpired Risk

Provision is made where appropriate for the estimated amount required over and above unearned premium to meet future claims and related expenses on the business in force as at the reporting date.

3.17.6 Acquisition Costs

Acquisition costs comprise commissions and other variable costs directly connected with acquisition or renewal of insurance contracts, are deferred to the extent that these costs are recoverable out of future premium. All other acquisition costs are recognized as an expense when incurred.

3.17.7 Reinsurance Commission Income

Reinsurance commission income on outward reinsurance contracts are recognized as revenue when receivable. Subsequent to initial recognition, reinsurance commission income on outward reinsurance contracts is deferred and amortized on straight-line basis over the term of the expected premium payable.

3.17.8 Gross Benefits & Claims

Gross benefits and claims for non-life insurance include all claims occurring during the period, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous periods.

Claims expenses and liabilities for outstanding claims are recognized in respect of direct and inward reinsurance business. The liability covers claims reported but not yet paid, incurred but not reported (IBNR) claims, incurred but not enough reserved (IBNER) claims and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing of individual claim files and estimating changes in the ultimate costs of settling claims. The provision in respect of IBNR and IBNER claims are actuarially valued on an annual basis to ensure a more realistic estimation of the future liability based on past experience and trends.

While the directors consider that the provision for claims is fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustment to the amounts provided. Such amounts are reflected in the financial statements for that period. The methods used and the estimates made are reviewed regularly.

Recoveries from salvage sales and the movement in salvage inventory are netted off against claims expense.

3.17.9 Reinsurance Claims Recoveries

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract. This includes reinsurance exposure of IBNR.

3.18 REVENUE RECOGNITION -LIFE INSURANCE

3.18.1 Gross Premium

Gross written premium on life insurance contracts are recognized as revenue when payable by the policyholders (policies within one-month grace period are considered as due premium, subject to a provision for premium default).

For single premium business, revenue is recognized on the date on which the policy is effective.

3.18.2 Reinsurance Premium

Gross reinsurance premiums on insurance contracts are recognized as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with reinsurers.

3.18.3 Acquisition Costs

All acquisition costs are recognized as an expense when incurred.

3.18.4 Reinsurance Commission Income

Gross reinsurance premiums on insurance contracts are recognized as income on the earlier of the date when premium is payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with reinsurers.

3.18.5 Gross Benefits and Claims Expenses

Claims by death and maturity are charged against revenue on notification of death or on expiry of the term. The interim payments and surrenders are accounted for only at the time of settlement.

Expenses on life insurance relating to the acquisition expenses and expenses for maintenance of life insurance business, investment related expenses not treated as a part of the capital cost of investment, etc. are accounted for on accrual basis.

3.18.6 Reinsurance Claims Recoveries

Reinsurance claims recoveries are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

3.19 OTHER REVENUE

3.19.1 Interest Income

Finance income comprise of interest income on funds invested (including available-for-sale financial assets) and dividend income. Interest income is recognized in the income statement, as it accrues and is calculated by using the Effective Interest Rate (EIR) method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

3.19.2 Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

Notes to the Financial Statements

3.19.3 Finance Expenses

Finance expenses consisting of costs relating to investment include custodial fees, bank guarantee fees and brokerage fees. These expenses are recognized on accrual basis.

3.19.4 Realized Gains and Losses

Realized gains and losses recorded in the income statement on investments, include gains and losses on financial assets.

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

3.19.5 Fair Value Gains and Losses

Fair value gains and losses recorded in the income statement on investments include fair value gains on financial assets at fair value through the profit or loss.

3.19.6 Other Income

Other income comprises of fees charged for policy administration services, disposal gains on property, plant and equipment, gains on foreign currency translations and miscellaneous income.

Gains on foreign currency translations are recognized on a net basis.

3.20 Expenses Recognition

Other expenses are recognized on accrual basis. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment have been charged to profit or loss.

a) Expenses are recognized in the profit or loss on the basis of a direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to statement of profit or loss and other comprehensive income, in arriving at the profit for the period.

b) For the purpose of presentation of the statement of profit or loss and other comprehensive income, the Board of Directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

3.21 INCOME TAX EXPENSE

Tax expenses comprise of current and deferred tax. Current tax and deferred tax are recognized in items recognized directly in equity or in the income statement and in the statement of profit or loss and other comprehensive income.

3.21.1 Current Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

Provisions for taxation is based on the profit for the period adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and the amendments thereto and the Inland Revenue Act No. 24 of 2017 at the rates specified in note 33.

In terms of Inland Revenue (Amended) Act, No 10 of 2021, following concessions are available for any company which were listed its shares on or after 01st January 2021, but prior to 31st December 2021, in the Colombo Stock Exchange;

i) The aggregate income tax payable shall be reduced by 50% for the year of assessment 2021/2022 and;

ii) Taxable income shall be taxed at the rate of 14% for 03 year of assessment commencing from 01st April 2022. (2022/2023)

Co-operative Insurance Company PLC was successfully listed on Colombo stock Exchange on 30th December 2021. Therefore the 50% tax concession could be enjoyed in the last year of assessment (2021/2022). As per the Inland Revenue (Amendment) Act, No 45 of 2022, standard rate of income tax is increased from 24% to 30% with effect from 01st October 2022 taxation on reduced rate was removed.

Life insurance taxation

The gains and profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No. 24 of 2017 and as amended subsequently by Inland Revenue (The Amendment) Act, No. 45 of 2022. Accordingly, gains and profits on which tax payable is the aggregate of;

- Surplus distributed to shareholders from the life insurance policyholders fund as certified by the actuary at the rate of 24% (w.e.f 1st October 2022 -30%)
- Investment income of the shareholder fund less any expenses incurred in the production of such income at the rate of 24% ((w.e.f 1st October 2022 -30%)
- Surplus distributed to a life insurance policyholders who shares the profits of a person engaged in the business of life insurance at the rate of 24% (w.e.f 1st October 2022 -30%)

3.21.2 Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- Temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.
- Temporary difference related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets/liabilities will be realized/ settled simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax is not recognized for the undistributed profits of subsidiaries as the parent company has control over the dividend policy of its subsidiaries and distribution of those profits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.21.3 Tax Exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that cause the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

3.22 CROP INSURANCE LEVY (CIL)

The Crop Insurance Levy was introduced under the provisions of the Section 14 of the Finance Act No. 12 of 2013, and came into effect from 1st April 2013. The levy is payable to the National Insurance Trust Fund and is liable at 1% of the profit after tax.

3.23 CASH FLOW STATEMENT

The cash flow statement has been prepared using the “indirect method” of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Cash Flow Statements.

Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short-term deposits with banks.

For cash flow purposes, cash and cash equivalents are indicated as cash at banks and in hand net of bank overdrafts.

3.24 EVENTS OCCURRING AFTER THE REPORTING DATE

All material subsequent events have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

3.25 EARNINGS PER SHARE (EPS)

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.26 NEW ACCOUNTING STANDARDS AND AMENDMENTS TO EXISTING STANDARD ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued the following new Sri Lanka Accounting Standards. However, these standards have not been applied in preparing these financial statements as those were not effective as of the reporting date.

Notes to the Financial Statements

SLFRS 9 – Financial Instruments: Classification & Measurement

SLFRS 9, as issued, reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets & liabilities, depending on the entity's business model for managing contractual cash flows characteristics of the financial asset.

This is generally effective for annual periods beginning on or after 1st January 2018, subject to exemption of application, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Temporary Exemption from SLFRS 9

An insurer that meets the criteria in paragraph 20B of SLFRS 4 (amended) provides a temporary exemption that permits, but does not require, the insurer to apply LKAS 39 – Financial Instruments: Recognition and Measurement rather than SLFRS 9 for annual periods beginning before 1st January 2026.

An insurer may apply the temporary exemption from SLFRS 9 if, and only if:

- it has not previously applied any version of SLFRS 9, other than only the requirements for the presentation of gains and losses of financial liabilities designated at fair value through profit or loss and;
- Its activities are predominantly connected with insurance, at its annual reporting date that immediately proceeds 1st April 2016, or at a subsequent annual reporting date.

Taking into account the above criteria, Co-operative Insurance Company PLC and Coop Life Insurance Limited being predominantly connected with insurance activities; both Companies may continue to apply LKAS 39 – Financial Instruments: Recognition and Measurement rather than SLFRS 9 for annual periods beginning before 1st January 2026.

Summary of the Requirements: Classification and Measurement

Financial Assets.

SLFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics and contains three principal classification categories for financial assets measured at:

- Amortized Cost
- Fair Value through Other Comprehensive Income (FVTOCI)
- Fair Value through Profit or Loss

The standard eliminates the existing LKAS 39 categories of held to maturity, loans and receivables and available for sale financial assets.

Financial Liabilities

SLFRS 9 largely retains the existing requirements in LKAS 39 for the classification of financial liabilities. However, under LKAS 39 all fair value changes of liabilities designated as FVTPL are recognized in profit or loss, whereas under SLFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- the remaining amount of change in the fair value is presented in the profit or loss.

Impairment

SLFRS 9 replaces the 'Incurred Loss' model in LKAS 39 with a forward-looking 'Expected Credit Loss' (ECL) model. This will require considerable judgment about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.

- To financial assets measured at amortized cost or FVTOCI, the new impairment model will apply, except for investments in equity instruments, and to contract assets.
- Loss allowances will be measured on either of the following bases: 12-month ECLs (these are ECLs that result from possible default events within the 12 months after the reporting date), and Lifetime ECLs (these are ECLs that result from all possible default events over the expected life of a financial instrument).

Disclosure to Provide Comparability

The Group will make an assessment of the objective of the business model when a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management.

SLFRS 17 – Insurance Contracts

SLFRS 17 adopted by the Institute of Chartered Accountants of Sri Lanka is in line with IFRS 17 issued by the International Accounting Standard Board will come in to effect from 01st January 2026. SLFRS 17 will supersede SLFRS 4 - "Insurance Contracts". The Company is intended to adopt the new standard on its mandatory effective date.

Objective & Scope

The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of SLFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives basis for users of financial statements to access the effect that insurance contracts have on entity's financial position, financial performance and cash flows.

An entity shall apply SLFRS 17 Insurance Contracts to:

- insurance contracts, including reinsurance contracts, it issues;
- reinsurance contracts it holds; and
- investment contracts with discretionary participation features issues, provided the entity also issues insurance contracts.

Recognition

An entity shall recognize a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period
b) the date when the first payment from a policyholder becomes due, and
c) when the group becomes onerous if facts and circumstances indicate that there is such a group.

SLFRS – 17 specify three measurement approaches;

I. Building Block Approach (BBA) / General Measurement Model
II. Premium Allocation Approach (PAA)
II. Variable Fee Approach (VFA)

SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 Climate-related Disclosures

SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 Climate - related Disclosures requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

These standards will become effective for the Company from 1st January 2025. No financial impact is expected on the Company except for additional disclosures.

Other New Accounting Pronouncements

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)
- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1) - effective for annual periods beginning on or after 1st January 2024.
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) effective for annual periods beginning on or after 1st January 2024.
- Definition of Accounting Estimates (Amendments to LKAS 8) effective for annual periods beginning on or after 1st January 2024.

Notes to the Financial Statements

NOTE 04 - PROPERTY, PLANT AND EQUIPMENT - GROUP

Cost/valuation	Land	Building	Building improvements	Partitions	Computers
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2023	329,619,100	590,826,501	113,048,000	49,028,381	307,381,962
Additions during the year	-	1,450,000	-	2,405,397	7,110,957
Disposals during the year	-	-	-	-	(5,126,005)
Revaluation	17,516,050	23,949,495	23,551,667	-	-
Depreciation reversal on revaluation	-	(12,365,996)	(9,420,667)	-	-
Balance as at 31st December 2023	347,135,150	603,860,000	127,179,000	51,433,778	309,366,914
Balance as at 01st January 2024	347,135,150	603,860,002	127,179,000	51,433,776	309,366,915
Additions during the year	442,400	-	-	1,720,362	82,979,400
Disposals during the year	-	-	-	-	(4,084,650)
Revaluation	19,991,150	(61,959,051)	(1,117,273)	-	-
Depreciation reversal on revaluation	-	(12,898,451)	(11,561,727)	-	-
Balance as at 31st December 2024	367,568,700	529,002,500	114,500,000	53,154,138	388,261,665
Depreciation					-
Balance as at 01st January 2023	-	-	-	18,670,379	263,319,338
Depreciation for the year	-	12,365,997	9,420,667	6,264,661	16,412,840
Depreciation on disposals	-	-	-	-	(3,926,935)
Depreciation on revaluation	-	(12,365,997)	(9,420,667)	-	-
Balance as at 31st December 2023	-	-	-	24,935,040	275,805,243
Balance as at 01st January 2024	-	-	-	24,935,040	275,805,243
Depreciation for the year	-	12,898,451	11,561,727	6,493,496	20,471,348
Depreciation on disposals	-	-	-	-	(3,737,351)
Derecognition	-	-	-	-	-
Depreciation on revaluation	-	(12,898,451)	(11,561,727)	-	-
Balance as at 31st December 2024	-	-	-	31,428,536	292,539,240
Carrying amounts					
As at 31st December 2023	347,135,150	603,860,000	127,179,000	26,498,738	33,561,671
As at 31st December 2024	367,568,700	529,002,500	114,500,000	21,725,600	95,722,425

Office equipment Rs.	Furniture & fittings Rs.	Motor vehicles Rs.	Total Rs.
210,504,961	315,348,836	196,845,002	2,112,602,743
2,141,044	6,135,238	14,469,329	33,711,965
(536,361)	(189,218)	(5,360,000)	(11,211,584)
-	-	121,147,293	186,164,505
-	-	(85,545,621)	(107,332,284)
212,109,644	321,294,856	241,556,003	2,213,935,345
212,109,646	321,294,855	241,556,002	2,213,935,346
2,480,061	3,412,709	-	91,034,932
(85,000)	-	(10,300,000)	(14,469,650)
-	-	104,530,066	61,444,892
-	-	(103,306,066)	(127,766,244)
214,504,707	324,707,564	232,480,002	2,224,179,276
-	-	-	
148,524,628	251,305,838	-	681,820,183
17,522,585	22,846,739	89,593,955	174,427,444
(957,114)	(189,218)	(4,048,333)	(9,121,600)
-	-	(85,545,623)	(107,332,287)
165,090,099	273,963,359	-	739,793,740
165,090,099	273,963,359	-	739,793,741
15,657,105	15,794,381	107,706,065	190,582,573
(85,000)	-	(4,400,000)	(8,222,351)
-	-	-	-
-	-	(103,306,066)	(127,766,244)
180,662,204	289,757,740	-	794,387,719
47,019,545	47,331,497	241,556,003	1,474,141,604
33,842,503	34,949,818	232,480,002	1,429,791,548

Notes to the Financial Statements

NOTE 04 - PROPERTY, PLANT AND EQUIPMENT - COMPANY

Cost/valuation	Land	Building	Building improvements	Partitions	Computers
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2023	298,101,600	346,344,000	113,048,000	49,028,381	274,615,921
Additions during the year	-	1,450,000	-	2,405,395	5,885,898
Disposals during the year	-	-	-	-	(4,316,005)
Revaluation	10,418,550	17,204,027	23,551,667	-	-
Depreciation reversal on revaluation	-	(6,523,027)	(9,420,667)	-	-
Balance as at 31st December 2023	**308,520,150**	**358,475,000**	**127,179,000**	**51,433,776**	**276,185,814**
Balance as at 01st January 2024	308,520,150	358,475,000	127,179,000	51,433,776	276,185,814
Additions during the year	442,400		-	1,720,360	80,253,950
Disposals during the year	-	-	-	-	(3,544,650)
Revaluation	18,006,150	(22,989,095)	(1,117,273)	-	-
Depreciation reversal on revaluation	-	(6,883,406)	(11,561,727)	-	-
Balance as at 31st December 2024	**326,968,700**	**328,602,500**	**114,500,000**	**53,154,136**	**352,895,114**
Depreciation					
Balance as at 01st January 2023	-	-	-	18,670,379	239,381,271
Depreciation for the year	-	6,523,027	9,420,667	6,264,661	12,997,314
Depreciation on disposals	-	-	-	-	(3,578,185)
Depreciation on revaluation	-	(6,523,027)	(9,420,667)	-	-
Balance as at 31st December 2023	-	-	-	**24,935,040**	**248,800,400**
Balance as at 01st January 2024	-	-	-	24,935,040	248,800,400
Depreciation for the year	-	6,883,406	11,561,727	6,493,496	17,943,158
Depreciation on disposals	-		-	-	(3,437,351)
Depreciation on revaluation	-	(6,883,406)	(11,561,727)	-	-
Balance as at 31st December 2024	-	-	-	**31,428,536**	**263,306,207**
Carrying amounts					
As at 31st December 2023	308,520,150	358,475,000	127,179,000	26,498,736	27,385,414
As at 31st December 2024	326,968,700	328,602,500	114,500,000	21,725,600	89,588,907

Office equipment Rs.	Furniture & fittings Rs.	Motor vehicles Rs.	Total Rs.
169,269,176	216,118,678	158,580,000	1,625,105,756
1,161,191	1,146,903	14,269,328	26,318,715
(536,361)	(189,218)	(5,360,000)	(10,401,584)
-	-	102,134,793	153,309,037
-	-	(74,313,121)	(90,256,815)
169,894,006	**217,076,363**	**195,311,000**	**1,704,075,110**
169,894,006	217,076,363	195,311,000	1,704,075,110
2,216,663	1,723,859		86,357,231
(85,000)		(10,300,000)	(13,929,650)
-	-	84,185,833	78,085,615
-	-	(83,231,833)	(101,676,966)
172,025,669	**218,800,221**	**185,965,000**	**1,752,911,341**
121,476,874	174,395,692	-	553,924,215
12,914,779	14,013,174	78,361,454	140,495,076
(957,114)	(189,218)	(4,048,333)	(8,772,851)
-	-	(74,313,121)	(90,256,815)
133,434,539	**188,219,647**	**-**	**595,389,626**
133,434,539	188,219,647	-	595,389,626
11,691,617	8,732,859	87,631,833	150,938,097
(85,000)	-	(4,400,000)	(7,922,351)
-	-	(83,231,833)	(101,676,966)
145,041,155	**196,952,506**	**-**	**636,728,405**
36,459,467	28,856,716	195,310,999	1,108,685,485
26,984,513	21,847,715	185,965,000	1,116,182,937

Notes to the Financial Statements

NOTE 04 - PROPERTY, PLANT AND EQUIPMENT

REVALUATION OF LAND AND BUILDINGS AND MOTOR VEHICLES

The land and buildings of the Group were valued by Mr. W.M Chandrasena (FIV SL) a professional valuer and the freehold motor vehicles were valued based on open market by Thisaru Motors & Travels - consultant and approved valuer for motor vehicles on 31st December 2024. The excess of Rs. 61.86 million over the net book value as at 31st December 2024 arisen thereby, has been credited to the revaluation reserve.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value measurement for all the lands has been categorized as a level 3 fair value based on the inputs to the valuation technique used. A significant increase in the market value per perch used in arriving at fair value would result in a significant increase, and vice versa in case of significant decrease.

As at 31st December	Land extent	Building area	No of buildings	Date of valuation	Fair value (Rs.)
Property at Grandpass	33.15 Perches	25,653 square feet	1	31.12.2024	696,000,000
Property at Ambalanthota	4.27 Perches	2,534 square feet	1	31.12.2024	36,000,000
Property at Nikaweratiya	39.7 Perches	17,775 square feet	1	31.12.2024	205,000,000
Property at Ja -Ela	991.29 Perches	10,300 square feet	1	31.12.2024	74,000,000
					1,011,000,000

FAIR VALUE HIERARCHY

The table below analyses, non financial instruments measured at fair value at the end of the reporting period.

Land and buildings	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)
Year 2024	**-**	**-**	**1,011,000,000**	**1,011,000,000**
Year 2023	-	-	1,079,000,000	1,079,000,000

The fair value measurement has been categorised as level 3 fair value, based on the inputs to the valuation techniques used.

VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table shows the valuation techniques used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used.

Location	Valuation technique	Significant Unobservable inputs	Significant unobservable inputs - valued at
Property at Grandpass	Contractors method	Price per perch and square foot	Rs. 8,000,000/-per perch & Rs. 21,000/- per square foot
Property at Ambalanthota	Contractors method	Price per perch and square foot	Rs. 3,000,000/-per perch & Rs. 10,000/- per square foot
Property at Nikaweratiya	Contractors method	Price per perch and square foot	Rs. 700,000/- per perch & Rs. 10,000/- per square foot
Property at Ja-Ela	Contractors method	Price per perch and square foot	Rs. 190,000/- per perch & Rs. 1,175/- per square foot

If the revalued land and buildings under property, plant and equipment were stated on the historical cost basis, the carrying amount would be as follows:

Class of asset	Property at Grandpass (Rs.)	Property at Ambalanthota (Rs.)	Property at Nikaweratiya (Rs.)	Property at Ja-Ela (Rs.)
Land				
Cost	205,000,000	1,120,415	8,217,758	60,126,470
Accumulated depreciation	-	-	-	-
Net book value as at 31st December 2024	205,000,000	1,120,415	8,217,758	60,126,470
Net book value as at 31st December 2023	205,000,000	1,120,415	8,217,747	59,684,070
Buildings				
Cost	340,000,000	10,423,590	88,712,132	5,346,693
Accumulated depreciation	35,886,164	5,133,585	22,799,373	221,435
Net book value as at 31st December 2024	304,113,836	5,290,005	65,912,759	5,125,258
Net book value as at 31st December 2023	314,872,602	6,014,693	71,203,116	5,312,515

FULLY DEPRECIATED ASSETS

The Company property, plant and equipment include fully depreciated assets having a gross carrying amount of Rs.409,791,289/- (2023 - Rs. 438,270,145/-) and Cooplife Insurance Ltd property plant and equipment include fully depreciated assets having a gross carrying amount of Rs. 88,374,195/- (2023 - Rs.66,523,424/-).

SECURITY

During the year there were no property, plant and equipment in the Group and in the Company, pledged as security for liabilities. (2024 - nil)

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT ARE AS FOLLOWS:

Buildings	2024	2023
Grandpass	**60 years**	60 years
Ambalanthota	**40 years**	40 years
Nikaweratiya	**50 years**	50 years
Ja-Ela	**60 years**	60 years
Office equipment	**8 years**	8 years
Computers	**6 years**	6 years
Motor vehicles	**5 years**	5 years
Furniture & fittings	**8 years**	8 years
Partitions	**8 years**	8 years
Improvements to buildings	**20 years**	20 years

Improvements to buildings useful life has been reviewed and total useful life of that has been changed from 10 years to 20 years with effect from 01.01.2023.

Notes to the Financial Statements

ASSESSMENT OF IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT (PPE)

The Board of Directors have assessed the potential impairment indicators of PPE as at 31st December 2024. Based on the assessment impairment indicators were identified.

CAPITALISATION OF BORROWING COSTS

There were no capitalised borrowing costs relating to the acquisition of PPE during the year. (2023 – Nil)

TEMPORARILY IDLE PROPERTY, PLANT AND EQUIPMENT

There were no temporarily idle property at the year ended 31st December 2024. (2023 – Nil)

NOTE 04.01 - WORK IN PROGRESS IN BUILDING

As of December 31, 2024, the company had work in progress (WIP) for the construction project on the Seeduwa land, located at Atkindigoda, Kindigoda Dheewara Mawatha, Seeduwa. The building spans an area of 6,300 square feet.

The cost reflects expenditures incurred up to the reporting date that have not yet been capitalized as part of the company's property, plant, and equipment. The total work in progress (WIP) is classified as a non-current asset, and upon project completion, the cost will be reclassified under property, plant, and equipment within the buildings category, applying the same depreciation method.

The costs incurred as of the reporting date are as follows

	2024
Direct cost incurred	12,012,088
Balance as at 31st December 2024	12,012,088

NOTE 04.01 - RIGHT OF USE ASSETS

Cost	Group Rs.	Company Rs.
Balance as at 01st January 2023	710,090,207	568,508,331
Additions during the year	79,704,771	74,084,024
Disposals during the year	(4,311,719)	(4,311,719)
Balance as at 31st December 2023	**785,483,259**	**638,280,636**
Balance as at 01st January 2024	785,483,259	638,280,636
Additions during the year	77,412,141	32,672,140
Disposals during the year	(27,548,231)	(24,136,777)
Balance as at 31st December 2024	**835,347,169**	**646,815,999**
Depreciation		
Balance as at 01st January 2023	310,771,497	238,800,159
Depreciation for the year	95,070,663	74,839,953
Depreciation on disposals	(1,865,941)	(1,865,941)
Balance as at 31st December 2023	**403,976,219**	**311,774,171**
Balance as at 01st January 2024	403,976,219	311,774,171
Depreciation for the year	99,242,811	75,136,425
Depreciation on disposals	(4,242,823)	(4,242,823)
Balance as at 31st December 2024	**498,976,207**	**382,667,773**
Balance as at 31st December 2023	**381,507,040**	**326,506,466**
Balance as at 31st December 2024	**336,370,962**	**264,148,227**

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Amount recognized in profit or loss				
Depreciation on right-of-use assets	**94,999,988**	95,070,663	**70,893,602**	72,974,012
Finance cost on lease liability	**54,948,542**	55,707,096	**43,780,517**	45,871,087
Amount recognized in statement of cash flows				
Total cash outflow for leases including for rent advances	**(144,741,126)**	(136,295,881)	**(114,304,524)**	(105,859,278)

NOTE 05 - INTANGIBLE ASSETS

	Computer software		Development costs		WIP Intangible Asset		Total	
Cost/ valuation	Group	Company	Group	Company	Group	Company	Group	Company
Balance as at 01st January 2023	35,460,920	18,317,929	19,713,344	19,713,344	-	-	55,174,264	38,031,273
Acquisitions - internally developed	-	-	4,750,521	4,750,521	-	-	4,750,521	4,750,521
Transfers	24,463,865	24,463,865	(24,463,865)	(24,463,865)	-	-	-	-
Balance as at 31st December 2023	**59,924,785**	**42,781,794**	**-**	**-**	**-**	**-**	**59,924,785**	**42,781,794**
Balance as at 01st January 2024	59,924,785	42,781,794	-	-	-	-	59,924,785	42,781,794
Acquisitions - internally developed	1,753,920	-	10,037,093	5,562,093	2,552,715	2,552,715	14,343,728	8,114,808
Transfers	5,562,093	5,562,093	(5,562,093)	(5,562,093)	-	-	-	-
Balance as at 31st December 2024	**67,240,798**	**48,343,887**	**4,475,000**	**-**	**2,552,715**	**2,552,715**	**74,268,513**	**50,896,602**
Amortization								
Balance as at 01st January 2023	**26,903,242**	**10,652,675**	**-**	**-**	**-**	**-**	**26,903,242**	**10,652,675**
Amortization for the year	9,987,968	9,331,161	-	-	-	-	9,987,968	9,331,161
Balance as at 31st December 2023	**36,891,212**	**19,983,835**	**-**	**-**	**-**	**-**	**36,891,211**	**19,983,835**
Balance as at 01st January 2024	36,891,212	19,983,835	-	-	-	-	36,891,211	19,983,835
Amortization for the year	11,172,828	10,937,211	-	-	-	-	11,172,828	10,937,211
Balance as at 31st December 2024	**48,064,040**	**30,921,047**	**-**	**-**	**-**	**-**	**48,064,038**	**30,921,047**
Carrying amounts								
Balance as at 31st December 2023							**23,033,574**	**22,797,959**
Balance as at 31st December 2024							**26,204,475**	**19,975,556**

Intangible assets

Computer software represents the costs incurred to improve performance of core (Oracle) system. Development cost represents the investment on new system developments undertaken by the Company software development unit.

Amortisation

The amortization of software and development costs is included in the operating expenses.

Notes to the Financial Statements

NOTE 06 - FINANCIAL INVESTMENTS

	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Held to maturity financial assets (HTM)	06.01	**7,576,921,368**	7,310,711,675	**2,835,156,877**	3,246,734,530
Loans & receivables (L&R)	06.02	**5,087,365,114**	3,984,261,227	**3,838,236,861**	3,204,646,562
Available for sale financial assets (AFS)	06.03	**19,408,457**	14,572,808	**19,408,457**	14,572,808
Financial assets at fair value through profit or loss (FVTPL)	06.04	**2,155,221**	1,475,456	**-**	-
Total		**12,685,850,160**	**11,311,021,166**	**6,692,802,195**	**6,465,953,900**

NOTE 06.01 - HELD TO MATURITY FINANCIAL ASSETS (HTM)

Amortised cost					
Treasury bonds	06.01(a)	**4,419,846,543**	3,790,870,179	**1,360,525,590**	1,292,443,146
Quoted debentures	06.01(b)	**3,157,074,826**	3,468,729,558	**1,474,631,288**	1,954,291,383
Assets backed securities	06.01(c)	**-**	51,111,938	**-**	-
		7,576,921,368	**7,310,711,675**	**2,835,156,877**	**3,246,734,530**

NOTE 06.01 (A) - TREASURY BONDS

2024	Group		Company	
Maturity date	Face value	Amortized cost	Face value	Amortized cost
	Rs.	Rs.	Rs.	Rs.
2024	**-**	**-**		
2025	**1,538,584,156**	**1,556,960,673**	**765,584,156**	**734,180,617**
2026	**840,000,000**	**865,610,953**	**450,000,000**	**477,282,504**
2027	**385,476,730**	**394,429,503**	**-**	**-**
2028	**284,000,000**	**260,473,785**	**-**	**-**
2029	**228,247,782**	**238,586,140**	**144,511,428**	**149,062,469**
2030	**642,000,000**	**648,736,412**	**-**	**-**
2032	**543,185,500**	**455,049,077**	**-**	**-**
	4,461,494,168	**4,419,846,543**	**1,360,095,584**	**1,360,525,590**

2023	Group		Company	
Maturity date	Face value	Amortised cost	Face value	Amortised cost
	Rs.	Rs.	Rs.	Rs.
2024	452,014,771	467,769,793	130,000,000	137,364,384
2025	1,538,584,156	1,497,406,891	765,584,156	734,207,774
2026	640,000,000	653,419,877	250,000,000	271,610,879
2027	285,476,730	263,735,644	-	-
2028	184,000,000	157,095,330	-	-
2029	228,247,782	239,436,986	144,511,428	149,260,109
2030	400,000,000	409,539,621	-	-
2032	**143,000,000**	**102,466,037**	**-**	**-**
	3,871,323,439	**3,790,870,179**	**1,290,095,584**	**1,292,443,146**

NOTE 06.01 (B) - QUOTED DEBENTURES - GROUP

	2024			
Issuer	Maturity date	No. of debentures	Carrying value amortised cost Rs.	Interest rate
Commercial Leasing & Finance PLC	24-Sep-25	1,400,000	144,323,881	10.50%
National Development Bank PLC	25-Sep-25	72,900	7,439,534	9.50%
First Capital Holdings PLC	8-Feb-26	1,061,200	114,984,890	10.00%
Seylan Bank PLC	12-Apr-26	1,500,000	159,052,448	9.75%
Siyapatha Finance PLC	1-Sep-26	500,000	50,733,898	9.46%
Commercial Bank PLC	21-Sep-26	500,000	50,057,996	9.00%
National Development Bank PLC	24-Nov-26	536,500	55,521,368	11.90%
DFCC Bank PLC	23-Oct-27	1,000,000	97,564,322	9.25%
Sampath Bank PLC	12-Apr-28	1,500,000	151,549,406	9.00%
Hatton National Bank PLC	28-Jul-31	1,046,700	98,873,236	9.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	80,000	9,654,604	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	390,000	47,066,194	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	60,000	7,240,953	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	240,000	28,963,812	29.50%
Bank of Ceylon	27-Dec-28	100,000	10,017,920	15.00%
Bank of Ceylon	27-Dec-28	550,000	55,098,563	15.00%
Bank of Ceylon	27-Dec-28	470,000	47,084,226	15.00%
Bank of Ceylon	27-Dec-28	600,000	60,107,523	15.00%
Commercial Bank PLC	20-Dec-28	251,500	25,262,617	15.00%
Commercial Bank PLC	10-Jul-34	180,600	19,183,238	13.50%
Commercial Bank PLC	10-Jul-34	194,400	20,649,067	13.50%
Hatton National Bank PLC	27-Aug-34	1,500,000	156,699,169	13.50%
Hatton National Bank PLC	27-Aug-34	180,000	18,803,900	13.50%
Hatton National Bank PLC	27-Aug-34	60,000	6,267,967	13.50%
Hatton National Bank PLC	27-Aug-29	1,310,000	136,642,411	13.00%
Bank of Ceylon	20-Sep-29	700,000	72,520,276	13.50%
Bank of Ceylon	20-Sep-29	300,000	31,080,118	13.50%
National Development Bank PLC	19-Dec-25	250,000	27,881,991	14.00%
National Development Bank PLC	24-Sep-25	307,000	31,514,388	9.50%
DFCC Bank PLC	23-Oct-25	830,000	84,369,982	9.00%
Seylan BankPLC	12-Apr-26	1,500,000	159,627,491	9.75%
Sampath Bank PLC	12-Apr-28	1,500,000	160,421,362	9.00%
National Development Bank PLC	23-Nov-26	746,800	75,579,492	11.90%
Sampath Bank PLC	9-Feb-28	436,000	54,358,352	28.00%
First Capital Treasuries LTD	30-Jan-25	1,384,000	145,996,062	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	1,500,000	154,405,289	10.50%
First Capital Treasuries LTD	30-Jan-25	495,000	52,247,261	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	950,000	98,187,535	10.50%
First Capital Holdings PLC	8-Feb-26	1,500,000	163,346,373	10.00%
Commercial Credit PLC	4-Mar-26	500,000	53,688,672	9.00%
Singer Finance (Lanka) PLC	25-Jun-26	1,020,000	106,797,005	9.25%
Merchant Bank of Sri Lanka	9-Apr-28	1,000,000	106,210,033	28.00%
		30,202,600	3,157,074,826	

Notes to the Financial Statements

NOTE 06.01 (B) - QUOTED DEBENTURES - COMPANY

Issuer	Maturity date	2024 No. of debentures	Carrying value amortised cost Rs.	Interest rate
National Development Bank PLC	19-Dec-25	250,000	27,881,991	14.00%
National Development Bank PLC	24-Sep-25	307,000	31,514,388	9.50%
DFCC Bank PLC	23-Oct-25	830,000	84,369,982	9.00%
Seylan BankPLC	12-Apr-26	1,500,000	159,627,491	9.75%
Sampath Bank PLC	12-Apr-28	1,500,000	160,421,362	9.00%
National Development Bank PLC	23-Nov-26	746,800	75,579,492	11.90%
Sampath Bank PLC	9-Feb-28	436,000	54,358,352	28.00%
First Capital Treasuries LTD	30-Jan-25	1,384,000	145,996,062	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	1,500,000	154,405,289	10.50%
First Capital Treasuries LTD	30-Jan-25	495,000	52,247,261	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	950,000	98,187,535	10.50%
First Capital Holdings PLC	8-Feb-26	1,500,000	163,346,373	10.00%
Commercial Credit PLC	4-Mar-26	500,000	53,688,672	9.00%
Singer Finance (Lanka) PLC	25-Jun-26	1,020,000	106,797,005	9.25%
Merchant Bank of Sri Lanka	9-Apr-28	1,000,000	106,210,033	28.00%
		13,918,800	1,474,631,288	

NOTE 06.01 (B) - QUOTED DEBENTURES - GROUP

Issuer	Maturity date	2023 No. of debentures	Carrying value amortised cost Rs.	Interest rate
Seylan Bank PLC	18-Apr-24	1,500,000	155,436,215	14.50%
LOLC Holdings PLC	27-Sep-24	3,842,000	405,544,459	15.00%
LOLC Holdings PLC	27-Sep-24	700,000	74,899,124	15.00%
Nations Trust Bank PLC	23-Dec-24	1,367,800	139,292,263	12.80%
First Capital Treasuries LTD	30-Jan-25	1,384,000	148,889,157	12.75%
First Capital Treasuries LTD	30-Jan-25	495,000	53,630,837	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	2,900,000	299,193,281	10.50%
Commercial Leasing & Finance PLC	23-Sep-25	950,000	98,812,226	10.50%
National Development Bank PLC	24-Sep-25	379,900	38,911,947	9.50%
DFCC Bank PLC	23-Oct-25	830,000	84,357,716	9.00%
National Development Bank PLC	19-Dec-25	250,000	27,644,125	14.00%
First Capital Holdings PLC	8-Feb-26	2,561,200	277,822,024	10.00%
Commercial Credit PLC	4-Mar-26	500,000	53,680,641	9.00%
Seylan Bank PLC	12-Apr-26	3,000,000	317,681,087	9.75%
Singer Finance (Lanka) PLC	25-Jun-26	1,020,000	106,780,581	9.25%
Siyapatha Finance PLC	1-Sep-26	500,000	50,310,344	9.46%

Issuer	2023			
	Maturity date	No. of debentures	Carrying value amortised cost Rs.	Interest rate
Commercial Bank PLC	21-Sep-26	500,000	49,452,566	9.00%
National Development Bank PLC	23-Nov-26	1,283,300	131,630,582	11.90%
DFCC Bank PLC	23-Oct-27	1,000,000	96,342,333	9.25%
Sampath Bank PLC	9-Feb-28	436,000	54,337,192	28.00%
Merchant Bank of Sri Lanka	9-Apr-28	1,000,000	106,151,974	28.00%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	80,000	9,649,526	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	390,000	47,041,438	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	60,000	7,237,144	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	240,000	28,948,577	29.50%
Sampath Bank PLC	12-Apr-28	3,000,000	309,963,185	9.00%
Commercial Bank PLC	20-Dec-28	251,500	25,256,037	15.00%
Bank of Ceylon	27-Dec-28	100,000	10,015,311	15.00%
Bank of Ceylon	27-Dec-28	550,000	55,084,210	15.00%
Bank of Ceylon	27-Dec-28	470,000	47,071,962	15.00%
Bank of Ceylon	27-Dec-28	600,000	60,091,866	15.00%
Hatton National Bank PLC	28-Jul-31	1,046,700	97,569,627	9.50%
		33,187,400	3,468,729,558	

Reclassification of Treasury Bonds and Debentures from AFS to HTM category in Cooplife Insurance Ltd

The Company has reclassified all of its Treasury Bond and Debenture portfolio from Available-For-Sale (AFS) financial asset category to Held to Maturity (HTM) category on 01st January 2022 due to change in intention from “holding or selling” to “hold until maturity” after assessing the projected business plans and the need for liquidity. As per LKAS 39, reclassification to Held to Maturity is permitted when the entity has the ability and intention to hold financial assets until maturity. At the reclassification date, the market value of the Treasury Bonds and Debentures become its new cost or amortized cost and subsequently, HTM assets are measured at amortized cost. Further, for a financial asset with a fixed maturity reclassified out of the ‘AFS’ category, any previous gain or loss on that asset that has been recognised in equity is amortized to profit or loss over the remaining life of the asset using the EIR (Effective Interest Rate). Such amortization has been recognized under interest income line in the profit or loss.

The financial effect on reclassification is summarized in the table below as at the reclassification date;

	Treasury Bonds		Debentures	
	Available-for-sale Rs.	Held to maturity Rs.	Available-for-sale Rs.	Held to maturity Rs.
Carrying value of instruments as at 01st January 2022	291,454,427	477,884,609	1,412,330,033	-
Fair value of instruments reclassified	(291,454,427)	291,454,427	(1,412,330,033)	1,412,330,033
New carrying value of instruments as at 01st January 2022	-	769,339,037	-	1,412,330,033
AFS reserve to be amortized to P&L over the remaining life of assets		(13,708,779)		(689,834)
Amortization recognized during the year		1,617,387		(2,772,417)

Notes to the Financial Statements

NOTE 06.01 (B) - COMPANY

Issuer	2023 Maturity date	No. of debentures	Carrying value amortised cost Rs.	Interest rate
Seylan Bank PLC	18-Apr-24	1,000,000	103,222,172	14.50%
LOLC Holdings PLC	27-Sep-24	2,200,000	228,509,589	15.00%
LOLC Holdings PLC	27-Sep-24	700,000	74,899,124	15.00%
Nations Trust Bank PLC	23-Dec-24	683,900	68,601,061	12.80%
First Capital Treasuries LTD	30-Jan-25	1,384,000	148,889,157	12.75%
First Capital Treasuries LTD	30-Jan-25	495,000	53,630,837	12.75%
Commercial Leasing & Finance PLC	23-Sep-25	1,500,000	154,379,508	10.50%
Commercial Leasing & Finance PLC	23-Sep-25	950,000	98,812,226	10.50%
National Development Bank PLC	24-Sep-25	307,000	31,509,556	9.50%
DFCC Bank PLC	23-Oct-25	830,000	84,357,716	9.00%
National Development Bank PLC	19-Dec-25	250,000	27,644,125	14.00%
First Capital Holdings PLC	8-Feb-26	1,500,000	163,322,432	10.00%
Commercial Credit PLC	4-Mar-26	500,000	53,680,641	9.00%
Seylan BankPLC	12-Apr-26	1,500,000	159,604,101	9.75%
Singer Finance (Lanka) PLC	25-Jun-26	1,020,000	106,780,581	9.25%
National Development Bank PLC	23-Nov-26	746,800	75,564,046	11.90%
Sampath Bank PLC	9-Feb-28	436,000	54,337,192	28.00%
Merchant Bank of Sri Lanka	9-Apr-28	1,000,000	106,151,974	28.00%
Sampath Bank PLC	12-Apr-28	1,500,000	160,395,345	9.00%
		18,502,700	1,954,291,383	

NOTE 06.01 (C) - ASSET BACKED SECURITIES - GROUP & COMPANY

	2024		2023	
	Face value Rs.	Amortized cost Rs.	Face value Rs.	Amortized cost Rs.
Asset backed securities	50,000,000	**51,111,938**	**50,000,000**	**51,111,938**

NOTE 06.02 - LOANS & RECEIVABLES (L&R)

Amortised cost

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Fixed deposits	**2,306,666,726**	2,578,482,136	**2,045,283,131**	2,491,035,709
Investments in repos	**1,339,718,154**	82,400,001	**1,339,718,154**	82,400,001
Commercial paper	**814,847,598**	858,659,597	**431,312,330**	529,025,458
Money market	**604,209,390**	362,534,099	**-**	-
Savings accounts	**451,866**	432,536	**451,866**	432,536
Assets backed securities	**21,471,380**	101,752,858	**21,471,380**	101,752,858
	5,087,365,114	**3,984,261,227**	**3,838,236,861**	**3,204,646,562**

NOTE 06.03 - AVAILABLE FOR SALE (AFS)

	Group					
	2024			2023		
	Cost/ face value Rs.	Amortised cost Rs.	Fair value Rs.	Cost/ face value Rs.	Amortised cost Rs.	Fair value Rs.
Unquoted equity instruments -						
Co-operative Leasing Company Ltd	**4,115,420**	**-**	**5,248,936**	4,115,420	-	6,125,993
Quoted equity instruments -						
People's Leasing & Finance Company PLC	**11,590,979**	**-**	**14,159,521**	11,590,979	-	8,446,815
	15,706,399	**-**	**19,408,457**	15,706,399	-	14,572,808

	Company					
	2024			2023		
	Cost/ face value Rs.	Amortised cost Rs.	Fair value Rs.	Cost/ face value Rs.	Amortised cost Rs.	Fair value Rs.
Unquoted equity instruments -						
Co-Operative Leasing Company Ltd	**4,115,420**	**-**	**5,248,936**	4,115,420	-	6,125,993
Quoted equity instruments -						
Peoples Leasing Company PLC	**11,590,979**	**-**	**14,159,521**	11,590,979	-	8,446,815
	15,706,399	**-**	**19,408,457**	15,706,399	-	14,572,808

NOTE 06.04 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group		Company	
		2024	2023	2024	2023
Description	No. of shares	Fair value Rs.		Fair value Rs.	
Colombo Dockyard PLC	2,000	**131,800**	101,000	**-**	-
Commercial Bank PLC(N)	4,099	**593,330**	384,297	**-**	-
Commercial Bank PLC(X)	2,031	**234,581**	159,916	**-**	-
Galadari Hotels (Lanka) PLC	20,000	**364,000**	320,000	**-**	-
Hemas Holdings PLC	1,265	**130,611**	84,376	**-**	-
Lanka Tiles PLC	5,000	**292,000**	211,000	**-**	-
Nations Trust Bank PLC	1,356	**252,894**	142,868	**-**	-
Singer Sri Lanka PLC	6,000	**156,000**	72,000	**-**	-
Total		**2,155,221**	1,475,456	**-**	-

NOTE 07 - INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 Rs.	2023 Rs.
Coop Life Insurance Limited - ordinary shares	**544,260,040**	544,260,040
Coopinsu Training Academy (Pvt) Ltd.	**10**	10
Total	**544,260,050**	544,260,050

Notes to the Financial Statements

NOTE 08 - LOANS TO LIFE POLICYHOLDERS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Loans	**84,963,480**	58,400,845	**-**	-
Interest receivable	**20,139,638**	12,945,956	**-**	-
Total	**105,103,118**	**71,346,801**	**-**	-

NOTE 09 - REINSURANCE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
On claims	**1,083,636,039**	890,732,445	**1,076,217,640**	878,212,918
On IBNR	**141,344,694**	93,094,883	**141,344,694**	93,094,883
Balance at the end of the year	**1,224,980,733**	**983,827,328**	**1,217,562,334**	**971,307,802**

Fair value of reinsurance receivables

The carrying values disclosed above approximate the fair value at the reporting date.

Impairment of reinsurance receivables

No impairment was observed in reinsurance receivables.

Collateral details

The Company does not hold any collateral as security against potential default by reinsurance counter parties.

NOTE 10 - PREMIUM RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Premiums receivable - non life insurance	**1,220,859,958**	1,511,149,594	**1,220,859,958**	1,511,149,594
Premiums receivable - life insurance	**22,884,558**	22,654,144	**-**	-
Impairment allowance on premiums receivable	**(134,348,226)**	(229,135,461)	**(134,105,937)**	(225,602,925)
	1,109,396,290	**1,304,668,277**	**1,086,754,021**	**1,285,546,668**
Movement in the allowance for doubtful debts ;				
Balance at beginning of the year	**229,135,462**	99,174,998	**225,602,925**	98,464,302
Impairment allowance recognized during the year	**(94,787,236)**	130,252,657	**(91,496,989)**	127,138,623
Amounts written off during the year as uncollectible	**-**	(287,192)	**-**	-
Amounts recovered during the year	**-**	-	**-**	-
Foreign exchange gain/ (loss)	**-**	(5,001)	**-**	-
Balance at end of the year	**134,348,226**	**229,135,462**	**134,105,937**	**225,602,925**

Fair value of premium receivables

The carrying amount disclosed above, approximates the fair value at the reporting date.

Impairment of premium receivables

Impairment charges for the year are recognised in other operating and administrative expenses.

Collateral details

The Company does not hold any collateral as security against potential default by policyholders or intermediaries.

NOTE 11 - OTHER ASSETS

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Deposits, advances & prepayments		**37,006,651**	40,518,507	**37,006,651**	40,518,507
Withholding tax receivables	11.1	**122,842,604**	74,825,207	**72,411,966**	38,591,788
Staff loans		**12,408,753**	16,568,735	**5,538,329**	7,817,400
Salvage inventory		**17,475,000**	28,230,000	**17,475,000**	28,230,000
Inventory - complimentary items		**9,715,646**	7,370,573	**1,367,650**	99,000
Inventory - stationery items		**13,629,782**	14,435,075	**13,629,782**	14,435,075
Other receivables		**12,182,275**	13,135,975	**7,429,633**	7,170,977
(-) Impairment - other assets		**-**	-	**-**	-
Total		**225,260,711**	195,084,072	**154,859,011**	136,862,743

Fair value

The fair value of staff loans are based on cash flow discounting rate. The discount rate is equal to AWPLR plus appropriate risk margin.

NOTE - 11.1 WITHHOLDING TAX RECEIVABLES - SUBSIDIARY

	Group	
	2024	2023
	Rs.	Rs.
Taxes recoverable from the Commissioner General of Inland Revenue		
Withholding tax receivables	**50,430,638**	36,228,026
	50,430,638	36,228,026

Notes to the Financial Statements

NOTE 12 - CASH & CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cash at banks	**111,888,488**	156,961,901	**95,405,052**	130,264,767
Cash in hand	**15,485,485**	6,823,943	**2,847,671**	3,315,566
Cash in transit	**-**	77,690	**-**	-
Cash & cash equivalents	**127,373,973**	**163,863,534**	**98,252,723**	**133,580,333**
Bank overdrafts	**(291,021,345)**	(131,587,942)	**(291,021,345)**	(131,587,942)
Cash & cash equivalents (net) in the statement of cashflows	**(163,647,372)**	**32,275,592**	**(192,768,622)**	**1,992,391**

NOTE 13 - STATED CAPITAL

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Ordinary shares	13.01	**2,198,315,515**	2,198,315,515	**2,198,315,515**	2,198,315,515
Number of shares	13.02	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600

NOTE 13.01 - VOTING ORDINARY SHARES

Balance at the beginning of the year	**2,198,315,515**	2,198,315,515	**2,198,315,515**	2,198,315,515
Share issue	**-**	-	**-**	-
Balance at the end of the year	**2,198,315,515**	**2,198,315,515**	**2,198,315,515**	**2,198,315,515**

NOTE 13.02 - RECONCILIATION OF NUMBER OF SHARES - VOTING ORDINARY SHARES

No of shares at the beginning of the year	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600
Shares issued during the year	**-**	-	**-**	-
Ordinary shares on share split	**-**	-	**-**	-
No of shares at the end of the year	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600

NOTE 13.03 - ORDINARY SHARES & RIGHTS OF SHAREHOLDERS

All issued shares are fully paid. There is only one class of ordinary shares. All shares issued carry equal voting rights. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the general meetings of the Company.

NOTE 14 - LEASE LIABILITY UNDER SLFRS 16

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Lease creditors	**409,019,322**	457,265,086	**323,962,598**	386,976,373
Total	**409,019,322**	**457,265,086**	**323,962,598**	**386,976,373**

NOTE 14.01 - MATURITY ANALYSIS FOR LEASE LIABILITY UNDER SLFRS 16

The Group has entered into commercial lease agreements for certain properties. These leases have an average life time of between three and five years. Future minimum lease rentals payable under non cancellable operating leases as at 31/12/2024 are as follows.

Balance as at 31st December 2024	Within 1 year Rs.	1-3 years Rs.	Above 3 years Rs.	Total operating lease rentals payable Rs.
Co-operative Insurance Company PLC	**64,495,904**	**96,545,631**	**162,921,063**	**323,962,598**
Cooplife Company Ltd	**3,530,378**	**31,525,616**	**50,000,730**	**85,056,724**
	68,026,283	**128,071,246**	**212,921,793**	**409,019,322**

Balance as at 31st December 2023	Within 1 year Rs.	1-3 years Rs.	Above 3 years Rs.	Total operating lease rentals payable Rs.
Co-operative Insurance Company PLC	64,816,309	112,853,675	209,306,400	386,976,383
Cooplife Company Ltd	1,280,032	10,461,776	58,546,904	70,288,712
	66,096,342	**123,315,451**	**267,853,304**	**457,265,096**

NOTE 15 - INSURANCE LIABILITIES

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Life Insurance					
Long-term insurance fund	15.01	**4,834,447,990**	3,892,644,913	**-**	-
Terminal Bonus		**39,287,955**	-	**-**	-
Unclaimed benefits		**24,976,029**	31,646,535	**-**	-
		4,898,711,974	3,924,291,448	**-**	-
Non-Life Insurance					
Premium					
Unearned premium	15.02	**1,530,391,116**	1,921,472,392	**1,530,391,115**	1,921,472,392
Net deferred acquisition cost	15.03	**(17,377,898)**	(146,977,809)	**(17,377,898)**	(146,977,809)
Gross claims reserve					
Claims outstanding	15.04	**988,317,382**	957,219,220	**988,317,382**	957,219,220
Claims incurred but not reported (IBNR) - net		**928,248,138**	843,049,299	**928,248,137**	843,049,298
		3,429,578,738	3,574,763,102	**3,429,578,736**	3,574,763,101
Total		**8,328,290,712**	7,499,054,550	**3,429,578,736**	3,574,763,101

Notes to the Financial Statements

NOTE 15.01 - LONG-TERM INSURANCE FUND

The movement in the life insurance fund is as follows:

	2024			2023		
	Gross Insurance Contract Liabilities Rs.	Reinsurance Rs.	Net Insurance Contract Liabilities Rs.	Gross Insurance Contract Liabilities Rs.	Reinsurance Rs.	Net Insurance Contract Liabilities Rs.
Balance as at 01st January	**4,026,488,793**	**(133,843,878)**	**3,892,644,913**	2,868,184,889	(107,649,966)	2,760,534,922
Premiums received/ reinsurance expenses	**1,107,324,544**	**(46,322,677)**	**1,061,001,868**	1,168,279,877	(45,821,660)	1,122,458,218
Liabilities released for payments on death, surrender and other terminations during the year	**(293,215,614)**	**9,532,065**	**(283,683,549)**	(278,251,732)	15,307,500	(262,944,232)
Net finance and other income	**749,097,195**	**7,074,009**	**756,171,204**	776,043,122	4,320,247	780,363,369
Expenses	**(584,903,307)**	**-**	**(584,903,307)**	(507,767,364)	-	(507,767,364)
Increase in Life Insurance Fund before surplus distribution	**978,302,819**	**(29,716,603)**	**948,586,215**	**1,158,303,903**	**(26,193,912)**	**1,132,109,991**
Surplus distributed to shareholders	**(6,783,137)**	**-**	**(6,783,137)**	-	-	-
Increase in Life Insurance Fund	**971,519,681**	**(29,716,603)**	**941,803,078**	**1,158,303,903**	**(26,193,912)**	**1,132,109,991**
Effect of tax on surplus / bonus transferred to policy holders	**-**	**-**	**-**	-	-	-
Balances as at 31st December	**4,998,008,474**	**(163,560,481)**	**4,834,447,991**	**4,026,488,793**	**(133,843,878)**	**3,892,644,913**

As at 31st December 2024 the fund pertaining to long term insurance business has been valued by Mr.Saket Singhal Appointed Actuary of Actsure Lab (Pvt) Limited who estimated the value at Rs. 4,834 million (2023- 3,893 million). In the opinion of the Actuary, this amount is adequate to cover the liabilities of the life insurance business.

In the opinion of the Appointed Actuary, the Company as at 31st December 2024 maintains a capital adequacy ratio (CAR) and the total available capital (TAC) as per the solvency margin (risk based capital) rules 2015 requirement, prescribed in section 26 (1) of the Regulation of Insurance Industry Act No. 43 of 2000.

One-off surplus due to change in valuation method

With effect from 1st January 2016, the Insurance Regulatory Commission of Sri Lanka (IRCSL) has implemented the risk based capital (RBC) framework for solvency purposes. As per the guidelines issued by IRCSL the surplus created due to change in the valuation method from net premium valuation (NPV) to gross premium valuation (GPV) requires to be maintained within the Long Term Insurance Fund. The details with regard to the surplus created on 1st January 2016, due to change in valuation method from NPV to GPV are as follows,

	Participating Rs.	Non-participating Rs.	Total Rs.
Value of insurance contract liability as per NPV as at 31st December 2015	700,495,000	347,370,000	1,047,865,000
Value of insurance contract liability as per GPV as at 31st December 2015	664,836,000	333,258,000	998,094,000
Surplus created due to change in valuation method from NPV to GPV	**35,659,000**	**14,112,000**	**49,771,000**

The surplus created as at 1st January 2016, due to change in valuation method from NPV to GPV, was valued by Mr.M.Poopalanathan a professional valuer from Actuarial and Management Consultants (Private) Limited. Subsequently the IRCSL, through the Direction No.16 issued on 20th March 2018 on "Identification and Treatment of One-off Surplus" the life insurance companies were allowed to transfer one-off surplus attributable to Non-participating Fund to Shareholders' Fund in the relevant period. However, according to consultation and opinion of the actuary, Mr. M Poopalanathan the surplus has to be maintained within the Long Term Insurance Fund without being transferred to shareholders.

Life insurance provision

Long duration contract liabilities included in the Life Insurance Fund, result primarily from traditional participating and non-participating life insurance products as short duration contract liabilities are primarily accident and health insurance products. The insurance provision has been established based on the following;

- Interest rates which vary by product and year of assurance.
- Mortality rates based on published mortality tables adjusted for actual experience by geographic area and modified to allow the variations in policy form.
- Surrender rates based on actual experience by geographic area and modified to allow for variations in policy form.

The amount of policy holder dividend to be paid is determined annually by the Company. The dividend includes life policyholders' share of net income that is required to be allocated by the insurance contract or by insurance regulations.

LIABILITY ADEQUACY TEST (LAT) - LIFE

"A liability adequacy test ("LAT") for life insurance contract liability has been carried out by Mr.Saket Singhal a professional actuary as at 31st December 2024 as required by SLFRS 4 - Insurance Contracts. When performing the LAT, the actuary discounted all contractual cash flows and compared this amount with the carrying value of the liability. In his opinion as at 31st December 2024 the assets are adequate when compared to the discounted cash flow reserves and in contrast to the reserves. Since there was a deficit generated last year and there was a shareholder transferring back the deficiency of the fund to the non-participating fund, actuary is in the view that it is appropriate to carry forward the total surplus in the non-participating fund, until the fund performance stabilizes alongside with the volatilities in the market. Therefore, no shareholder transfer is recommended this year from the non-participating fund.

NOTE 15.02 - UNEARNED PREMIUM

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st January	**1,921,472,392**	2,212,045,752	**1,921,472,392**	2,212,045,752
Transferred to income statement during the year	**(391,081,276)**	(290,573,360)	**(391,081,276)**	(290,573,360)
Balance as at 31st December	**1,530,391,116**	1,921,472,392	**1,530,391,115**	1,921,472,392

NOTE 15.03 - NET DEFERRED ACQUISITION COST

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Deferred acquisition cost				
Balance as at 1st January	**210,771,430**	240,396,818	**210,771,430**	240,396,818
Transfers during the year	**(3,609,112)**	(29,625,389)	**(3,609,112)**	(29,625,389)
Balance as at 31st December	**207,162,318**	210,771,429	**207,162,318**	210,771,430
Deferred reinsurance commission				
Balance as at 1st January	**(63,793,621)**	(57,900,055)	**(63,793,621)**	(57,900,055)
Transfers during the year	**(125,990,799)**	(5,893,565)	**(125,990,799)**	(5,893,565)
Balance as at 31st December	**(189,784,420)**	**(63,793,620)**	**(189,784,420)**	**(63,793,621)**
Net deferred acquisition cost	**17,377,898**	146,977,809	**17,377,898**	146,977,809

Notes to the Financial Statements

NOTE 15.04 - GROSS CLAIM RESERVE

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st January	**957,219,220**	792,260,683	**957,219,220**	792,260,683
Increase/(decrease) in outstanding claims	**31,098,162**	164,958,537	**31,098,162**	164,958,537
Balance as at 31st December	**988,317,382**	**957,219,220**	**988,317,382**	**957,219,220**
IBNR/IBNER balance as at 1st January	**843,049,298**	427,325,266	**843,049,298**	427,325,266
Increase/(decrease) in IBNR/IBNER	**85,198,839**	415,724,032	**85,198,839**	415,724,032
IBNR/IBNER balance as at 31st December	**928,248,137**	**843,049,298**	**928,248,137**	**843,049,298**
Total reserve for gross outstanding claims	**1,916,565,519**	1,800,268,518	**1,916,565,519**	1,800,268,518

NOTE 15.05 - RECONCILIATION BETWEEN INSURANCE PROVISION AND TECHNICAL RESERVE

	Company	
	2024	2023
	Rs.	Rs.
Insurance provision - Non-life	**3,429,578,736**	3,574,763,101
Reinsurance on claims reserves	**(1,076,217,640)**	(878,212,918)
	4,505,796,376	**4,452,976,019**

Significant delays occur in the notification of claims and a substantial measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be determined with certainty as at the reporting date. The reserves are determined based on the information currently available. However, it is inherent to the nature of the business that the ultimate liability may vary as a result of subsequent developments.

The incurred but not reported (IBNR) and incurred but not enough reported (IBNER) claims reserve have been actuarially computed by Mr.Saket Singhal appointed actuary of Actsure Lab (Pvt) Limited The valuation is based on internationally accepted actuarial methods and is performed on an annual basis.

The non life insurance technical reserve of Rs.3,063,836 as at 31st December 2024 includes the provision of IBNR claims of Rs. 928,248,137 that has been certified by the independent appointed actuaries, Actsure Lab (Pvt) Limited.

LIABILITY ADEQUACY TEST - NON-LIFE

As per LAT test performed by Mr.Saket Singhal appointed actuary of Actsure Lab (Pvt) Limited, it was concluded that the liability value is sufficient to meet future benefits and expenses. Hence no provision has been made for premium deficiency.

NOTE 16 - NON-CONTROLLING INTEREST

The table below shows details of non-wholly owned subsidiaries of the parent company that have material non-controlling interests:

Name of subsidiary	Country of incorporation & principal place of business	Proportion of ownership interests held by non-controlling interests as at 31st December		(Loss)/ profit allocated to non-controlling interests for the year ended 31st December		Accumulated non-controlling interests as at 31st December	
		2024	2023	2024	2023	2024	2023
Cooplife Insurance Ltd.	Sri Lanka	**0.00%**	0.00%	**-**	-	**-**	-
		0.00%	0.00%	**-**	-		-

NOTE 17 - PREFERENCE SHARES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Health Department Co-operative Thrift and Credit Society	**11,000,000**	11,000,000	**11,000,000**	11,000,000
	11,000,000	11,000,000	**11,000,000**	11,000,000

NOTE 18 - RETIREMENT BENEFIT OBLIGATION

Amounts recognised in the statement of financial position are made up of as follows:

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st January	**123,591,400**	111,337,156	**103,240,942**	92,256,948
Past service cost	**-**	-	**-**	-
Interest cost	**16,066,882**	20,040,689	**13,421,322**	16,606,251
Current service cost	**13,346,480**	13,576,346	**11,226,152**	11,603,916
Actuarial (gain)/ loss on obligation	**(13,380,843)**	(4,561,304)	**(11,342,824)**	(2,585,407)
Payments made during the year/ payable for the year	**(14,789,560)**	(16,801,487)	**(12,269,372)**	(14,640,765)
Balance as at 31st December	**124,834,359**	123,591,400	**104,276,220**	103,240,942
Expenses on retirement benefit obligation				
Recognised in profit or loss				
Interest cost	**16,066,882**	20,040,689	**13,421,322**	16,606,251
Current service cost	**13,346,480**	13,576,346	**11,226,152**	11,603,916
Past service cost	**-**	-	**-**	-
	29,413,362	33,617,035	**24,647,474**	28,210,167
Recognised in other comprehensive income				
Net actuarial (gain)/loss on obligation	**(13,380,843)**	(4,561,304)	**(11,342,824)**	(2,585,407)
	(13,380,843)	(4,561,304)	**(11,342,824)**	(2,585,407)

As at 31st December 2024, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by Mr. M.Poopalanathan of Actuarial and Management Consultants (Private) Limited, as required by LKAS 19 - Employee Benefits.

The liability is not externally funded. The valuation is performed on an annual basis.

During 2024, the gratuity arrangement for employees were adjusted to reflect the new legal requirement namely minimum retirement age specified in Workers Act No.28 of 2021 regarding the retirement age.

Principal assumptions as at reporting date

As at 31st December	2024	2023
Discount rate	**10.5%**	13%
Future salary increase	10% annual	12% annual
Retirement age (years)	**60**	60

Assumptions regarding future mortality are based on published statistics and mortality tables.

Notes to the Financial Statements

Sensitivity of assumptions used in actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of profit or loss and other comprehensive income statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity, based on the assumptions indicated.

Group

2024	Effect on charge to the statement of profit or loss & other comprehensive income		Effect on employee benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	**4,104,047**	**(4,429,077)**	**(4,104,047)**	**4,429,077**
Salary increment rate (change by 1%)	**(4,675,304)**	**4,407,682**	**4,675,304**	**(4,407,682)**

2023	Effect on charge to the statement of profit or loss & other comprehensive income		Effect on employee benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	4,382,708	(4,751,394)	(4,382,708)	4,751,394
Salary increment rate (change by 1%)	(5,014,069)	4,702,592	5,014,069	(4,702,592)

Company

2024	Effect on charge to the statement of profit or loss & other comprehensive income		Effect on employee benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	**3,520,787**	**(3,809,469)**	**(3,520,787)**	**3,809,469**
Salary increment rate (change by 1%)	**(4,013,755)**	**3,774,126**	**4,013,755**	**(3,774,126)**

2023	Effect on charge to the statement of profit or loss & other comprehensive income		Effect on employee benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	3,732,683	(4,055,845)	(3,732,683)	4,055,845
Salary increment rate (change by 1%)	(4,276,795)	4,001,981	4,276,795	(4,001,981)

NOTE 19 - REINSURANCE CREDITORS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Foreign	**1,081,152,566**	835,341,873	**1,081,152,566**	830,449,668
Total	**1,081,152,566**	**835,341,873**	**1,081,152,566**	**830,449,668**

NOTE 20 - OTHER LIABILITIES

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Commission payable		**112,542,436**	121,237,456	**96,104,384**	107,205,364
Government levies & taxes	20.01	**99,166,259**	111,677,895	**98,300,587**	111,077,241
Dividend - Ordinary		**1,749,546**	1,629,648	**1,749,546**	1,629,648
Accrued expenses		**84,999,564**	55,468,682	**50,410,694**	32,616,088
Deposits & other funds		**787,130,405**	807,040,964	**714,819,744**	739,727,207
Total		**1,085,588,210**	**1,097,054,645**	**961,384,955**	**992,255,548**

NOTE 20.01 - GOVERNMENT LEVIES & TAXES

Income tax	**32,247,975**	25	**32,247,975**	25
Value Added Tax	**49,920,060**	93,915,075	**49,920,060**	93,915,075
Advance Personal Income Tax	**1,791,315**	797,098	**1,410,157**	415,941
Withholding Tax	**219,496**	219,496	**-**	-
Diesel tax	**157,000**	374,500	**157,000**	374,500
Social Security Contribution Levy	**14,565,395**	16,371,700	**14,565,395**	16,371,700
Total	**98,901,241**	111,677,894	**98,300,587**	111,077,241

NOTE 21 - DEFERRED TAX LIABILITY

The amount shown in the statement of financial position represents the following:

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Deferred tax comprises of				
Deferred tax assets - subsidiary company	**-**	-	**-**	-
Deferred tax liabilities - parent company	**(61,458,195)**	(67,069,765)	**(46,963,905)**	(46,748,533)
	(61,458,195)	**(67,069,765)**	**(46,963,905)**	**(46,748,533)**
Deferred tax liabilities	**(272,702,627)**	(312,743,720)	**(219,514,050)**	(248,459,657)
Deferred tax assets	**211,244,430**	245,673,953	**172,550,146**	201,711,124
	(61,458,197)	**(67,069,765)**	**(46,963,905)**	**(46,748,533)**

UNRECOGNISED DEFERRED TAX ASSETS - SUBSIDIARY

A deferred tax asset is recognised only to the extent that it is probable that the taxable profit will be available in the foreseeable future.

The breakdown of un-accounted deferred tax assets is given below:

	2024	2023
	Rs.	Rs.
On tax losses	**-**	-
	-	-

Notes to the Financial Statements

The Company recognised a deferred tax asset consequent to the changes in the Inland Revenue No. 24 of 2017 described in note 3.21.2. As per the Inland Revenue act No. 24 of 2017 which is effective from 1 April 2018, 100% of taxable income is allowed to be deducted against the tax losses incurred. According to the transitional provisions of the new Act, the brought forward tax loss can be claimed against taxable income for a period of 6 years commencing from the year of assessment 2018/19. The Company assessed future taxable profit recognizing the deferred tax assets based on the brought forward tax loss, to the extent it is probable that future taxable profits will be available.

The movement in the deferred tax account is as follows:

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 1st January 2024	**(67,069,765)**	(69,459,055)	**(46,748,533)**	(78,137,284)
Recognised in profit or loss	**(7,390,204)**	12,369,514	**(2,121,659)**	37,216,082
Recognised in other comprehensive income	**13,001,773**	(9,980,221)	**1,906,286**	(5,827,330)
Balance as at 31st December 2024	**(61,458,197)**	**(67,069,765)**	**(46,963,905)**	**(46,748,533)**

Differed tax assets and liabilities -Group

	Assets		Liabilities		Net	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Property plant & equipment	**97,188,779**	116,092,912	**(269,882,307)**	(308,596,699)	**(172,693,528)**	(192,503,787)
Intangible assets	**-**	-	**(2,820,319)**	(4,147,021)	**(2,820,319)**	(4,147,021)
Available for sale financial assets	**3,846,719**	6,390,613	**-**	-	**3,846,719**	6,390,613
Employee benefits	**31,282,866**	30,972,283	**-**	-	**31,282,866**	30,972,283
Carried forward tax losses	**40,231,781**	67,680,878	**-**	-	**40,231,781**	67,680,878
Provisions	**38,694,284**	24,537,268	**-**	-	**38,694,284**	24,537,268
Net tax assets (liabilities)	**211,244,430**	**245,673,953**	**(272,702,627)**	**(312,743,720)**	**(61,458,197)**	**(67,069,765)**

Movement in deferred tax balances during the year - Group

	Balance as at 1st January 2023 Rs.	Recognised in profit or loss Rs.	Recognised in other comprehensive income Rs.	Balance as at 31st December 2023 Rs.	Balance as at 1st January 2024 Rs.	Recognised in profit or loss Rs.	Recognised in other comprehensive income Rs.	Balance as at 31st December 2024 Rs.
Property plant & equipment	(197,429,167)	8,670,737	(3,745,356)	(192,503,786)	(192,503,786)	1,637,367	18,172,892	(172,693,526)
Intangible assets	(5,822,776)	1,675,755	-	(4,147,021)	(4,147,021)	1,326,701	-	(2,820,319)
Available for sale financial assets	7,767,113	-	(1,376,501)	6,390,612	6,390,612	-	(2,543,894)	3,846,718
Employee benefits	27,677,082	8,153,563	(4,858,364)	30,972,280	30,972,280	2,937,809	(2,627,225)	31,282,864
Carried forward tax loss	68,809,399	38,141,587	-	106,950,986	24,537,270	(27,449,097)	-	(2,911,826)
Provisions	29,539,291	(44,272,129)	-	(14,732,838)	67,680,878	14,157,016	-	81,837,894
	(69,459,058)	**12,369,514**	**(9,980,221)**	**(67,069,766)**	**(67,069,766)**	**(7,390,204)**	**13,001,773**	**(61,458,195)**

Deferred tax asset and liability - Company

	Assets		Liabilities		Net	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Property plant & equipment	**97,188,779**	116,092,912	**(216,693,731)**	(244,312,636)	**(119,504,952)**	(128,219,724)
Intangible assets	**-**	-	**(2,820,319)**	(4,147,021)	**(2,820,319)**	(4,147,021)
Available for sale financial assets	**3,846,719**	6,390,613	**-**	-	**3,846,719**	6,390,613
Employee benefits	**31,282,866**	30,972,283	**-**	-	**31,282,866**	30,972,283
Provisions	**40,231,781**	67,680,878	**-**	-	**40,231,781**	67,680,878
Carried forward tax losses	**-**	(19,425,561)	**-**	-	**-**	(19,425,561)
Net tax assets / (liabilities)	**172,550,146**	201,711,124	**(219,514,050)**	(248,459,657)	**(46,963,905)**	(46,748,532)

Movement in deferred tax balances during the year - company

	Balance as at 1st January 2023 Rs.	Recognised in profit or loss Rs.	Recognised in other comprehensive income Rs.	Balance as at 31st December 2023 Rs.	Balance as at 1st January 2024 Rs.	Recognised in profit or loss Rs.	Recognised in other comprehensive income Rs.	Balance as at 31st December 2024 Rs.
Property plant & equipment with right of use assets	(137,297,995)	8,670,737	407,535	(128,219,722)	(128,219,722)	1,637,367	7,077,405	(119,504,950)
Intangible assets	(5,822,775)	1,675,755	-	(4,147,020)	(4,147,020)	1,326,701	-	(2,820,319)
Available for sale financial assets	7,767,113	-	(1,376,501)	6,390,612	6,390,612	-	(2,543,894)	3,846,718
Employee benefits	27,677,082	8,153,563	(4,858,364)	30,972,280	30,972,280	2,937,809	(2,627,225)	31,282,864
Provisions	29,539,291	38,141,587	-	67,680,878	67,680,878	(27,449,097)	-	40,231,781
Carried forward tax losses	-	(19,425,561)	-	(19,425,561)	(19,425,561)	19,425,561	-	0
	(78,137,284)	37,216,082	(5,827,330)	(46,748,533)	(46,748,533)	(2,121,659)	1,906,286	(46,963,905)

The Company has applied 30% tax rate for deferred tax computation for year 2024. (2023-30%)

NOTE 22 - GROSS WRITTEN PREMIUM

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Life insurance	**1,103,537,521**	1,164,245,939	**-**	-
Non-life insurance				
Motor	**3,503,403,186**	3,591,355,484	**3,503,414,254**	3,591,355,484
Fire and engineering	**283,543,845**	318,851,655	**283,615,812**	318,851,655
Marine	**45,993,089**	40,252,054	**45,993,089**	40,252,054
Miscellaneous	**692,519,718**	588,097,947	**692,650,578**	588,097,947
Total	**5,628,997,359**	5,702,803,079	**4,525,673,733**	4,538,557,140

NOTE 23 - PREMIUM CEDED TO REINSURERS

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Life	**46,322,677**	45,821,660	**-**	-
Non-life insurance				
Motor	**181,272,418**	182,025,508	**181,272,418**	182,025,508
Fire and engineering	**149,901,373**	150,617,254	**149,901,373**	150,617,254
Marine	**30,474,481**	26,975,781	**30,474,481**	26,975,781
Miscellaneous	**156,487,518**	135,248,425	**156,487,518**	135,248,425
Riots & strikes				
Motor	**738,375,489**	92,967,172	**738,375,489**	92,967,172
Fire and engineering	**92,983,346**	112,883,329	**92,983,346**	112,883,329
Marine	**3,209,113**	3,006,104	**3,209,113**	3,006,104
Miscellaneous	**10,423,754**	18,936,643	**10,423,754**	18,936,643
Total	**1,409,450,169**	768,481,876	**1,363,127,492**	722,660,216

Notes to the Financial Statements

NOTE 24 - NET CHANGE IN RESERVES FOR UNEARNED PREMIUM

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Unearned premium				
Motor	**(395,279,049)**	(330,354,258)	**(395,279,049)**	(330,354,258)
Fire and engineering	**4,738,397**	(10,439,440)	**4,738,397**	(10,439,440)
Marine	**(3,159,645)**	(2,546,428)	**(3,159,645)**	(2,546,428)
Miscellaneous	**2,619,021**	52,766,766	**2,619,021**	52,766,766
Total	**(391,081,276)**	**(290,573,360)**	**(391,081,276)**	**(290,573,360)**

NOTE 25 - INVESTMENT INCOME

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Held to maturity				
Treasury bonds	**755,331,187**	642,717,683	**219,048,834**	192,154,340
Debentures	**396,991,600**	403,459,513	**207,359,319**	246,369,441
Assset back securities	**3,874,364**	5,022,522	**-**	-
Loans & receivables				
Fixed deposits	**347,211,572**	459,452,053	**310,599,930**	430,509,643
Repo	**30,718,153**	22,766,493	**30,718,153**	20,913,472
Overnight deposits	**1,484,305**	7,302,600	**1,484,305**	7,302,600
Commercial paper	**147,438,413**	136,095,060	**93,093,448**	94,340,993
Money market	**38,156,882**	28,695,727	**-**	-
Treasury bills	**-**	7,043,454	**-**	-
Asset backed securities	**9,745,919**	9,981,489	**9,745,919**	9,981,489
Fair value through profit or loss				
Quoted shares - dividend	**83,643**	-	**-**	-
Available for sales financial assets				
Quoted shares - dividend	**1,052,745**	624,055	**1,052,745**	552,595
Unquoted shares - dividend	**389,826**	-	**389,826**	-
Interest income on				
Savings deposits	**17,856,819**	4,513,558	**17,856,819**	4,513,558
Policy loans	**11,782,232**	5,832,246	**-**	-
Staff loans	**970,352**	1,613,934	**588,768**	1,250,953
Total finance income	**1,763,088,012**	1,735,120,387	**891,938,066**	1,007,889,084
Dividend from subsidiary - ordinary shares	**-**	-		-
Dividend from subsidiary - preference shares	**-**	-	**-**	-
Net finance income	**1,763,088,012**	1,735,120,387	**891,938,066**	1,007,889,084

NOTE 26 - POLICY ADMINISTRATION FEES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Motor	**311,773,411**	260,371,234	**311,773,411**	260,371,234
Fire and engineering	**6,196,675**	4,137,237	**6,196,675**	4,137,237
Marine	**4,217,113**	2,888,793	**4,217,113**	2,888,793
Miscellaneous	**14,215,277**	12,131,837	**14,215,277**	12,131,837
Total	**336,402,476**	**279,529,101**	**336,402,477**	**279,529,101**

NOTE 27 - OTHER INCOME

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Gain/(loss) on foreign currency transaction		**(4,999,603)**	299,149	**(4,999,603)**	299,149
Gain on sale of property, plant and equipment		**5,043,700**	3,508,532	**4,883,700**	3,369,782
Miscellaneous income	27.01	**38,830,953**	14,519,534	**8,899,496**	5,890,196
Total		**38,875,050**	**18,327,215**	**8,783,593**	**9,559,127**

NOTE 27.01 - MISCELLANEOUS INCOME

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Fees and commission Income	**1,444,468**	932,814	**1,444,468**	223,137
Policy renewal charges	**3,056,809**	3,215,900	**3,056,809**	3,215,900
Sundry income	**8,630,485**	9,310,163	**3,376,152**	1,390,502
Policy fee charges	**504,118**	454,238	**504,118**	454,238
Non refundable tender fees	**517,949**	606,419	**517,949**	606,419
	14,153,829	**14,519,534**	**8,899,496**	**5,890,196**

NOTE 28 - GROSS BENEFITS & CLAIMS INCURRED

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Life insurance contracts				
Death, disability and hospitalization	**38,052,246**	46,245,594	**-**	-
Survival benefits	**15,781,429**	14,703,312	**-**	-
Policy surrenders	**41,118,683**	26,380,945	**-**	-
Pension benefits	**3,985,389**	2,827,545	**-**	-
Policy maturity	**154,989,912**	188,094,336	**-**	-
Terminal bonus	**39,287,955**	-		
	293,215,614	**278,251,732**	**-**	-

Notes to the Financial Statements

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Non-life insurance contracts				
Motor	**2,569,021,098**	3,385,771,197	**2,569,021,098**	3,385,771,197
Fire and engineering	**175,349,379**	267,120,090	**175,349,379**	267,120,090
Marine	**19,947,404**	19,184,097	**19,947,404**	19,184,097
Miscellaneous	**542,135,801**	530,124,112	**542,135,801**	530,124,112
	3,306,453,682	**4,202,199,496**	**3,306,453,682**	**4,202,199,496**
Less: salvage income	**(83,908,040)**	(156,832,190)	**(83,908,040)**	(156,832,190)
Movement in salvage stock	**10,755,000**	(6,689,000)	**10,755,000**	(6,689,000)
	3,233,300,642	**4,038,678,306**	**3,233,300,642**	**4,038,678,306**
Total	**3,526,516,256**	**4,316,930,038**	**3,233,300,642**	**4,038,678,306**

NOTE 29 - UNDERWRITING & POLICY ACQUISITION COST

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Net underwriting & policy acquisition cost	**547,672,586**	534,765,215	**407,781,581**	410,819,697
Increase/(decrease) in deferred acquisition cost	**3,609,111**	29,625,388	**3,609,111**	29,625,388
Reinsurance commission	**(265,925,168)**	(118,176,647)	**(258,851,159)**	(118,176,647)
Total	**285,356,529**	**446,213,956**	**152,539,533**	**322,268,438**

NOTE 30 - OTHER OPERATING & ADMINISTRATIVE EXPENSES

		Group		Company	
		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
Staff expenses	30.01	**814,445,537**	823,274,065	**620,869,037**	683,596,895
Administrative & establishment expenses		**447,325,689**	636,674,879	**331,188,990**	513,694,130
Selling expenses		**465,149,442**	411,241,943	**414,977,800**	365,930,992
Depreciation		**285,818,177**	267,632,167	**221,831,698**	213,469,089
Amortization of intangible assets		**10,937,211**	9,987,969	**10,937,211**	9,331,161
Total		**2,023,676,056**	2,148,811,023	**1,599,804,736**	1,786,022,266

NOTE 30.01 - STAFF EXPENSES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Salaries & wages	**636,104,580**	628,715,929	**477,541,384**	510,055,167
Contributions to defined contribution plan	**80,244,308**	85,298,437	**64,600,980**	71,244,813
Contributions to defined benefit plan	**29,413,362**	33,617,035	**24,647,474**	28,210,167
Contribution for staff group term assurance	**473,400**	577,387	**3,787,024**	4,232,925
Staff welfare	**12,837,856**	16,412,377	**10,683,033**	14,099,363
Staff bonus	**37,729,601**	31,869,236	**28,015,202**	31,869,235
Staff training & development	**1,877,256**	1,735,698	**1,514,552**	1,314,367
Other staff expenses	**15,765,175**	25,047,968	**10,079,388**	22,570,858
Total	**814,445,538**	**823,274,067**	**620,869,037**	**683,596,895**

NOTE 31 - FINANCE COST

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Preference Dividends	**2,970,000**	-	**2,970,000**	-
Finance cost - right of use assets	**54,948,542**	55,707,096	**43,780,517**	45,871,087
Total finance cost	**57,918,542**	**55,707,096**	**46,750,517**	**45,871,087**

NOTE 32 - PROFIT BEFORE INCOME TAX

The profit from operations for the year is stated after charging the following expenses.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Directors remuneration	**49,845,289**	39,026,391	**26,219,802**	21,511,128
Auditor's remuneration	**3,562,207**	2,798,440	**2,913,207**	2,267,440
Impairment loss on premium receivable	**(94,787,236)**	130,252,656	**(91,496,989)**	127,138,623
Depreciation	**190,582,573**	174,427,444	**150,938,097**	140,495,076
Amortization of intangible assets	**11,172,828**	9,987,968	**10,937,211**	9,331,161

Notes to the Financial Statements

NOTE 33 - INCOME TAX EXPENSES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current tax expense				
Current year	**37,584,149**	990	**37,541,367**	-
(Over)/under provision for the last year	**-**	(41,713,048)	**-**	(41,713,048)
	37,584,149	**(41,712,058)**	**37,541,367**	**(41,713,048)**
Deferred Tax Expense				
(Origination)/reversal of deferred tax asset	**7,390,204**	(12,369,514)	**2,121,659**	(37,216,082)
Origination/(reversal) of deferred tax liability	**-**	-		
	7,390,204	**(12,369,514)**	**2,121,659**	**(37,216,082)**
Income tax expense	**44,974,353**	**(54,081,572)**	**39,663,025**	**(78,929,130)**

NOTE 33.01 - RECONCILIATION OF ACCOUNTING PROFIT AND TAXABLE INCOME

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Profit for the year	**273,646,598**	(319,939,749)	**113,391,772**	(258,295,134)
Current tax expense	**37,584,149**	(41,712,058)	**37,541,367**	(41,713,048)
(Origination) / reversal of deferred tax asset	**7,390,204**	(12,369,514)	**2,121,659**	(37,216,082)
Origination / (reversal) of deferred tax liability	**-**	-	**-**	-
Profit before tax- before consolidation adjustments	**318,620,950**	(374,021,321)	**153,054,797**	(337,224,264)
Consolidation adjustments			**-**	-
Profit before tax	**318,620,950**	(374,021,321)	**153,054,797**	(337,224,264)
Less: Income excluded/exempt	**-**	-	**-**	-
Tax deductible expenses	**(186,615,275)**	(155,623,440)	**(176,470,439)**	(155,623,440)
Other sources & exempt amounts	**(897,120,384)**	(1,006,165,639)	**(896,821,766)**	(1,006,038,907)
Add: Disallowable expenses	**211,901,547**	477,211,971	**211,681,647**	428,323,809
Assessable charge on disposal of depreciable assets	**10,991,331**	4,991,984	**10,807,331**	4,991,984
Bonus declared to policyholders	**21,760,283**	17,571,917	**-**	-
Taxable profit from business	**(536,023,506)**	(932,208,768)	**(697,748,429)**	(1,070,790,777)
Deductions under section 19 of the IR Act No. 24 of 2017	**(183,481,217)**	(138,582,009)	**-**	-
Add: Income from other sources	**125,276,507**	1,006,165,639	**125,137,889**	1,006,038,907
Less: Tax loss claimed during the year	**-**	(126,732)	**-**	-
Qualifying payments	**-**	-	**-**	-
Total Taxable Income	**(410,746,999)**	(64,751,870)	**(572,610,540)**	(64,751,870)
Tax on Taxable Income @14%	**-**	-	**-**	-
@ 24%	**-**	-	**-**	-
@ 30%	**37,584,149**	-	**37,541,367**	-
Gross income tax liability	**37,584,149**	-	**37,541,367**	-
Tax credits				
Withholding Tax	**(33,880,409)**	(38,345,975)	**(33,874,047)**	(38,345,975)
Income tax paid on self assessment Basis	**-**	-	**-**	-
The balance due	**3,703,740**	(38,345,975)	**3,667,320**	(38,345,975)

As per schedule 1 of Inland Revenue Act (Amendment) of No.10 of 2021, 50% rebate has been granted due to listing the Company in Colombo Stock Exchange after January 01,2021 but prior to December 31,2021.

With effect from 1st October 2022, concessionary rates applied on gains and profits of a company which listed its shares in the Colombo Stock Exchange during from January, 1 2021, to December 31, 2021, has been removed. Therefore, profit earned after 1st October 2022 is taxed at 30%.

NOTE 34 - BASIC EARNINGS PER SHARE

The basic earnings per share is based on net profit attributable to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding for the year, calculated as follows:

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Profit attributable to ordinary shareholders (Rs.)	**273,646,598**	(319,939,751)	**113,391,772**	(258,295,134)
Weighted average number of ordinary shares in issue applicable to basic earnings per share (Rs.) (Note 34.01)	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600
Earnings per share (Rs.)	**0.17**	(0.19)	**0.07**	(0.16)
Net assets per share (Rs.)	**3.56**	3.44	**3.01**	2.98

NOTE 34.01 - WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
No. of shares held as at 1st January	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600
Add: weighted average number of shares issued due to share split and issued during the year	**-**	-	**-**	-
Add: weighted average number of shares issued in IPO	**-**	-	**-**	-
No. of shares held as at 31st December	**1,652,177,600**	1,652,177,600	**1,652,177,600**	1,652,177,600

NOTE 35 - RELATED PARTY TRANSACTION

NOTE 35.01 - TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP)

The Board of Directors of the Company have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly, the Board of Directors of the Company have been identified as the KMP of the Company.

The emoluments paid to KMP of the Company are disclosed as follows;

	2024	2023
	Rs.	Rs.
Board expenses	**18,001,838**	9,701,962
Board remuneration	**8,217,964**	11,809,166
Board remuneration of Cooplife Insurance Limited	**23,625,487**	17,515,263
	49,845,289	39,026,391

Notes to the Financial Statements

Note 35.01.01 - Board expenses & board remuneration

	Over payment of board expenses	Expenses recorded in P&L
Board expenses	**(2,114,734)**	12,413,219
Board remuneration	**(1,466,433)**	8,217,964
Vehicle fuel	**(2,075,808)**	5,588,619
	(5,656,975)	26,219,802

Post employment benefits accrued are not included above as these cannot be identified separately, due to the actuarial valuation.

Loans given to Directors

The Company has provided loans to seven directors with the amount of Rs.150,00.00 and recovered with six equal installments. Further as of 30th April 2025 has recovered five installments.

Loans obtained from Directors

The Company has not obtained any loans from the Directors of the Company during the year ended 31st December 2024.

NOTE 35.02 - DIRECTORS & THEIR DIRECTORSHIPS IN OTHER ENTITIES ARE LISTED BELOW AS THE SOCIETIES REPRESENTED BY THE DIRECTORS ON THE BOARD ARE CONSIDERED AS RELATED PARTIES.

Director	Company	Relationship
Mr. A.A.J Amarasinghe	Wennappuwa Multi Purpose Co-operative Society Ltd	Vice chairman
	Kammal Pattu Coconut Producers Co-operative Society Ltd	Director
Mr.G.Gamage Dayasumana	Dhakshina Enterprises (Pvt) Ltd	Chairman
Mr. A.B Senadeera	New Thalawakale MPCS Ltd	Vice chairman
	Cooperative District Council Nuwaraeliya	Chairman
	Senadi Sewwandi transport & contarct agent	Chairman
	Sri Lanka Consumer Cooperative Federation	Director
	Co-op Life Insurance Company Ltd	Director
	Central Province Rural Bank Union	Director
Mr. P.B Jayarathna	New Nochiyagama MPCS	Chairman
	Anuradhapura District Co-operative Council	Vice chairman
Mr. M Widanagamage	Beliatta Multi Purpose Co-operative Society Ltd	Chairman
	Hambanthota District Co-operative Rural Bank Union Ltd	Vice chairman
Mr.T.B.H Kumara	N/A	
Mr.L.Waragoda	N/A	
Mr. K.K.Gawesha Sanirathna	N/A	
D.L Samarawikcrama	N/A	
Mr. H.H.D.E.Priyantha Herath	Panduwasnuwara Multi Purpose Cooperative Society Ltd	Chairman
	Kuliyapitiya District Co-operative council	Director
Mr. S Wickramasinghe	Post and Telecom Employees Co Operative Bank Society Ltd	Chairman
Mr. Ganaka Amarasinghe	Putlam Salt Ltd.	Audit committee chairman
	Raigam Group of Companies	Senior director

NOTE 35.03 - TRANSACTIONS & BALANCES WITH RELATED PARTIES

The Multi-Purpose Co-operative Societies represented on the Board are considered as related parties due to the joint shareholdings and representation on the Board. Related party balances and transactions are listed below:

		Transactions with CICPLC		Transactions with group companies	
Entity	Nature of transaction	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cooplife Insurance Ltd	Receiver for shared service expenses	**25,215,178**	23,407,832	**-**	-
	Insurance premium	**213,895**	-	**-**	-
	Life GTA	**3,787,024**	4,033,938	**-**	-
	Vehicle rent- income	**1,200,000**	1,425,000	**-**	-
	Vehicle rent- expense	**(1,200,000)**	-		
	Building rent	**6,351,441**	(3,742,622)	**-**	-
	Other	**(110,160)**	(372,037)	**-**	-
	Security, water and electricity	**(1,431,536)**	-	**-**	-
	Commission	**3,905**	-	**-**	-
Coopinsu Training Academy (Pvt) Ltd	Expenses incurred	**-**	406,941	**-**	-
Wennappuwa Multi Purpose Co-operative Society	Office rent	**1,378,000**	961,750	**578,250**	405,000
	Commissions	**517,017**	141,831	**23,914**	25,951
	Claims and benefits paid- non life	**143,000**	673,702	**-**	-
	Other	**-**	-	**-**	-
	Dividend	**-**	-	**-**	-
	Sales promotion	**150,000**	100,000	**-**	-
	Purchase of ordinary shares	**-**	-	**-**	-
	Claims and benefits paid- life	**-**	-	**-**	-
	Vehicle fuel	**6,300**	-		819,945
Sri Lanka Co-operative Marketing Federation	Fuel	**-**	1,157,214	**-**	-
	Commission	**-**	-	**-**	-
	Claim	**-**	21,700	**-**	-
Sri Lanka Co-operative Rural Bank Federation	Claims	**-**	136,988	**-**	-
Dambadeniya Multi Purpose Co-operative Society Ltd	Commission incentive	**-**	-	**-**	-
Health Department Co-operative Thrift & Credit Society Ltd	Claims and benefits paid	**-**	-	**-**	499,975
	Printing		-	**3,291,060**	1,488,743
Beliatta Multi Purpose Co-operative Society Ltd	Dividend	**6,543,123**	-	**-**	-
	Sponsorship	**30,000**	-	**-**	-
	Commissions	**326,361**	305,970	**-**	-
Colombo South Coop Society Ltd	Claim	**-**	37,279	**-**	-
	Fuel	**-**	-	**-**	-
	Name board charges	**-**	-	**-**	-
	Purchase of goods for staff welfare	**-**	2,376,403	**648,815**	470,277
	Dividends	**-**	-	**-**	-
	Sales promotion	**-**	25,000	**-**	-

Notes to the Financial Statements

Entity	Nature of transaction	Transactions with CICPLC 2024 Rs.	Transactions with CICPLC 2023 Rs.	Transactions with group companies 2024 Rs.	Transactions with group companies 2023 Rs.
Public Service Cooperative Society	Commission	-	-	-	-
	Dividend	-	-	-	-
	Claim	-	482,500	-	-
	Redemption of preference shares	-	-	-	-
New Thalawakale MPCS Ltd	Claims	-	30,000	-	-
	Other	24,839	-	-	-
Colombo District Coop Rural Bank Union Ltd	Claim	-	385,081	-	-
	Dividend	-	-	-	-
	Commission	-	-		-
	Sales promotion	-	25,000	-	-
Sri Lanka Consumer Cooperative Federation	Dividend	-	-	-	-
Post & Telecom Employees Co-operative Bank Society Limited	Commission	14,734	11,576	-	-
	Sponsorship	75,000	-	-	-
	Claims	454,275	-	-	-
National Co-operative Council of Sri Lanka	Office rent	-	-	-	-
	Water	-	-	-	-
	Electricity	-	261,914	-	-
	Sales promotion	-	-	-	-
	Dividends	-	30,000	-	-
	Maintenance charges for elevator	-	-	-	-
	Claims	-	-	-	-
	Other	-	-	-	-
Kolonnawa Multi Purpose Co-operative Society Ltd.	Commission	-	101,055	-	-
	Dividends	-	-	-	-
	Claims	-	247,542	-	-
	Office rent	-	2,400,000	-	-
Nochchiyagama Multi Purpose Co-operative Society Ltd	Dividends	75,906	-	-	-
Kammal Pattu Coconut Producers Co-operative Society Ltd	Dividends	3,742	-	-	-
Hambanthota District Co-operative Rural Bank Union Ltd	Dividend	2,520,625	-	-	-
Puttlam Salt Limited	Commissions	11,994	-	-	-
	Claim	220,925	-	-	-
Raigam Group of Companies	Claim	5,416,838	-	-	-
	Other	10,742	-	-	-

Entity	Nature of transaction	Balances with CICPLC 2024 Rs.000	Balances with CICPLC 2023 Rs.000	Balances with Group Companies 2024 Rs.000	Balances with Group Companies 2023 Rs.000
Cooplife Insurance Ltd	Equity investment	544,260,040	544,260,040	-	-
	Receivable for shared service expenses	11,851,228	2,991,832	-	-
Coopinsu Training Academy (Pvt) Ltd	Equity investment	10	10	-	-
	Payment of reimbursements	5,839,093	5,839,093	-	-

NOTE 35.04 - RECURRENT AND NON RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions which exceeds 10% of the gross revenue or non-recurrent related party transactions which exceeds 10% of the equity or 5% of the total assets, which requires additional disclosures under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under the Securities and Exchange Commission Act.

NOTE 36 - CONTINGENCIES

There were no significant contingent liabilities for which no provision has been made in the accounts or approved by the Board, but not contracted as at the reporting date that would require adjustments to or disclosure in the financial statements, other than what has been described below.

NOTE 36.01 COMPANY

(A) Value Added Tax on Financial services and Corporate Income tax assessments issued by the Commossioner General of Inland Revenue

The Co-operative Insurance Company PLC (Company) received notices of assessment on Value Added Tax (VAT) on Financial Services (FS) informing that the Company is liable for VAT on financial services for the taxable periods from 01.01.2018 to 31.12.2018 & 01.01.2021 to 31.12.2021 The Company has appealed against the assessments based on, the Company is in the business of insurance and is not liable for VAT on financial services. Other insurers have also received similar assessments and they have also appealed against the assessments. Consequently, no provision has been made in the financial statements for the taxes in dispute and the penalties, which cumulates to Rs. 153.61million. Further to the above assessments, the Company received a notice of assessment on Income Tax for the period 2019/2020 amounting to Rs.38.8 million including penalties. However, The Company has appealed against the assessments and no provision is required.

(B) Litigations related to Co-operative Insurance Company PLC

Case no CHC/ 37/2022/CO has been filed by the former chairman Mr K S S Weerasekara to obtain interim orders to suspend the decisions taken by majority directors at the board meeting held on 31st August 2022 at 11.30 am.

"In the above case bearing No.: CHC/37/2022/CO in the Commercial High Court of Colombo, the two Contempt of Court Applications filed in the Commercial High Court against K.S.S. Weerasekera and M.G.U.P. Kumara, the former Chairman and the former Chief Executive Officer (CEO) have been proceeded with, and the Contempt of Court Inquiry has now been completed. As of now, the parties are expected to file their respective written submissions, after which the Court will Fix the matter for Order. In the said matter Cooperative Insurance Company PLC is the 1st Respondent.

Furthermore, since Cooperative Insurance Company PLC is only a Respondent to the above Contempt of Court Applications and no relief has been sought against Cooperative Insurance Company PLC in the Contempt of Court Applications, the Contempt of Court Application has no bearing on Cooperative Insurance Company PLC.

Further to the above-mentioned legal case, the Department of Wildlife has initiated court proceedings under case number P/1259/25 at the Magistrate's Court of Negombo regarding the land in Ja-Ela, seeking an order to prohibit any further construction.

Notes to the Financial Statements

NOTE 36.02 - SUBSIDIARY (COOPLIFE INSURANCE LIMITED)

(A) Income tax assessments issued by the Commissioner General of Inland Revenue

The Commissioner General of Inland Revenue has issued determination on the appeal filed by the Company for the years of assessment 2015/16 and 2016/17 amounting to Rs.17.4 million together with Rs.8.7 million penalty and Rs.15.4 million together with Rs.7.6 million penalty respectively, The Company lodged appealed against the said assessments with the Tax Appeals commission (TAC).The bank guarantees valued to Rs.6.5 million and Rs.5.7 million in favor of TAC have been provided with the appeal, taken from Peoples' Bank and the NDB bank against Rs.8.8 million and Rs. 7.2 million fixed deposits. The Company now is going ahead with the appeal hearing with the Tax Appeals commission.

The Commissioner General of Inland Revenue has issued a determination on the appeal file by the Company for the year of assessment 2017/18 amounting to Rs 30.8 million together with the Rs. 15.4 million penalty in his favor. The Company has furnished a petition of appeal to the Tax Appeals commission with a bank guarantee valued at Rs. 11.5 million taken from the Peoples' Bank against the fixed deposit of Rs. 12 million.

The Board of Directors and the tax consultants of the Company are of the view that the Company has followed the due process and has acted in accordance with the prevailing laws in its tax submissions. Therefore the probability of the Company having to settle any of these tax assessment is remote.

(B) Litigations related to Cooplife Insurance Limited

There were no material contingent liabilities outstanding as at the date of reporting for Cooplife Insurance Limited

NOTE 37 - EVENTS OCCURRING AFTER THE REPORTING DATE

There are no significant events that have occurred after the reporting date.

NOTE 37.01 - SUBSIDIARY (COOPLIFE INSURANCE LIMITED)

There are no significant events that have occurred after the reporting date.

NOTE 38 - FINANCIAL RISK MANAGEMENT

Primary objective of the Group's business and financial risk management framework is to protect the Group's shareholders from events that could hinder the delivery of financial objectives. The risk management process comprises the identification and evaluation of existing and potential risks associated with the Group's operations and strategy, followed by appropriate management responses such as tolerance, mitigation, transfer, avoidance, termination or a combination of such responses. It is of paramount importance that the management identifies the uncertainties that hinder the achievement of financial objectives of the Group and implement effective mitigating strategies to safeguard the financial expectations of the stakeholders.

Risk reporting entails not only accounting but also the activities of risk management. The disclosures in the risk report largely adopt an economic view. The Company has exposure to the following risks;

- Insurance risk (business risk)
- Financial risk

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This section deals in detail with the various risks from insurance contracts and describe uncertainties in measuring them. In accordance with the requirements of SLFRS 4, the effects of a change in the assumptions underlying the measurement of insurance contracts and / or in the market environment are also quantified. In relation to financial instruments, SLFRS 7 stipulates that the disclosures must comprise information on the maximum credit risk exposure, the remaining terms, the rating, and a sensitivity analysis regarding the market risk. This information is also relevant for assessing the risk stemming from financial instruments.

FINANCIAL INSTRUMENTS – FAIR VALUES & RISK MANAGEMENT

A. Accounting classification & fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

As at 31st December 2024	Note	FVTPL	Held to maturity	Loans & receivables & other financial assets	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Group		Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets measured at fair value/amortized cost											
Treasury bonds	6.01 (a) & 6.03 (a)	-	4,419,847	-	-	-	4,419,847	-	-	-	-
Unquoted equity instruments	6.3	-	-	-	5,249	-	5,249	-	-	5,249	5,249
Quoted equity instruments	6.4	2,155	-	-	14,160	-	16,315	16,315	-	-	16,315
Quoted debentures	6.01 (b) & 6.03 (b)	-	3,157,075	-	-	-	3,157,075		-	-	-
Unit trusts	6.3	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value		-	-	-	-	-	-				
Fixed deposits	6.2	-	-	2,306,667	-	-	2,306,667	-	-	-	-
Unquoted debentures	6.2	-	-	-	-	-	-	-	-	-	-
Investments in repo	6.2	-	-	1,339,718	-	-	1,339,718	-	-	-	-
Commercial paper	6.2	-	-	814,848	-	-	814,848	-	-	-	-
Money market	6.2	-	-	604,209	-	-	604,209	-	-	-	-
Treasury bills		-	-	-	-	-	-				
Reinsurance receivables	9	-	-	1,224,981	-	-	1,224,981	-	-	-	-
Premiums receivable	10	-	-	1,109,396	-	-	1,109,396	-	-	-	-
Asset back securities	6.01(d)	-	-	21,471	-	-	21,471				
Cash & cash equivalents	12	-	-	127,374	-	-	127,374	-	-	-	-
Total assets		2,155	7,576,921	7,548,664	19,408	-	15,147,149	16,315	-	5,249	21,564
Financial liabilities not measured at fair value											
Financial leases	14	-						-	-	-	-
Lease creditors	14	-				409,019	409,019				-
Re-insurance creditors	19	-				1,081,153	1,081,153	-	-	-	-
Bank overdrafts	12	-				291,021	291,021	-	-	-	-
Total liabilities		-	-	-	-	1,781,193	1,781,193	-	-	-	-

Notes to the Financial Statements

As at 31st December 2023	Note	FVTPL	Held to maturity	Loans & receivables & other financial assets	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Group		Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets measured at fair value/amortized cost											
Treasury bonds	6.01 (a) & 6.03 (a)	-	3,790,870	-	-	-	**3,790,870**	-	-	-	**-**
Unquoted equity instruments	6.3	-	-	-	6,126	-	**6,126**	-	-	6,126	**6,126**
Quoted equity instruments	6.4	1,475	-	-	8,447	-	**9,922**	9,922	-	-	**9,922**
Quoted debentures	6.01 (b) & 6.03 (b)	-	3,468,730	-	-	-	**3,468,730**		-	-	**-**
Unit trusts	6.3	-	-	-	-	-	**-**	-	-	-	**-**
Financial assets not measured at fair value		-	-	-	-	-	**-**				
Fixed deposits	6.2	-	-	2,578,482	-	-	**2,578,482**	-	-	-	**-**
Unquoted debentures	6.2	-	-	-	-	-	**-**	-	-	-	**-**
Investments in repo	6.2	-	-	82,400	-	-	**82,400**	-	-	-	**-**
Commercial paper	6.2	-	-	858,660	-	-	**858,660**	-	-	-	**-**
Money market	6.2	-	-	362,534	-	-	**362,534**	-	-	-	**-**
Treasury bills		-	-	-	-	-	**-**				
Reinsurance receivables	9	-	-	983,827	-	-	**983,827**	-	-	-	**-**
Premiums receivable	10	-	-	1,304,668	-	-	**1,304,668**	-	-	-	**-**
Asset back securities	6.01(d)	-	51,112	101,753	-	-	**152,865**				
Cash & cash equivalents	12	-	-	163,864	-	-	163,864	-	-	-	-
Total assets		1,475	7,310,712	6,436,187	14,573	-	**13,762,947**	9,922	-	6,126	**16,048**
Financial liabilities not measured at fair value											
Financial leases											
Lease creditors	14	-				457,264	**457,264**	-	-	-	**-**
Re-insurance creditors	**14**	-				835,342	**835,342**				**-**
Bank overdrafts	**19**	-				131,588	**131,588**	-	-	-	**-**
Total liabilities	**12**	-				1,424,194	**1,424,194**	-	-	-	**-**

As at 31st December 2024	Note	FVTPL	Held to maturity	Loans & receivables & other financial assets	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Company		Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets measured at fair value											
Treasury bonds	6.1 (a)	-	1,360,526	-	-	-	1,360,526	-	-	-	-
Unquoted equity instruments	6.3	-	-	-	5,249	-	5,249	-	-	5,249	5,249
Quoted equity instruments	6.3	-	-	-	14,160	-	14,160	14,160	-	-	14,160
Quoted debentures	6.1(b)	-	1,474,631	-	-		1,474,631		-	-	-
Financial assets not measured at fair value											
Fixed deposits	6.2	-	-	2,045,283	-	-	2,045,283	-	-	-	-
Unquoted debentures	6.3	-	-	-	-	-	-	-	-	-	-
Investments in repo	6.2	-	-	1,339,718	-	-	1,339,718	-	-	-	-
Commercial paper	6.2	-	-	431,312	-	-	431,312	-	-	-	-
Money market	6.2	-	-		-	-	-	-	-	-	-
Saving accounts	6.2	-	-	452	-	-	452	-	-	-	-
Reinsurance receivables	9	-	-	1,217,562	-	-	1,217,562	-	-	-	-
Premium receivables	10	-	-	1,086,754	-	-	1,086,754	-	-	-	-
Asset back securities		-	-	21,471	-	-	21,471				
Cash & cash equivalents	12	-	-	98,253	-		98,253	-	-	-	-
Total assets		-	2,835,157	6,240,806	19,408	-	9,095,371	14,160	-	5,249	19,408
Financial liabilities not measured at fair value											
Financial leases	14	-	-	-	-		-	-	-	-	-
Lease creditors	14	-	-	-	-	323,963	323,963	-	-	-	-
Reinsurance creditors	19	-	-	-	-	1,081,153	1,081,153	-	-	-	-
Bank overdrafts	12	-	-	-	-	291,021	291,021	-	-	-	-
Total liabilities		-	-	-	-	1,696,137	1,696,137	-	-	-	-

Notes to the Financial Statements

As at 31st December 2023	Note	FVTPL	Held to maturity	Loans & receivables & other financial assets	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Company		Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets measured at fair value											
Treasury bonds	6.1 (a)	-	1,292,443	-	-	-	**1,292,443**	-	-	-	-
Unquoted equity instruments	6.3	-	-	-	6,126	-	**6,126**	-	-	6,126	6,126
Quoted equity instruments	6.3	-	-	-	8,447	-	**8,447**	8,447	-	-	8,447
Quoted debentures	6.1(b)	-	1,954,291	-	-		**1,954,291**		-	-	-
Financial assets not measured at fair value											
Fixed deposits	6.2	-	-	2,491,036	-	-	**2,491,036**	-	-	-	-
Unquoted debentures	6.3	-	-	-	-	-	**-**	-	-	-	-
Investments in repo	6.2	-	-	82,400	-	-	**82,400**	-	-	-	-
Commercial paper	6.2	-	-	529,025	-	-	**529,025**	-	-	-	-
Reinsurance receivables	9	-	-	971,308	-	-	**971,308**	-	-	-	-
Premiums receivable	10	-	-	1,285,547	-	-	**1,285,547**	-	-	-	-
Asset back securities		-	-	101,753	-	-	**101,753**				
Cash & cash equivalents	12	-	-	133,580	-		133,580	-	-	-	-
Total assets		-	3,246,735	5,594,649	14,573	-	**8,855,956**	8,447	-	6,126	14,573
Financial liabilities not measured at fair value											
Financial leases	14	-	-	-	-		**-**	-	-	-	-
Lease creditors	14	-	-	-	-	386,976	**386,976**	-	-	-	-
Reinsurance creditors	19	-	-	-	-	830,450	**830,450**	-	-	-	-
Bank overdrafts	12	-	-	-	-	**131,588**	**131,588**	-	-	-	-
Total liabilities		-	-	-	-	**1,349,014**	**1,349,014**	-	-	-	-

B. Measurement of fair value

I. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs & fair value measurement
Equity instruments - Unquoted	Net assets based valuation	Net assets value and number of shares outstanding	Positive
Debentures	Future cash flow based valuation	Discounting factor	Negative

II. LEVEL 3 FAIR VALUES

Reconciliation of level 3 fair value

The following table shows a reconciliation of the opening balances with the closing balances, for level 3 fair values.

	Group/Company Available for sale financial assets
Balance as at 1st January 2023	5,218,034
Total gains or losses recognized in other comprehensive income	907,959
Closing balance as at 31st December 2023	6,125,993
Balance as at 1st January 2024	6,125,993
Total gains or losses recognized in other comprehensive income	(877,057)
Closing balance as at 31st December 2024	5,248,936

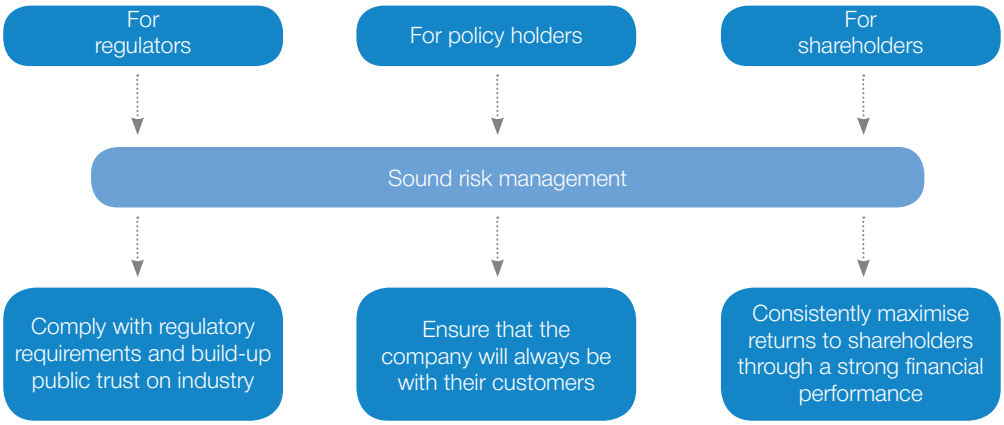
NOTE 38.01 - FINANCIAL RISK MANAGEMENT

Introduction & overview

Effective risk management is very important for an organization to identify, measure, mitigate and manage the various types of risks falling within the Group and the industry. CICL Group recognizes the importance of sound risk management in every aspect of the business and in the responsibilities to the stakeholders.

The Company is exposed to a range of financial risks through its;

- Financial assets
- Financial liabilities
- Reinsurance receivables and
- Insurance liabilities



Notes to the Financial Statements

NOTE 38.01.01 - RISK & CAPITAL MANAGEMENT

(A) Governance framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. They have established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and a constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place. The risks are identified with clear understanding of market environment, regulatory environment and macroeconomic changes.

(B) Regulatory framework

Insurance Regulatory Commission of Sri Lanka, (IRCSL) safeguards the policyholders through the supervisory control of insurance companies in Sri Lanka. The Group operates according to the regulatory requirements set out by the IRCSL. The Group has successfully implemented the risk based capital (RBC) framework on solvency margin, as required by IRCSL. The capital positions of the Group's operating companies as of 31st December 2024 and 2023 are as follows.

The insurance business is regulated by Insurance Regulatory Commission of Sri Lanka (IRCSL) with the objective of protecting shareholders and policy holders. There are various regulations and directives the insurance business is expected to adhere in order to achieve the expected norms, which leads the insurance business to maintain required solvency and maintain sufficient capital.

	31st December 2024				31st December 2023			
	Total available capital (TAC)	Minimum capital requirement	Risk-based capital adequacy ratio (CAR)	Regulatory minimum CAR	Total available capital (TAC)	Minimum capital requirement	Risk-based capital adequacy ratio (CAR)	Regulatory minimum CAR
Co-operative Insurance Company PLC	**3,163,023**	**500,000**	**312%**	**120%**	3,485,027	500,000	333%	120%
Cooplife Insurance Limited	**2,500,165**	**500,000**	**415%**	**120%**	2,147,484	500,000	356%	120%

Total available capital and CAR of the Company have been maintained throughout the year, in excess of the minimum requirement as prescribed by the IRCSL Thus, the operations of the Group are in compliance with the regulatory requirements of the IRCSL. Further the Group comply with other regulators such as the Central Bank of Sri Lanka (CBSL) and the Department of Inland Revenue (IRD). The Group is also regulated by the Companies Act, No. 07 of 2007 and listing rules of the Colombo Stock Exchange (CSE).

Approach to capital management

The Company allocates sufficient capital to corroborate ample returns to main stakeholders who are shareholders and policy holders. Capital management oversees the assets and liabilities by establishing required liquidity level. This is managing the risks in coordinated way by assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics.

(C) Capital management framework

The Group's approach to managing capital involves managing assets, liabilities and risks in a co-ordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate action to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. The capital requirements are forecasted on a periodic basis by the management and the Board of Directors.

There were no significant changes from the previous year, to its policies and processes . There were no significant changes in the capital structure in the Company during the year.

The Company and its Subsidiaries are subject to regulatory guidelines and framework which includes minimum capital requirement, solvency margin, approved assets requirements to minimize the risk of default and insolvency on the part of the Company to meet unforeseeable liabilities as they arise. During the year the Group has complied with all regulatory requirements.

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.
- To maintain the required level of solvency of the Company in order to provide a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that return on capital employed meets the requirements of its shareholders.
- To align the profile of assets and liabilities taking account of risks inherent to the business.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

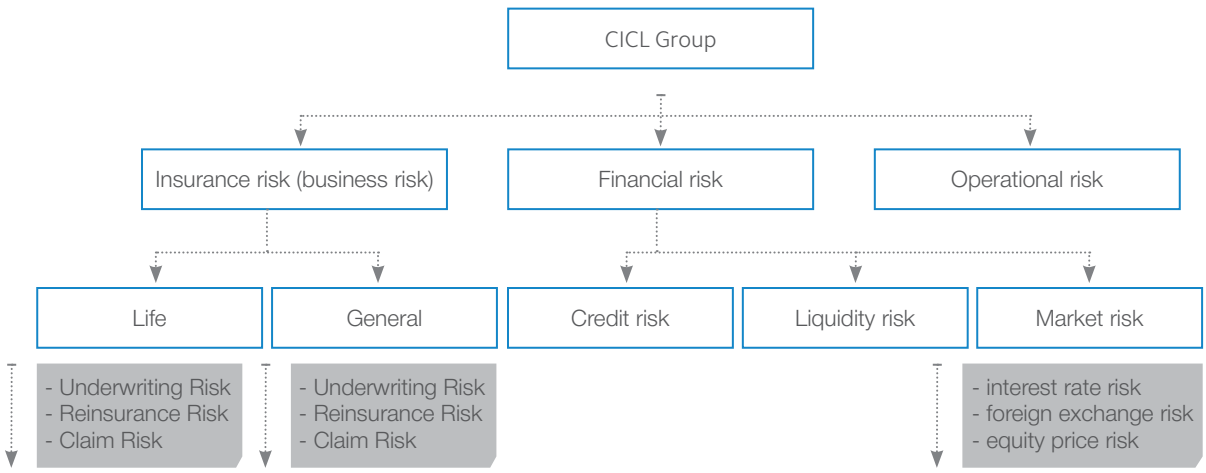
(D) Asset & liability management (ALM) framework

The Group manages assets & liabilities to achieve long-term investment returns in excess of its obligations under insurance contracts. ALM framework is a process of formulating, implementing, monitoring and revising strategies related to our assets and liabilities. Also, it is used to manage the risks arising from mismatch of investment and liability cash flow. Financial risks arising from interest rates, currency and equity products, all of which are exposed to general and specific market movements to have an impact on asset & liability management (ALM). The main risk that the Group faces, due to the nature of its investments and liabilities, is the interest rate risk. The Group manages these positions within a clearly defined ALM framework.

NOTE 38.02 - INSURANCE & FINANCIAL RISKS

This section deals in detail with the various risks from insurance contracts and describe uncertainties in measuring them. In accordance with the requirements of SLFRS 4, the effects of changes in the assumptions underlying the measurement of insurance contracts and / or in the market environment are also quantified.

The Group has exposure to the following risks;



Notes to the Financial Statements

NOTE 38.02.01 - INSURANCE RISK (BUSINESS RISK)

Due to the very nature of insurance contracts, risk is based on fortuity and is therefore unpredictable. The risks under any insurance contract is the possibility that the insured event occurs and the uncertainty regarding the amount of the resulting claims.

For a portfolio of insurance contracts, where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces is that the actual claims and the benefit payments could exceed the carrying amount of the insurance liability. This could occur because the frequency or severity of claims and benefits could be greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established, using statistical techniques.

Our material risks are identified through the risk management framework and the following risks are considered to have the most significant impact

Risk	Description
Underwriting Risk	The risk from premiums received from policyholders being insufficient to cover claims in the event or contingency insured against takes place. It can include underestimated liabilities arising from unpaid business written in previous years and underpriced policies in current use. Limits are set on underwriting capacity, and authority granted to individuals based on their specific expertise. Appropriate pricing guidelines have been set, with a focus on consistent technical pricing across the organization.
Reinsurance Risk	Reinsurance risk refers to retention of risks beyond the company's net retention capacity without having adequate reinsurance and the inability of reinsurers to meet their commitments due to insufficient financial strength. The Company obtains reinsurance to limit its exposure to individual risks and aggregation of risks arising from individual large claims and catastrophe events. The types of reinsurance obtained are as follows; • Excess of loss reinsurance obtained to protect a range of individual inwards contracts which could give rise to individually large claims. • Facultative reinsurance obtained to reduce risk relating to an individual specific inwards contract. • Review adequacy of reinsurance support for catastrophe / extreme events on a regular basis • Re-insurance is done with Hannover Reinsurance for life insurance.
Claim Risk	Claim risk refers to the risk of over or under payment of claims, risk of not meeting the service standards set for claims payment process and claims cost exceeding the budgeted levels.

NOTE 38.02.01.01 - LIFE INSURANCE CONTRACTS

(A) Risk management identification

Life insurance products include protection and annuity covers.

Protection products carry mortality, longevity and morbidity risks as well as market and credit risks. The most significant factors that could increase the frequency of mortality claims are epidemics, such as Covid-19, strains of influenza, or lifestyle changes such as eating, drinking and exercise habits, resulting in earlier or more claims than expected. Morbidity claims experience would not only be affected by the factors mentioned above, but because disability is defined in terms of the ability to perform an occupation, it could also be affected by economic conditions. In order to reduce cross-subsidies in the pricing basis, premium are differentiated, where permitted, for example by product, age, gender and smoker status.

The policy terms and conditions and the disclosure requirements contained in insurance applications are designed to mitigate the risks arising from non-standard and unpredictable risks that may result in severe financial loss.

In life annuity business, the most significant insurance risk is continued medical advances and improvement in social conditions that lead to increase in longevity. Annuitant mortality assumptions include allowance for future mortality improvements.

In addition to the specific risks listed above, the Company is exposed to policyholder behavior and expense risks. Policyholder behavior risk is mitigated by product design that match revenue and expenses associated with the contract as closely as possible. Expense risk is mitigated by careful control of expenses and by regular expense analyses and allocation exercises.

The Group is exposed to two main types of concentration risks in its life business:

Market risk: interest rate guarantees expose the Group to financial losses that may arise as a result of adverse movements in financial markets.

Insurance risk: main factors include mortality risk, morbidity risk, longevity risk, policyholder behavior risk (lapse, anti-selection) and expense risk.

Accordingly having a well-diversified portfolio of products reduces risks associated with the life insurance business.

The Group's exposure to life insurance risks varies significantly by product lines and may change over time. The insurance risk described above is also affected by the contract holder's right to pay reduced premium or no future premium, to terminate the contract completely. As a result, the amount of insurance risk is also subject to contract holder behavior.

Following table illustrates the strategies followed by the Group to mitigate risks associated with life insurance.

Strategies associated with life insurance undertaking	• Focused training is provided to insurance advisors on proper selling in Sinhala, Tamil and English.
	• Maximum input is obtained from the consultant actuary and reinsurer in deciding on the terms and conditions of products in order to ensure that products are adequately priced.
Strategies associated with life insurance claims to manage within expected level	• Claims are reserved immediately at the intimation or on the availability of information of the death or injury of an insured.
	• The support of the reinsurers is obtained on reserving such claim liability and the share of reinsurers.
Reinsurance strategies associated with life insurance undertaking	• A very close and professional relationship is maintained with all reinsurers and reinsurance brokers
	• Frequent review of the outstanding reinsurance receivables.

Notes to the Financial Statements

(B) Concentration risk

The Group defines concentration risk in the life business as the risk of exposure to increased losses associated with inadequately diversified portfolios of assets and /or obligations.

A more diversified portfolio of risks is less likely to be affected across the Board by a change in any subset of risks.

The Company defines concentration risk in the life business as the risk of exposure to increased losses associated with inadequately diversified portfolios of assets and /or obligations.

Concentration risk within the Life Business

The following table shows the concentration of the participating and non-participating funds position of the Group.

	Insurance contract liabilities as at 31st December 2024 Rs.	Insurance contract liabilities as at 31st December 2023 Rs.
Participating	**2,555,219**	2,276,963
Non-participating	**2,279,229**	1,598,110
Liability in respect of bonuses declared in the current year- for participating policyholders	**21,760**	**17,572**
Total	**4,856,208**	**3,892,645**

(C) Assumptions in determining life insurance contract liabilities

Life insurance contracts, estimates are made in two stages. At the inception of the contract, the Group determines assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. Subsequently, new estimates are developed at each reporting date to determine whether liabilities are adequate in the light of the latest current estimates. Improvements in estimates have no impact on the value of the liabilities and related assets, while significant enough deteriorations in estimates have an impact.

Details of key assumptions used and basis of arriving for the same are summarised in following table:

Assumption	Basis of estimation
Risk free rate	The risk free rates have been set based on Sri Lankan Government Bond yields issued by IRCSL for the industry as at 31st December 2024.
Participating Fund yield	Based on the weighted average of projected asset mix and based on the expected yields for various asset types.
Mortality	Experience calibrated for the best estimate assumptions of mortality.
Morbidity	Morbidity rates based on mortality rates and reinsurance morbidity rates.
Expenses	Best estimate expense assumption is based on the Company specific expenses. For the purpose of the expense study, a functional split of expenses between acquisition or maintenance costs have been identified. These have been further identified as either fixed or variable based on the nature of expenses to determine a unit cost loading for use in the valuation.
Expense inflation	This is derived based on the weighted salary increment experience and the CPI inflation for non-salary expense items.
Lapse ratio	Lapse assumption of the Company is based on the experience analysis and historical trends during intervals of the policy tenure.
Bonus rates	Bonus rate scale assumption has been arrived based on bonus declared for the latest year, based on the Company management's views on policyholder reasonable expectations. This assumes that Company is at least expecting to maintain the current bonus levels into the future.

(D) Sensitivity analysis

Following table presents the sensitivity of the value of insurance liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance liabilities. For liabilities under life insurance contracts with fixed and guaranteed terms, changes in assumptions will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

No adjustments were required in 2024 or 2023, based on the results of the liability adequacy test. The table D indicates the level of the respective variable that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration in the variable.

Sensitivity of the value of insurance liabilities

The table below presents the sensitivity of the value of insurance liabilities to movements in the key assumptions used in the estimation of insurance liabilities, For liabilities under life insurance contracts with fixed and guaranteed terms, changes in assumptions will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

No adjustments were required in 2024 and 2023, based on the results of the liability adequacy test. The table D indicates the level of the respective variable that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration in the variable.

	Change in assumptions	Impact on liabilities 2024	2023
Mortality	10%	**3,891**	3,227
	-10%	**3,865**	3,206
Discount rate	5%	**3,855**	3,189
	-5%	**3,903**	3,246
Expenses	10%	**3,973**	3,312
	-10%	**3,786**	3,122

Note 38.02.01.02 - General Insurance Contracts

(A) Risk management identification

General insurance risks include the reasonable possibility of significant loss due to uncertainty in the frequency of the occurrence of the insured event as well as in the severity of the resulting claim. An overview of the Group's main lines of business is as follows;

Line of business	Description
Motor	Includes automobile physical damage, loss of the insured vehicle and automobile third party liability insurance.
Fire & engineering	Includes fire risks (for example fire, explosion and business interruption), natural perils (for example earthquake and flood), engineering lines (for example boiler explosion, machinery breakdown and construction).
Accident & liability	Includes general/public and product liability, excess and professional liability including medical malpractice, errors and omissions of liability.
Marine/ cargo	Coverage for special risk insurance and trip cargo insurance and contracts with open policy cargo insurance that covers all of a shipper's good in transit.

The Group's underwriting strategy is to take advantage of the diversification of general insurance risks across industries. The Group seeks to optimize shareholder value by achieving its equity goals. Doing so necessitates a prudent, stable underwriting philosophy that aims to take advantage of its competitive strengths while avoiding risks with disruptive volatility. At the core of the Group's underwriting is a robust governance process.

Notes to the Financial Statements

Following table illustrate the strategies followed by the Company to mitigates risk associates with general insurance.

Strategies associated with general insurance undertaking	• Limits are set on underwriting capacity, and authority granted to individuals based on their specific expertise.
	• Appropriate pricing guidelines have been set, with a focus on consistent technical pricing across the organization.
	• Diversified large portfolio of insurance contracts and geographical areas.
	• Careful selection and implementation of underwriting strategies.
Strategies associated with general insurance claims to manage within expected level	• Claims are assessed immediately upon intimation and reserved accordingly..
	• As we reserved the previous claim estimation upon intimation, after finalizing the actual claim liability company adjust the actual claim amount accordingly.
Reinsurance strategies associated with general insurance undertaking	• The service of a qualified independent actuary is obtained to assess the adequacy of reserves made in relation to incurred but not reported (IBNR) and incurred but not enough reported (IBNER) claims.
	• There are strict controls to ensure that no insurance cover is issued without a proper reinsurance arrangement backing the cover.
	• Review adequacy of reinsurance support for catastrophe / extreme events on a regular basis.
	• Periodic review of the credit rating and ensuring all reinsurers maintain the rating throughout the year.

(B) Assumptions in determining general insurance contract liabilities

The principal assumption underlying the liability estimates is that general insurance's future claims development may follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are also used to assess the extent to which liabilities may arise in the future, but exclude one-off occurrences, changes in market factors such as public attitude to claiming, economic conditions, and internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

(C) Sensitivity analysis

The following analysis is performed for possible movements in claims outstanding with all other assumptions held constant, showing the impact on gross and net liabilities. It should be noted that movements in these assumptions are non- linear.

		Impact on liabilities	
	Change in assumptions	2024 Rs.'000'	2023 Rs.'000'
Reported claims outstandings	10%	3,528,410	3,670,485
	-10%	3,330,747	3,479,041

(D) Reinsurance risk

The Group obtains reinsurance to limit its exposure to individual risks and aggregation of risks arising from individual large claims and catastrophic events. The types of reinsurance obtained are as follows;

- Excess of loss reinsurance obtained to protect a range of individual inwards contracts which could give rise to individually large claims.
- Facultative reinsurance obtained to reduce risk relating to an individual specific inwards contracts.

Notwithstanding to the advantages reinsurance provides insurers, it can expose them, at varying degrees, to various risks inherent in its use. A new or continuing reinsurance contract could give rise to one or more of the following risks;

- residual insurance risk
- legal risk
- counterparty risk
- liquidity risk

Considering the above factors the overall risk management strategy cedes insurance risk through proportional, non-proportional and specific reinsurance treaties.

As at 31st December 2024, 99% of our reinsurance receivable were due from reinsurers with a rating of 'B+' or better and from the National Insurance Trust Fund (NITF). There were no collateral against reinsurance receivables as at the reporting date.

The ratings of reinsurer's and their related rating agencies are as follows:

Reinsurer	Country of origin	Rating	Rating agency
General Insurance Corporation of India	India	bbb+	A M Best
African Reinsurance Corporation	Nigeria	a	A M Best
Malaysian National Reinsurance Berhad	Malaysia	a-	A M Best
First Capital Insurance Limited	Singapore	a-	A M Best
Santam Re	Switzerland	aa	Standard & Poor
National Insurance Trust Fund	Sri Lanka	Government security	Not applicable
Qatar Insurance Company	Qatar	a-	Standard & Poor
Ocean International Reinsurance Company Ltd	Panama	a-	A M Best
Best meridian insurance company	Cayman Islands	a-	A M Best
Oman re insurance	Oman	bbb-	Fitch
New India Re	India	bbb+	A M Best

Notes to the Financial Statements

(E) Concentration risk

For general insurance contracts, the most significant risks arise from the motor class.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts into different classes as mentioned earlier. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of types of risk and levels of insured benefits.

Concentration risk based on classes within the general insurance business based on the gross written premium is as follows:

	2024				2023			
Class	Gross written premium Rs.'000'	Reinsurance Rs.'000'	Net written premium Rs.'000'	%	Gross written premium Rs.'000'	Reinsurance Rs.'000'	Net written premium Rs.'000'	%
Motor	**3,503,414**	**919,648**	**2,583,766**	**77%**	3,591,355	274,993	3,316,363	79%
Fire & engineering	**283,616**	**242,885**	**40,731**	**6%**	318,852	263,501	55,351	7%
Marine	**45,993**	**33,684**	**12,309**	**1%**	40,252	29,982	10,270	1%
Miscellaneous	**692,651**	**166,911**	**525,739**	**15%**	588,098	154,185	433,913	13%
Total	**4,525,674**	**1,363,127**	**3,162,546**	**100%**	4,538,557	722,660	3,815,897	100%

(F) Sources of uncertainty in the estimation of future claim payments

The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and large element of the claims provision related to incurred but not reported (IBNR) claims. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management they adopt.

(G) Estimation of IBNR reserve

The IBNR claims reserve has been actuarially computed by NMG Consulting (NMG). The valuation is determined using internationally accepted actuarial techniques.

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate the quantitative sensitivity analysis. NMG uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. The two methods more commonly used are the Chain-Ladder and the Bornhuetter-Ferguson.

Generally, NMG has given higher credibility to the chain ladder method on cumulative claims reported basis for each class of business. In general, the reported basis would display more stability relative to the paid basis, especially for more recent accident years. To increase consistency, the BF method uses results from the 31st December 2011 analysis as the seed loss ratio for each accident year and a projected loss ratio for the latest accident year. Loss development factors, NMG has used loss development factors based on weighted averages except where;

- The weighted average is contrary to a trend in the recent ratios. For some classes, the trend in loss development factors applies only to certain development years.
- Payments in particular years are clearly out of line relative to those in other years, in which case such outliers are disregarded in selecting the loss development factors.

(H) Estimation of IBNR reserve

Sensitivity of profit before tax and net assets due to increase in net claims ratio:

+1% In claim ratio	2024 Rs.'000	2023 Rs.'000
Net impact to profit before tax	**1,916**	(3,861)
Impact to net assets	**62,284**	56,417

NOTE 38.02.02 - CREDIT RISK

(A) Introduction to risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other banks, and investment debt securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposures (such as individual obligor default risk, country and sector risk). The Group is exposed to credit risk on securities issued by third parties. The debt security investments are broadly categorized into investments in government securities and investments in corporate debt securities.

The Group's credit risk could mainly arise from;

- Financial investments in debt securities
- Reinsurance receivables
- Premium receivables
- Loans to life policyholders and others
- Cash and cash equivalents, excluding cash in hand
- Other financial receivables

The Group manages credit risk exposure within parameters that reflect the Group's strategic objectives and risk tolerance. Sources of credit risk are identified, assessed and monitored, and the Group has policies to manage the specific risks within the various subcategories.

(B) Credit risk exposure

Group's exposure to credit risk as at the financial position date is given in the tables below with the comparative figures and has been derived as per the Group risk management policy of using the carrying values in the statements of financial position.

		2024				2023			
	Note	Group Rs.000	% of allocation	Company Rs.000	% of allocation	Group Rs.000	% of allocation	Company Rs.000	% of allocation
Debt securities - held to maturity	6.2	**7,576,921**	**65%**	**2,835,157**	**42%**	7,310,712	72%	3,246,735	55%
Debt securities - loans & receivables	6.2	**1,339,718**	**11%**	**1,339,718**	**20%**	82,400	1%	82,400	1%
Debt securities - available for sale	6.3	**2,155**	**0%**	**-**	**0%**	1,475	0%		0%
Total debt securities		**8,918,795**	**76%**	**4,174,875**	**62%**	7,394,587	73%	3,329,135	57%
Life policyholders loans	8	**105,103**	**1%**		**0%**	71,347	1%		0%
Reinsurance receivables	9	**1,224,981**	**10%**	**1,217,562**	**18%**	983,827	10%	971,308	17%
Premium receivables	10	**1,109,396**	**9%**	**1,086,754**	**16%**	1,304,668	13%	1,285,547	22%
Other assets	11	**225,261**	**2%**	**154,859**	**2%**	195,084	2%	136,863	2%
Cash & cash equivalents	12	**127,374**	**1%**	**98,253**	**1%**	163,864	2%	133,580	2%
Total credit risk exposure		**11,710,910**	**100%**	**6,732,303**	**100%**	10,113,376	100%	5,856,432	100%

Notes to the Financial Statements

The Group is exposed to credit risk on securities issued by third parties. The Group limits its exposure by analyzing the credit worthiness of each debt security investment. The credit worthiness of a potential debt security investment is assessed mainly through ratings assigned to the issuing institution or the ratings assigned to an issue. The debt security investments are broadly categorized into investments in government securities and investments in corporate debt securities.

Cooplife Insurance Limited has reclassified all of its Treasury Bond and Debenture portfolio from Available-For-Sale (AFS) financial asset category to Held to Maturity (HTM) category on 01st January 2022 due to change in intention from "holding or selling" to "hold until maturity" after assessing the projected business plans and the need for liquidity. As per LKAS 39, reclassification to Held to Maturity is permitted when the entity has the ability and intention to hold financial assets until maturity. At the reclassification date, the market value of the Treasury Bonds and Debentures become its new cost or amortized cost and subsequently, HTM assets are measured at amortized cost. Further, for a financial asset with a fixed maturity reclassified out of the 'AFS' category, any previous gain or loss on that asset that has been recognised in equity is amortized to profit or loss over the remaining life of the asset using the EIR (Effective Interest Rate). Such amortization has been recognized under interest income line in the profit or loss.

The tables below set out information about the credit quality of financial investments (government securities and corporate debt securities) and the allowance for impairment loss held by the Group against the assets.

	Carrying amount as at 31st December 2024						
Group	Held to maturity financial assets Rs.'000'	Loans & receivables Rs.'000'	Available for sale financial assets Rs.'000'	Financial assets at fair value though profit or loss Rs.'000'	Cash & cash equivalents Rs.'000'	Total Rs.'000'	%
AAA+ to AAA-	-	-	-	-	-	-	0%
AA+ to AA-	318,380	1,567,366	-	-	-	1,885,746	15%
A+ to A-	1,767,159	1,587,149	-	-	-	3,354,308	26%
BBB+ to BBB-	1,071,536	593,132	-	-	-	1,664,668	13%
BB+ to BB-		-	-	-	-	-	0%
Government guaranteed	4,419,847	1,339,718	-	-	-	5,759,565	45%
Not rated		-	19,408	2,155	127,374	148,938	1%
Total	7,576,921	5,087,365	19,408	2,155	127,374	12,813,224	100%
Allowance for impairment		-	-	-	-	-	0%
As at 31st December 2024	7,576,921	5,087,365	19,408	2,155	127,374	12,813,224	100%

	Carrying amount as at 31st December 2023						
Group	Held to maturity financial assets Rs.'000'	Loans & receivables Rs.'000'	Available for sale financial assets Rs.'000'	Financial assets at fair value though profit or loss Rs.'000'	Cash & cash equivalents Rs.'000'	Total Rs.'000'	%
AAA+ to AAA-	-	-	-	-	-	-	0%
AA+ to AA-	-	383,386	-	-	-	383,386	3%
A+ to A-	2,755,911	2,816,223	-	-	-	5,572,135	49%
BBB+ to BBB-	763,930	702,251	-	-	-	1,466,181	13%
BB+ to BB-	-	-	-	-	-	-	0%
Government guaranteed	3,790,870	82,400	-	-	-	3,873,270	34%
Not rated	-	-	14,573	1,475	163,864	179,912	2%
Total	7,310,712	3,984,261	14,573	1,475	163,864	11,474,884	100%
Allowance for impairment	-	-	-	-	-	-	0%
As at 31st December 2023	7,310,712	3,984,261	14,573	1,475	163,864	11,474,884	100%

	Carrying amount as at 31st December 2024						
Company	Held to maturity financial assets Rs.'000'	Loans & receivables Rs.'000'	Available for sale financial assets Rs.'000'	Financial assets at fair value though profit or loss Rs.'000'	Cash & cash equivalents Rs.'000'	Total Rs.'000'	%
AAA+ to AAA-	-	-	-	-	-	-	0%
AA+ to AA-	214,780	1,114,011	-	-	-	1,328,791	20%
A+ to A-	1,046,845	965,525	-	-	-	2,012,370	30%
BBB+ to BBB-	213,007	418,982	-	-	-	631,989	9%
BB+ to BB-	-		-	-	-	-	0%
Government guaranteed	1,360,526	1,339,718	-	-	-	2,700,244	40%
Not rated	-	-	19,408	-	98,253	117,661	2%
Total	2,835,157	3,838,237	19,408	-	98,253	6,791,055	100%
Allowance for impairment	-	-	-	-	-	-	0%
As at 31st December 2024	2,835,157	3,838,237	19,408	-	98,253	6,791,055	100%

	Carrying amount as at 31st December 2023						
Company	Held to maturity financial assets Rs.'000'	Loans & receivables Rs.'000'	Available for sale financial assets Rs.'000'	Financial assets at fair value though profit or loss Rs.'000'	Cash & cash equivalents Rs.'000'	Total Rs.'000'	%
AAA+ to AAA-	-	-	-	-	-	-	0%
AA+ to AA-	-	-	-	-	-	-	0%
A+ to A-	1,741,359	2,421,855	-	-	-	4,163,214	63%
BBB+ to BBB-	212,933	700,391	-	-	-	913,323	14%
BB+ to BB-	-	-	-	-	-	-	0%
Government guaranteed	1,292,443	82,400	-	-	-	1,374,843	21%
Not rated	-	-	14,573	-	133,580	148,153	2%
Total	3,246,735	3,204,646	14,573	-	133,580	6,599,534	100%
Allowance for impairment	-	-	-	-	-	-	0%
As at 31st December 2023	3,246,735	3,204,646	14,573	-	133,580	6,599,534	100%

Following are some strategies followed by the Group to mitigate credit risk in investments.

- Checking the credit worthiness of potential investees, mainly through ratings assigned to the issuing institution or the ratings assigned to the issue.
- Deciding on single party exposure limits based on the credit ratings and regulatory requirements and monitoring them closely at different levels.
- Adhering to the guidelines on selection of primary dealer with regard to government security investments.
- Conducting a detailed analysis of individual counterparties for each equity and corporate debt investment before taking investment decisions..

Notes to the Financial Statements

The following table provides information relating to credit risk exposure of other financial assets:

Group	Reinsurance receivables		Premium receivables	
	2024	2023	2024	2023
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Maximum exposure to credit risk				
Neither past dues nor impaired	**121,164**	207,838	**1,001,299**	1,170,880
Past dues but not impaired				
61-90 days	**45,830**	30,042	**107,603**	133,932
91-365 days	**369,470**	271,900	**19,439**	145,511
365 days +	**547,172**	380,953	**115,403**	83,483
Total	**1,083,636**	**890,733**	**1,243,745**	**1,533,805**
Impaired			**(134,348)**	(229,135)
IBNR	**141,345**	93,095	**-**	-
Total	**1,224,980**	**983,828**	**1,109,397**	**1,304,669**

Company	Reinsurance receivables		Premium receivables	
	2024	2023	2024	2023
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Maximum exposure to credit risk				
Neither past dues nor impaired	**120,896**	203,804	**978,657**	1,151,758
Past dues but not impaired				
61-90 days	**43,103**	29,340	**107,369**	133,828
91-365 days	**368,411**	266,735	**19,430**	142,463
365 days +	**543,808**	378,334	**115,403**	83,102
Total	**1,076,218**	**878,213**	**1,220,860**	**1,511,150**
Impaired	**-**	-	**(134,106)**	(225,603)
IBNR	**141,345**	93,095	**-**	-
Total	**1,217,562**	**971,308**	**1,086,754**	**1,285,547**

(C) Credit risk relating to reinsurance receivable

As part of its overall risk management strategy, the Group cedes insurance risk through proportional, non-proportional and specific risk reinsurance treaties. While these mitigate insurance risk, the recoverables from reinsurers and receivables arising from ceded reinsurance, exposes the Group to credit risk.

Reinsurance is placed in line with policy guidelines approved by the Board of Directors on an annual basis in line with the guidelines issued by the Insurance Board of Sri Lanka and concentration of risk is managed by reference to counterparties' limits that are set each year and are subject to regular reviews.

There were no collateral against reinsurance receivables as at the reporting date.

The Group follow policies and procedures to mitigate credit risk in premium receivables by conducting follow-up meetings on debt collections on a monthly basis and processing claims only for the premium settled policies.

Credit risk of reinsurance receivables by rating class have been illustrated below in order to ensure that the Company has significant control over managing them.

Ratings - Non-life	2024				2023			
	On paid claims Rs.'000'	On reserve Rs.'000'	Total Rs.'000'	%	On paid claims Rs.'000'	On reserve Rs.'000'	Total Rs.'000'	%
AAA	-	-	-	0%	-	-	-	0%
AA-	-	-	-	0%	-	-	-	0%
AA	120,696	21,596	142,293	12%				
A+	-	-	-	0%	122	-	122	0%
A	-	-	-	0%	-	-	-	0%
A-	235,750	104,149	339,899	28%	194,746	109,340	304,086	31%
BB+	-	-	-	0%	-	-	-	0%
BB	-		-	0%	80,097	24,173	104,271	11%
B++	-	-	-	0%	-	-	-	0%
B+	-	-	-	0%	-	-	-	0%
BBB+	224,480	26,240	250,721	21%	211,500	34,088	245,588	25%
BBB-	-	1,405	1,405	0%	-	1,921	1,921	0%
NITF	269,932	71,968	341,900	28%	148,277	73,947	222,224	23%
Unrated	-	-	-	0%	-	-	-	0%
Total	850,858	225,359	1,076,218	88%	634,743	243,470	878,213	90%
IBNR	-	-	141,345	12%	-	-	93,095	10%
Total reinsurance receivables	850,858	225,359	1,217,562	100%	634,743	243,470	971,308	100%

Ratings - Life	2024				2023			
	On paid claims Rs.'000'	On reserve Rs.'000'	Total Rs.'000'	%	On paid claims Rs.'000'	On reserve Rs.'000'	Total Rs.'000'	%
A-	-	-	-	0%	-	-	-	0%
AA-	2,374	5,044	7,418	100%	2,727	9,792	12,519	100%
Total reinsurance receivables	2,374	5,044	7,418	100%	2,727	9,792	12,519	100%

(D) Credit risk relating to reinsurance receivables

The following table provides information relating to credit risk exposure of reinsurance assets.

Group	Up to 30 days	31-60 days	Above 60 days	Total receivables
As at 31st December 2024 (Rs.'000')	56,254	65,193	962,189	1,083,636
As at 31st December 2023 (Rs.'000')	75,265	133,273	682,193	890,731

Company	Up to 30 days	31-60 days	Above 60 days	Total receivables
As at 31st December 2024 (Rs.'000')	55,986	64,910	955,322	1,076,218
As at 31st December 2023 (Rs.'000')	74,612	129,192	674,409	878,213

Notes to the Financial Statements

(E) Credit risk relating to loans

The following table illustrates how the loans have been segregated amongst different categories.

	Group		Company	
	2024	2023	2024	2023
Loan categories	Rs. 000	Rs.000	Rs.000	Rs.000
Staff loans	**8,190**	11,524	**5,538**	7,817
Loans to policyholders	**105,103**	71,346	**-**	-
Loans to field staff	**4,218**	5,044	**-**	-
Total	**117,511**	**87,914**	**5,538**	**7,817**

The Group grants loan facilities to staff including field staff after a robust process of evaluating the credit worthiness of the individual, value of the facility and the related collateral. The field staff loan and 45% of staff loan portfolios are largely made-up of vehicle loans and the Group has undertaken the absolute ownership of those vehicles as collateral.

(F) Credit risk relating to cash & cash equivalents

The Group held cash and cash equivalents of Rs. 123 million at 31 December 2024 (2023 - 164 million). The cash and cash equivalents are held with banks and financial institutional counterparties, which are rated BBB+ or better except for cash in hand & cash in transit of Rs. 15.4 million (2023 - 6.9 million)

(G) Concentration of credit risk - financial investments in debt securities

The Group actively manages its investment mix to ensure that there is no significant concentration of credit risk. The Group monitors concentration of credit risk by sector and instruments. An analysis of concentration of credit risk from financial investments is shown below:

	Group		Company	
As at 31st December	2024	2023	2024	2023
Government securities & related institutions	**45%**	34%	**40%**	21%
Corporate debt securities.	**31%**	38%	**28%**	38%
Equity instruments	**18%**	23%	**31%**	39%
Others	**5%**	5%	**0%**	2%
Total	**100%**	**100%**	**100%**	**100%**

NOTE 38.02.03 - LIQUIDITY RISK

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due, or would have to incur excessive costs to do so. In respect of catastrophic / unexpected large claim events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the exposure to liquidity risk:

- The investment committee manages this risk by diversifying investment durations and reviewing cash flow projections regularly.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure availability of sufficient funding to meet insurance and investment contract obligations.
- Maintaining sufficient cash balances, repurchase agreements and other short tenure investments to accommodate expected obligations and commitments of the Group.
- Reviewing the maturity mix of the investment portfolio by the management and the investment committee on a regular basis.

(A) Maturity analysis

Following table summarizes the maturity profiles of non-derivative financial assets and financial liabilities based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contract liabilities and reinsurance receivables, maturity profiles are determined based on estimated timing of net cash outflows from recognized insurance liabilities.

(B) Maturity profile

	As at 31st December 2024				
Group	Total Rs.'000'	Less than one year Rs.'000'	One to three years Rs.'000'	Three to Five years Rs.'000'	More than Five years Rs.'000'
Assets					
Financial investments	**12,685,850**	**5,667,307**	**4,058,847**	1,533,278	1,426,417
Loans to policyholders	**105,103**	**21,585**	**30,754**	29,111	23,653
Reinsurance receivables	**1,224,980**	**1,224,980**			
Premium receivables	**1,109,396**	**1,109,396**			
Cash and cash equivalents	**127,374**	**127,374**			
Total assets	**15,252,703**	**8,150,642**	**4,089,601**	1,562,389	1,450,070
Liabilities					
Insurance contract liabilities- non life	**3,429,579**	**2,796,504**	**277,262**	166,420	189,391
Lease creditors	**409,020**	**68,026**	**128,072**	104,668	108,254
Reinsurance payables	**1,081,153**	**1,081,153**			
Other financial liabilities	**1,085,588**	**1,085,588**			
Bank overdrafts	**291,021**	**291,021**			
Total liabilities	**6,296,360**	**5,322,292**	**405,334**	271,088	297,646

	As at 31st December 2023				
Group	Total Rs.'000'	Less than one year Rs.'000'	One to three years Rs.'000'	Three to Five years Rs.'000'	More than Five years Rs.'000'
Assets					
Financial investments	**11,311,021**	**4,751,969**	**4,790,620**	1,105,691	662,741
Loans to policyholders	**71,347**	**10,803**	**35,336**	17,541	7,667
Reinsurance receivables	**983,828**	**983,828**	**-**	-	-
Premium receivables	**1,304,669**	**1,304,669**	**-**	-	-
Cash and cash equivalents	**163,864**	**163,864**	**-**	-	-
Total assets	**13,834,728**	**7,215,132**	**4,825,956**	1,123,232	670,408
Liabilities					
Insurance contract liabilities - non-life	**3,574,763**	**2,914,888**	**288,999**	173,466	197,410
Lease creditors	**457,264**	**66,096**	**123,316**	121,487	146,365
Reinsurance payables	**835,342**	**835,342**	**-**	-	-
Other financial liabilities	**1,097,055**	**1,097,055**	**-**	-	-
Bank overdrafts	**131,588**	**131,588**	**-**	-	-
Total liabilities	**6,096,012**	**5,044,969**	**412,315**	294,953	343,775

Notes to the Financial Statements

Company	Total Rs.'000'	Less than one year Rs.'000'	One to three years Rs.'000'	Three to Five years Rs.'000'	More than Five years Rs.'000'
	As at 31st December 2024				
Assets					
Financial investments	6,692,802	4,000,948	2,192,362	499,492	-
Reinsurance receivables	1,217,562	1,217,562	-	-	-
Premium receivables	1,086,754	1,086,754	-	-	-
Cash and cash equivalents	98,253	98,253	-	-	-
Total assets	9,095,371	6,403,517	2,192,362	499,492	-
Liabilities					
Insurance contract liabilities - non-life	3,429,579	2,796,504	277,262	166,419	189,391
Lease creditors	323,963	64,496	96,546	78,713	84,208
Reinsurance payables	1,081,153	1,081,153	-	-	-
Other financial liabilities	961,385	961,385	-	-	-
Bank overdrafts	291,021	291,021	-	-	-
Total liabilities	6,087,100	4,933,998	401,853	264,479	315,703

Company	Total Rs.'000'	Less than one year Rs.'000'	One to three years Rs.'000'	Three to Five years Rs.'000'	More than Five years Rs.'000'
	As at 31st December 2023				
Assets					
Financial investments	6,465,954	3,347,660	2,648,149	320,885	149,260
Reinsurance receivables	971,308	971,308	-	-	-
Premium receivables	1,285,547	1,285,547	-	-	-
Cash and cash equivalents	133,580	133,580	-	-	-
Total assets	8,856,389	5,738,095	2,648,149	320,885	149,260
Liabilities					
Insurance contract liabilities - non-life	3,574,763	2,914,888	288,999	173,465	197,409
Lease creditors	386,976	64,816	112,854	91,013	118,293
Reinsurance payables	830,450	830,450	-	-	-
Other financial liabilities	992,256	992,256	-	-	-
Bank overdrafts	131,588	131,588	-	-	-
Total liabilities	5,916,033	4,933,998	401,853	264,479	315,703

Financial assets pledged as collateral

There were no financial assets pledged as collateral during the year ended 31st December 2024.

NOTE 38.02.04 - MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks:

Note 38.02.04.01 - Equity price risk

Note 38.02.04.02 - Foreign exchange risk

Note 38.02.04.03 - Interest rate risk

Exposure to market risk on these products is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

The following policies and procedures are in place to mitigate the Group's exposure to market risk.

- Macro-economic indicators and their impact on the Group's investment portfolio are monitored closely by the management.
- Impact from the market movement is monitored and warnings are sent to the managing director and the Board of Directors of high volatilities in the market.
- Total exposure to equity investments is made strictly within the agreed target asset allocation and sectorial equity limits.
- Equity investments are made in fundamentally sound stocks which are identified after an in-depth research and evaluation process.

NOTE 38.02.04.01 - EQUITY PRICE RISK

Listed equity securities are susceptible to market price risk arising from uncertainties of future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity portfolio investments. The Group's equity risk management policies are;

- Equity investment decisions are based on fundamentals rather than on speculation.
- Decisions are based on in depth macroeconomic and industry analysis as well as research reports on Group performance.

The risk exposure to listed equity securities as at 31st December 2024 with the comparatives are as follows;

	Life		Non-Life	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Listed equity investments	**16,315**	9,922	**14,160**	8,447

Following table shows the sector diversity of quoted equity investments of the Group.

	Group				Company			
	2024		2023		2024		2023	
Sector	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Construction & engineering	**-**	**0%**	-	0%	**-**	**-**	-	-
Manufacturing	**-**	**0%**	-	0%	**-**	**-**	-	-
Capital goods	**554,411**	**7%**	687	7%	**-**	**-**	-	-
Retail	**156,000**	**1%**	72	1%	**-**	**-**	-	-
Beverage food & tobacco	**-**	**0%**	-	0%	**-**	**-**	-	-
Banks finance & insurance	**1,080,810**	**89%**	8,843	89%	**8,447**	**100%**	8,447	100%
Hotels & travels	**364,000**	**3%**	320	3%	**-**	**-**	-	-
Total	**2,155,221**	**100%**	9,922	100%	**8,447**	**100%**	8,447	100%

Notes to the Financial Statements

The table below shows the estimated impact from a 10 percent decline in the stock market, on the net assets of the Company.

	Group		Company	
	Net impact on net assets			
	2024	2023	2024	2023
10% decline in stock market	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Investments	**16,315**	9,922	**14,160**	8,447
Net impact on net assets	**(1,631)**	(992)	**(1,416)**	(845)

NOTE 38.02.04.02 - FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk of loss resulting from changes in exchange rates. The Group's principal operation is based in Sri Lanka and therefore is not exposed to the financial impact arising from changes in the exchange rates of various currencies.

(A) Foreign currency exposures other than in respect of foreign operations

	Group				Company			
	2024		2023		2024		2023	
	Amount in foreign currency USD	Amount in local currency Rs.	Amount in foreign currency USD	Amount in local currency Rs.	Amount in foreign currency USD	Amount in local currency Rs.	Amount in foreign currency USD	Amount in local currency Rs.
Foreign currency deposits	**153,752**	**45,004,760**	132,300	42,862,463	**153,752**	**45,004,760**	132,300	42,862,463

(B) Sensitivity analysis

The table below shows the estimated impact to the profitability when the foreign currency rate movements against the domestic currency.

	Group		Company	
	Impact to PBT			
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
5% Strengthening of Rupee	**(2,250,238)**	(238,416)	**(2,250,237)**	(238,416)
5% Weakening of Rupee	**2,250,238**	238,416	**2,250,237**	238,416
+/- Impact on profit	**0.706%**	-0.064%	**-0.667%**	-0.071%

NOTE 38.02.04.03 - INTEREST RATE RISK

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in market interest rates.

The Group has adopted the following policies to manage interest rate risk

- The investment committee members keep a regular track of macroeconomic scenarios and their likely impact on interest rates
- Initial recognition of investments is closely monitored

Floating rate instruments expose the Group to cash flow fluctuations, whereas fixed interest rate instruments expose the Group to changes in fair values.

As at 31st December 2024 there were no cash flow interest rate exposures, as the Group did not have any floating rate investments. However, the Group is exposed to fair value fluctuations on fixed rate investments which are measured at fair value. The following table present the financial assets and financial liabilities which are subjective to the interest rate risk by the Group and the Company.

(A) Exposure to interest rate risk

	2024				2023			
Financial assets- Group	Variable interest rate Rs.'000'	Fixed interest rate Rs.'000'	Non-interest bearing Rs.'000'	Total Rs.'000'	Variable interest rate Rs.'000'	Fixed interest rate Rs.'000'	Non-interest bearing Rs.'000'	Total Rs.'000'
Financial instruments- held maturity	-	7,576,921	-	7,576,921	-	7,310,712	-	7,310,712
Financial instruments- loans & receivables	604,209	4,483,156	-	5,087,365	362,534	3,621,727	-	3,984,261
Financial instruments- available for sale	-	-	19,408	19,408	-	-	14,573	14,573
Financial instruments- FCTP	-	-	2,155	2,155	-	1,475	-	1,475
Loans to life policyholders	-	105,103	-	105,103	-	71,347	-	71,347
Staff & other loans	5,538	6,870	-	12,408	7,817	8,751	-	16,569
Cash & cash equivalents	-	100,509	26,865	127,374	-	134,350	29,513	163,864
Total assets- Group	609,748	12,272,559	48,428	12,930,735	370,351	11,148,363	44,086	11,562,800
Commission payable	-	96,104	16,438	112,542	-	107,205	14,032	121,237
Bank overdrafts	-	291,021	-	291,021	-	131,588	-	131,588
Total liabilities- Group	-	387,126	16,438	403,564	-	238,793	14,032	252,825

	2024				2023			
Financial assets- Company	Variable interest rate Rs.'000'	Fixed interest rate Rs.'000'	Non-interest bearing Rs.'000'	Total Rs.'000'	Variable interest rate Rs.'000'	Fixed interest rate Rs.'000'	Non-interest bearing Rs.'000'	Total Rs.'000'
Financial instruments- held maturity	-	2,835,157	-	2,835,157	-	3,246,735	-	3,246,735
Financial instruments- loans & receivables	-	3,838,237	-	3,838,237	-	3,204,647	-	3,204,647
Financial instruments- available for sale	-	-	19,408	19,408	-	-	14,573	14,573
Staff & other loans	5,538	-	-	5,538	7,817	-	-	7,817
Cash & cash equivalents	-	95,405	2,848	98,253	-	130,265	3,316	133,580
Total assets- Company	5,538	6,768,799	22,256	6,796,593	7,817	6,581,646	17,888	6,607,352
Commission payable	-	96,104	-	96,104	-	107,205	-	107,205
Bank overdrafts	-	291,021	-	291,021	-	131,588	-	131,588
Total liabilities- Company	-	387,126	-	387,126	-	238,793	-	238,793

Notes to the Financial Statements

(B) Sensitivity analysis

The table below shows the estimated impact on profitability and equity due to fluctuations of interest rates on the fixed rate available for sale financial assets.

Sensitivity of profit before tax and equity to changes in interest rates.

	2024					2023				
	Impact on profit before tax	Impact on equity change in variables				Impact on profit before tax	Impact on equity change in variables			
Group		Up to one year	1-5 years	Over 5 years	Total		Up to one year	1-5 years	Over 5 years	Total
(+) 100 basis points	-	-	-	-	-	-	-	-	-	-
(-) 100 basis points	-	-	-	-	-	-	-	-	-	-

There is no impact of changing interest rates, since the Company has reclassified investments in 2017 and now all the investments are on fixed rates.

NOTE 38.02.04.04 - OPERATING RISK

This is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Operational failures could result in dire consequences such as producing misleading financial information, loss of return, financial penalties from regulators or damage to the reputation of the Group. Operational risks arise from all operations of the Group.

While it is acknowledged that the Group cannot eliminate all operational risks, it is in a position to manage such risks by initiating a rigorous control framework and by monitoring and responding to potential risks.

Group's risk management team assesses all foreseeable risk involved in its operations and they develop and implement action plans to control those identified operational risks. These action plans recommended by the team is to manage the operational risks in the following areas:

- requirements for having appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- training and professional development
- risk mitigation where it is cost effective.

SEGMENTAL REVIEW
STATEMENT OF FINANCIAL POSITION - 2024

	Company (Non-Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation adjustments Rs.	Total Rs.
Assets					
Property, plant & equipment	1,116,182,937	313,608,612	-	-	1,429,791,549
Work in progress (WIP) -Building	12,012,088	-	-	-	12,012,088
Right of use assets	264,148,227	72,222,735	-	-	336,370,962
Intangible assets	19,975,556	6,228,920	-	-	26,204,475
Deferred tax asset	-	-	-	-	-
Financial investments	6,692,802,195	5,991,547,965	1,500,000	-	12,685,850,160
Investments in subsidiaries	544,260,050	-	-	(544,260,050)	-
Loans to policy holders	-	105,103,118	-	-	105,103,118
Reinsurance receivables	1,217,562,334	7,418,399	-	-	1,224,980,733
Premiums receivable	1,086,754,021	22,642,269	-	-	1,109,396,290
Related party receivables	17,700,070	-	-	(17,700,070)	-
Other assets	154,859,011	70,328,959	72,740	-	225,260,710
Cash & cash equivalents	98,252,723	24,017,129	5,104,121	-	127,373,973
Total Assets	11,224,509,211	6,613,118,107	6,676,861	(561,960,121)	17,282,344,059
Equity & Liabilities					
Equity					
Stated capital	2,198,315,515	544,260,040	10	(544,260,050)	2,198,315,515
Revaluation reserve	1,090,041,186	242,778,508	-	(18,228,939)	1,314,590,754
Available for sales reserve	(6,626,274)	(34,436,363)	-	(31,137,497)	(72,200,124)
Retained earnings	1,693,438,456	705,886,476	581,862	49,366,436	2,449,273,229
Non controlling interest	-	-	-	-	-
Total equity	4,975,168,883	1,458,488,660	581,872	(544,260,051)	5,889,979,374
Liabilities					
Preference shares	11,000,000	-	-	-	11,000,000
Retirement benefit obligations	104,276,220	20,558,140	-	-	124,834,359
Interest bearing borrowings	-	-	-	-	-
Lease liability under SLFRS 16	323,962,598	85,056,724	-	-	409,019,322
Insurance liabilities	3,429,578,736	4,898,711,974	-	-	8,328,290,712
Reinsurance creditors	1,081,152,566	-	-	-	1,081,152,566
Related party payables	-	11,851,221	5,839,093	(17,690,314)	-
Deferred tax liability	46,963,905	14,494,289	-	-	61,458,195
Other liabilities	961,384,958	123,957,098	255,896	(9,756)	1,085,588,185
Bank overdrafts	291,021,345	-	-	-	291,021,345
Total liabilities	6,249,340,328	5,154,629,447	6,094,989	(17,700,070)	11,392,364,684
Total Equity & Liabilities	11,224,509,211	6,613,118,107	6,676,861	(561,960,121)	17,282,344,059

SEGMENTAL REVIEW
STATEMENT OF FINANCIAL POSITION - 2023

	Company (Non-Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation adjustments Rs.	Total Rs.
Assets					
Property, plant & equipment	1,108,685,485	365,171,115	285,000	-	1,474,141,601
Work in progress (WIP) -Building	-	-	-	-	-
Right of use assets	326,506,466	55,000,575	-	-	381,507,041
Intangible assets	22,797,959	235,616	-	-	23,033,574
Deferred tax asset	-	-	-	-	-
Financial investments	6,465,953,900	4,843,567,265	1,500,000	-	11,311,021,164
Investments in subsidiaries	544,260,050	-	-	(544,260,050)	-
Loans to policy holders	-	71,346,801	-	-	71,346,801
Reinsurance receivables	971,307,802	12,519,527	-	-	983,827,327
Premiums receivable	1,285,546,668	19,121,608	-	-	1,304,668,276
Related party receivables	8,830,924	-	-	(8,830,924)	-
Other assets	136,862,743	57,308,089	913,213	-	195,084,063
Cash & cash equivalents	133,580,333	26,197,582	4,085,621	-	163,863,535
Total Assets	**11,004,332,330**	**5,450,468,178**	**6,783,834**	**(553,090,975)**	**15,908,493,383**
Equity & liabilities					
Equity					
Stated capital	2,198,315,515	544,260,040	10	(544,260,050)	2,198,315,515
Revaluation reserve	1,004,461,996	248,323,743	-	(18,228,939)	1,234,556,805
Available for sale reserves	(12,432,304)	(33,281,333)	-	(31,137,497)	(76,851,130)
Retained earnings	1,736,965,015	543,449,554	725,937	49,366,436	2,330,506,942
Non controlling interest	-	-	-	-	-
Total equity	**4,927,310,223**	**1,302,752,004**	**725,947**	**(544,260,051)**	**5,686,528,132**
Liabilities					
Preference shares	11,000,000	-	-	-	11,000,000
Retirement benefit obligations	103,240,942	20,350,458	-	-	123,591,398
Interest bearing borrowings	-	-	-	-	-
Lease liability under SLFRS 16	386,976,373	70,288,714	-	-	457,265,086
Insurance liabilities	3,574,763,101	3,924,291,448	-	-	7,499,054,549
Reinsurance creditors	830,449,668	4,892,205	-	-	835,341,873
Related party payables	-	2,991,832	5,839,093	(8,830,924)	-
Deferred tax liability	46,748,533	20,321,232	-	-	67,069,765
Other liabilities	992,255,548	104,580,285	218,794	-	1,097,054,637
Bank overdrafts	131,587,942	-	-	-	131,587,942
Total liabilities	**6,077,022,107**	**4,147,716,174**	**6,057,887**	**(8,830,924)**	**10,221,965,250**
Total equity & liabilities	**11,004,332,330**	**5,450,468,178**	**6,783,834**	**(553,090,975)**	**15,908,493,383**

SEGMENTAL REVIEW
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - 2024

FOR THE YEAR ENDED 31ST DECEMBER 2024	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation adjustments Rs.	Total Rs.
Gross written premium	4,525,673,733	1,107,324,544	-	(4,000,919)	5,628,997,359
Less: premium ceded to reinsurers	(1,363,127,492)	(46,322,677)	-	-	(1,409,450,169)
Net written premium	3,162,546,241	1,061,001,868	-	(4,000,919)	4,219,547,190
Net change in reserves for unearned premium	391,081,276	-	-	-	391,081,276
Net earned premium	3,553,627,517	1,061,001,868	-	(4,000,919)	4,610,628,466
Other income					
Investment income	891,938,066	871,011,327	138,618	-	1,763,088,012
Unrealised changes in losses of financial instruments	-	666,770	-	-	666,770
Net realised gain in financial investments	-	-	-	-	-
Policy administration fees	336,402,477	-	-	-	336,402,476
Other income	8,783,593	36,303,407	164,000	(6,375,950)	38,875,050
	1,237,124,136	907,981,504	302,619	(6,375,950)	2,139,032,308
Total revenue	4,790,751,653	1,968,983,372	302,619	(10,376,869)	6,749,660,774
Net benefits & claims					
Gross benefits & claims incurred	3,233,300,642	293,215,614	-	-	3,526,516,256
Claims ceded to reinsurers	(394,698,572)	(9,532,065)	-	-	(404,230,637)
Change in life contract liabilities	-	941,803,078	-	-	941,803,078
	2,838,602,070	1,225,486,626	-	-	4,064,088,697
	1,952,149,583	743,496,745	302,619	(10,376,869)	2,685,572,078
Other expenses					
Underwriting & policy acquisition cost	152,539,533	132,820,902	-	(3,905)	285,356,529
Other operating & administrative expenses	1,599,804,736	433,840,371	403,911	(10,372,963)	2,023,676,056
Finance cost	46,750,517	11,168,025	-	-	57,918,542
	1,799,094,786	577,829,299	403,911	(10,376,869)	2,366,951,127
Profit before income tax	153,054,797	165,667,447	(101,293)	-	318,620,950
Income tax expenses	(39,663,025)	(5,268,545)	(42,782)	-	(44,974,353)
Profit for the year	113,391,772	160,398,902	(144,075)	-	273,646,598
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss;					
Revaluation of land and buildings	78,085,615	(16,640,722)	-	-	61,444,893
Actuarial gains/(losses) on defined benefit plan	11,342,824	2,038,019	-	-	13,380,843
Items that may be reclassified subsequently to profit or loss;					
Net change in fair value of available for sale of financial assets	3,976,116	-	-	-	3,976,116
Tax on other comprehensive income	1,906,286	11,095,487	-	-	13,001,773
Total comprehensive income for the year	208,702,614	156,891,685	(144,075)	-	365,450,223

SEGMENTAL REVIEW
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - 2023

FOR THE YEAR ENDED 31ST DECEMBER 2023	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation adjustments Rs.	Total Rs.
Gross written premium	4,538,557,140	1,168,279,877	-	(4,033,938)	5,702,803,079
Less: premium ceded to reinsurers	(722,660,216)	(45,821,660)	-	-	(768,481,876)
Net written premium	**3,815,896,924**	**1,122,458,218**	**-**	**(4,033,938)**	**4,934,321,204**
Net change in reserves for unearned premium	290,573,360	-	-	-	290,573,360
Net earned premium	**4,106,470,284**	**1,122,458,218**	**-**	**(4,033,938)**	**5,224,894,564**
Other income					
Investment income	1,007,889,084	727,104,570	126,732	-	1,735,120,387
Unrealised changes in losses of financial instruments	-	403,778	-	-	403,778
Net realised gain in financial investments	-	-	-	-	-
Policy administration fees	279,529,101	-	-	-	279,529,101
Other income	9,559,127	11,630,283	880,427	(3,742,622)	18,327,215
	1,296,977,312	739,138,632	1,007,160	(3,742,622)	2,033,380,482
Total revenue	**5,403,447,596**	**1,861,596,849**	**1,007,160**	**(7,776,560)**	**7,258,275,046**
Net benefits & claims					
Gross benefits & claims incurred	4,038,678,306	278,251,732	-	-	4,316,930,039
Claims ceded to reinsurers	(452,168,237)	(15,307,500)	-	-	(467,475,737)
Change in life contract liabilities	-	1,132,109,991	-	-	1,132,109,991
	3,586,510,069	1,395,054,223	-	-	4,981,564,293
	1,816,937,527	**466,542,627**	**1,007,160**	**(7,776,560)**	**2,276,710,753**
Other expenses					
Underwriting & policy acquisition cost	322,268,438	123,945,518	-	-	446,213,956
Other operating & administrative expenses	1,786,022,266	369,665,589	899,726	(7,776,560)	2,148,811,022
Finance cost	45,871,087	9,836,009	-	-	55,707,096
	2,154,161,791	**503,447,117**	**899,726**	**(7,776,560)**	**2,650,732,075**
Profit before tax	(337,224,264)	(36,904,489)	107,433	-	(374,021,322)
Income tax expenses	**78,929,130**	**(24,846,568)**	**(990)**	**-**	**54,081,572**
Profit for the year	**(258,295,134)**	**(61,751,057)**	**106,443**	**-**	**(319,939,749)**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss;					
Revaluation of land and buildings	153,309,037	32,855,469	-	-	186,164,506
Actuarial gains/(losses) on defined benefit plan	2,585,407	1,975,897	-	-	4,561,304
Items that may be reclassified subsequently to profit or loss;					
Net change in fair value of available for sale of financial assets	5,328,723	-	-	-	5,328,723
Tax on other comprehensive income	(5,827,330)	(4,152,891)	-	-	(9,980,221)
Total comprehensive income for the year	**(102,899,298)**	**(31,072,581)**	**106,443**	**-**	**(133,865,439)**

SUPPLEMENTARY INFORMATION

STATEMENT OF VALUE ADDED

	2024	%	2023	%
Net earned premium	**4,610,628,466**		5,224,894,563	
Investment income and other income	**2,033,380,481**		2,033,380,481	
	6,644,008,947		**7,258,275,044**	
Net claims and benefits	**(3,122,285,619)**		(3,849,454,301)	
Cost of external services	**(649,466,043)**		(970,978,066)	
Value added	**2,872,257,285**		**2,437,842,677**	
To employees as salaries and other benefits	**823,274,065**	**28.66%**	823,274,065	33.77%
To Intermediaries as commission	**547,672,586**	**19.07%**	534,765,215	21.94%
To the government as taxes	**42,782**	**0.00%**	990	0.00%
To life policyholders as increase in life fund	**941,803,078**	**32.79%**	1,132,109,991	46.44%
Retained within the business				
- As Depreciation	**285,818,177**	**9.95%**	267,632,167	10.98%
- As Profit	**273,646,598**	**9.53%**	(319,939,751)	-13.12%
	2,872,257,285	**100.00%**	**2,437,842,677**	**100.00%**

	2024	2023	2022
To employees as salaries and other benefits	**28.66%**	33.77%	27.84%
To Intermediaries as Commission	**19.07%**	21.94%	21.13%
To the Government as Taxes	**0.00%**	0.00%	5.02%
To life policyholders as increase in the life fund	**32.79%**	46.44%	14.65%
Retained as Depreciation	**9.95%**	10.98%	10.17%
Retained as Profit	**9.53%**	-13.12%	21.18%
	100.00%	100.00%	100.00%

	To employees salaries and other benefits	To Entermediaries as commission	To the government as taxes	To life policyholders as increase in Life fund	Retained as depreciation	Retained as profit
2024	**28.66%**	**19.07%**	**0.00%**	**32.79%**	**9.95%**	**9.53%**
2023	33.77%	21.94%	0.00%	46.44%	10.98%	-13.12%

INSURANCE REVENUE ACCOUNT

	2024	2023
Insurance Business - Non Life		
Gross written Premium	**4,525,673,733**	4,538,557,140
Less premium ceded to reinsurers	**(1,363,127,492)**	(722,660,216)
Net Written Premium	**3,162,546,241**	**3,815,896,924**
Net Change In Reserves for Unearned Premium	**391,081,276**	290,573,360
Net Earned Premium	**3,553,627,517**	**4,106,470,284**
Finance Income	**891,938,066**	1,007,889,084
Policy administration fee	**336,402,477**	279,529,101
Other operating revenue	**8,783,593**	9,559,127
Total Other Income	**1,237,124,136**	1,296,977,312
Total Revenue	**4,790,751,653**	**5,403,447,596**
Gross benefits and claims incurred	**3,233,300,642**	4,038,678,306
Claims ceded to reinsurers	**(394,698,572)**	(452,168,237)
Underwriting and policy acquisition cost	**152,539,533**	322,268,438
Other operating and administration expense	**1,599,804,736**	1,786,022,266
Total Expense	**4,590,946,339**	**5,694,800,773**
Operating profit from non Life Business (Before Interest)	**199,805,314**	**(291,353,177)**
Insurance Business - Life		
Gross written premium	**1,107,324,544**	1,168,279,877
Less Premium ceded to reinsurers	**(46,322,677)**	(45,821,660)
Net written Premium	**1,061,001,868**	1,122,458,218
Finance Income	**871,011,327**	727,104,570
Net Realized gains/(losses)	**666,770**	403,778
Net fair value gains/(losses)		
Other operating revenue	**36,303,407**	11,630,283
Total Other Income	**907,981,504**	739,138,632
Total Revenue	**1,968,983,372**	**1,861,596,850**
Gross benefits and claims	**293,215,614**	278,251,732
Claim ceded to reinsurers	**(9,532,065)**	(15,307,500)
Change in contract liabilities- Life	**941,803,078**	1,132,109,991
Underwriting and policy acquisition cost	**132,820,902**	123,945,518
Other operating and administration expense	**433,840,371**	369,665,589
Total other expenses	**1,792,147,901**	**1,888,665,332**
Operating profit from life business (before interest)	**176,835,471**	**(27,068,482)**
Reconciliation of statement of insurance revenue account		
Operating profit from non life Business	**199,805,314**	(291,353,177)
Surplus from life insurance Business	**176,835,471**	(27,068,482)
Profit from operations	**376,640,785**	(318,421,659)
Interest expenses	**(57,918,542)**	(55,707,096)
Profit before tax (Non-Life and Life)	**318,722,243**	(374,128,755)
Income tax	**(44,974,353)**	54,081,572
Net profit for the year (Non-Life Insurance and Life Insurance)	**273,747,890**	**(320,047,183)**
Consolidation Entries		-
CITA Profit/(Loss)	**(101,293)**	**107,433**
Net Profit for the year	**273,646,596**	**(319,939,751)**

TEN YEAR SUMMARY – STATEMENT OF INCOME

Rs.	2024	2023	2022	2021
Non-Life Insurance (Company)				
Gross written premium	**4,525,673,733**	4,538,557,140	5,086,944,501	4,519,359,369
Net earned premium	**3,553,627,517**	4,106,470,284	4,161,237,927	3,760,133,804
Insurance claims and benefits (net)	**(2,838,602,070)**	(3,586,510,069)	(2,598,732,501)	(2,125,214,297)
Underwriting and policy acquisition cost	**(152,539,533)**	(322,268,438)	(324,022,548)	(293,817,293)
Income from investments and other income	**1,237,124,136**	1,296,977,312	1,018,048,587	753,253,872
Expenses	**(1,646,555,253)**	(1,831,893,353)	(1,693,183,604)	(1,355,013,859)
Profir/Losses before tax	**153,054,796**	**(337,224,265)**	**563,347,860**	**739,342,226**
Life Insurance				
Gross written premium	**1,107,324,544**	1,168,279,877	1,114,975,610	840,558,515
Net earned premium	**1,061,001,868**	1,122,458,218	1,068,239,389	794,464,871
Insurance claims and benefits (net)	**(283,683,549)**	(262,944,232)	(359,750,124)	(251,324,485)
Underwriting and policy acquisition cost (Including reinsurers)	**(132,820,902)**	(123,945,518)	(152,446,033)	(136,854,463)
Income from investments and other income	**907,981,504**	739,138,632	420,387,265	306,033,965
Other operating and administration expenses	**(445,008,397)**	(379,501,598)	(343,762,041)	(304,295,708)
Change in contract liabilities- Life fund	**(941,803,078)**	(1,132,109,991)	(433,141,538)	(191,271,608)
Profit before tax	**165,667,447**	**(36,904,490)**	**199,526,918**	**216,752,572**
Group				
Gross written premium	**5,628,997,359**	5,702,803,079	6,198,211,634	5,355,662,407
Net earned premium	**4,610,628,466**	5,224,894,563	5,225,768,839	4,550,343,197
Insurance claims and benefits (net)	**(3,122,285,619)**	(3,849,454,301)	(2,958,482,628)	(2,376,538,783)
Underwriting and policy acquisition cost (Including reinsurers)	**(285,356,529)**	(446,213,956)	(476,468,581)	(430,671,756)
Income from investments and other income	**2,139,032,308**	2,033,380,481	1,435,219,154	1,030,766,313
Other operating and administration expenses	**(2,081,594,598)**	(2,204,518,119)	(2,030,028,238)	(1,649,591,862)
Change in contract liabilities- Life fund	**(941,803,078)**	(1,132,109,991)	(433,141,538)	(191,271,608)
Profit before tax	**318,620,950**	(374,021,323)	762,867,008	933,035,501

2020	2019	2018	2017	2016	2015
4,400,098,871	4,305,789,306	3,750,838,457	3,055,835,664	2,475,543,314	1,724,542,837
3,633,778,687	3,426,597,330	2,844,440,066	2,351,320,143	1,936,570,424	1,441,556,142
(1,982,740,412)	(2,381,993,056)	(1,926,867,312)	(1,528,846,896)	(1,283,478,692)	(870,577,602)
(244,837,049)	(214,255,963)	(140,612,881)	(93,500,473)	(153,697,752)	(121,603,219)
728,716,496	656,357,875	531,260,412	403,773,308	294,491,336	219,150,061
(1,264,839,582)	(1,089,451,974)	(902,443,863)	(733,634,684)	(604,743,561)	(493,080,780)
870,078,140	**397,254,212**	**405,776,422**	**399,111,399**	**189,141,754**	**175,444,602**
775,410,100	772,782,378	619,881,069	626,972,292	466,997,348	494,597,627
728,425,643	720,805,954	574,047,900	587,044,481	425,981,838	462,585,041
(331,219,193)	(210,010,243)	204,535,316	(108,985,319)	(70,642,166)	(91,124,011)
(97,645,436)	(80,783,712)	98,338,985	(77,109,647)	66,576,558	(68,039,104)
290,303,742	248,614,487	206,470,868	193,151,817	84,774,207	117,523,804
(282,092,874)	(291,388,217)	322,735,364	(289,965,945)	(229,270,775)	186,559,272
(237,966,209)	(328,131,183)	110,736,893	(249,255,888)	151,532,183	206,761,950
69,805,673	**831,889,463**	**43,736,883**	**54,879,499**	**(7,265,638)**	**27,624,508**
5,171,822,516	5,075,046,995	4,368,316,886	3,677,800,345	2,940,072,597	2,216,521,622
4,358,517,875	4,143,878,595	3,763,543,438	2,933,357,013	2,360,084,198	1,901,522,341
(2,313,959,605)	(2,592,003,299)	2,242,139,521	(1,637,832,215)	(1,354,120,858)	(961,701,613)
(342,482,485)	(295,039,683)	238,951,866	170,610,120	220,274,311	(189,642,323)
1,015,568,399	871,282,160	697,665,431	591,083,237	356,752,583	334,934,585
(1,539,628,410)	(1,373,056,014)	1,217,911,302	(1,012,751,129)	(829,033,312)	(675,281,930)
(237,966,209)	(328,131,183)	110,736,893	(249,255,888)	151,532,183	206,761,950
940,049,565	426,930,575	414,748,068	453,990,898	161,876,118	203,069,110

TEN YEAR SUMMARY - STATEMENT OF FINANCIAL POSITION

Rs.	2024	2023	2022	2021	2020
ASSETS					
Property, plant and equipment	**1,116,182,937**	1,108,685,485	1,071,181,539	978,949,984	924,285,766
Work in progress (WIP) -Building	**12,012,088**				
Right of Use Assets	**264,148,227**	326,506,466	329,708,172	328,836,556	276,751,236
Intangible Assets	**19,975,556**	22,797,959	27,378,598	22,145,481	16,229,209
Financial Investments	**6,692,802,195**	6465953900	6,433,921,984	5,850,388,827	4,411,648,309
Investment in subsidiary	**544,260,050**	544260050	544,260,050	544,260,050	574,260,050
Deffered tax asset			-	-	-
Loans to life policyholders	**-**		-	-	-
Reinsurance receivables	**1,217,562,334**	971,307,802	514,122,730	655,095,061	364,005,542
Premium receivables	**1,086,754,021**	1,285,546,668	1,321,254,103	1,010,997,067	1,096,720,671
Related party receivables	**17,700,070**	8,830,924	6,479,613	10,635,220	15,650,469
Other assets	**154,859,011**	136,862,743	89,625,353	133,674,987	78,457,475
Cash and cash equivalents	**98,252,723**	133,580,333	71,918,536	267,833,246	177,828,759
TOTAL ASSETS	**11,224,509,211**	11,004,332,330	10,409,850,679	9,802,816,480	7,935,837,486
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	**2,198,315,515**	2,198,315,515	2,198,315,515	2,198,315,515	1,515,756,670
Revaluation reserve	**1,090,041,186**	1,004,461,996	856,105,427	681,732,543	515,270,012
Available for sale reserves	**(6,626,274)**	(12,432,304)	(24,198,263)	(28,355,243)	(33,538,944)
Revenue reserves - Retained earnings	**1,693,438,456**	1,736,965,015	1,992,173,103	1,767,966,317	1,401,972,797
TOTAL EQUITY	**4,975,168,883**	4,927,310,223	5,022,395,782	4,619,659,132	3,399,460,535
LIABILITIES					
Interest bearing borrowings				-	-
Preference shares	**11,000,000**	11,000,000	11,000,000	50,500,000	50,500,000
Insurance provision - Life	**-**	-	-	-	-
Lease liability under SLFRS 16	**323,962,598**	386,976,373	377,192,259	361,850,546	295,985,027
Insurance provision - Non Life	**3,429,578,736**	3,574,763,101	3,249,134,939	3,126,799,940	2,956,779,172
Retirement benefit obligations	**104,276,220**	103,240,942	92,256,948	65,597,849	53,222,055
Reinsurance Creditors	**1,081,152,566**	830,449,668	513,045,287	622,122,585	212,724,701
Deferred tax liability	**46,963,905**	46,748,533	78,137,283	54,108,229	48,624,012
Other liabilities	**961,384,958**	992,255,548	1,047,705,377	880,304,699	858,075,370
Bank Over draft	**291,021,345**	131,587,942	18,982,804	21,873,500	60,466,614
TOTAL LIABILITIES	**6,249,340,328**	6,077,022,107	5,387,454,897	5,183,157,348	4,536,376,951
TOTAL EQUITY AND LIABILITIES	**11,224,509,211**	11,004,332,330	10,409,850,679	9,802,816,480	7,935,837,486

2019	2018	2017	2016	2015
915,227,525	856,627,241	827,891,117	782,372,876	792,220,399
284,133,939	-	-	-	-
9,260,615	2,861,955	2,136,027	3,073,679	4,847,582
3,498,089,564	2,887,575,982	2,365,950,814	1,903,630,823	1,337,622,691
455,260,050	445,260,050	410,000,040	400,000,040	500,000,040
-	-	30,250,575	39,207,757	6,915,144
-	-	-	-	-
394,409,744	331,971,907	245,140,054	82,931,657	21,272,032
923,241,077	750,717,081	593,207,932	418,971,726	293,536,246
16,676,075	11,535,904	7,956,943	11,998,559	5,277,178
53,763,400	85,488,497	70,086,779	69,296,033	78,289,728
119,168,796	120,708,829	114,938,091	75,831,464	36,865,532
6,669,230,785	5,492,747,446	4,667,558,372	3,787,314,614	3,076,846,572
1,515,756,670	1,430,194,585	1,260,251,770	1,115,367,950	1,004,909,610
421,742,144	322,407,068	333,597,638	268,847,038	233,220,060
(39,439,817)	(48,607,352)	(67,029,162)	(87,476,248)	(39,017,836)
748,360,117	656,163,366	553,311,055	398,604,509	349,965,668
2,646,419,114	2,360,157,667	2,080,131,301	1,695,343,249	1,549,077,502
-	1,763,819	8,414,249	17,625,419	28,027,997
-				
-		-	-	-
290817618				
2735576692	2,229,943,843	1,900,064,983	1,653,884,388	1,277,037,794
53695603	40,738,427	37,993,692	32,130,390	22,679,048
309664298	291,709,148	196,593,172	100,183,584	8,007,050
61110824	51,698,297			
539162386	422,227,958	374,392,781	247,075,734	134,855,172
32784250	94,508,287	69,968,193	41,071,850	57,162,009
4,022,811,671	3,132,589,779	2,587,427,071	2,091,971,365	1,527,769,070
6,669,230,785	5,492,747,446	4,667,558,372	3,787,314,614	3,076,846,572

INVESTOR INFORMATION

STATED CAPITAL

Stated Capital Rs.	Number of Shares	Class of Shares	Voting Rights
2,198,315,515	1,652,177,600	Ordinary Shares	One Vote per Ordinary Share

SHARE PERFORMANCE - MARKET RELATED

Description	2024	2023
Highest Price Per Share (Rs.)	3.30	4.50
Lowest Price Per Share (Rs.)	2.50	2.30
Last Traded Price Per Share as at 31st December	3.10	2.40
P/E Ratio (Times) - Group	-	

SHARE PERFORMANCE - OTHER RATIOS

Description	2024	2023
Dividend per share (Rs.)	0.10	-
Dividend Payment (Rs. Mn)	165	-
Dividend Pay-out (%)	143	-
Basic Earnings per share (Rs.) – Group	0.17	(0.19)
Basic Earnings per share (Rs.) – Company	0.07	(0.16)
Net Asset Value per share (Rs.) – Group	3.56	3.44
Net asset per share – Company	3.01	2.98

SHAREHOLDING ANALYSIS OF SHAREHOLDERS - RESIDENT/NON-RESIDENT

Type	2024		2023	
	No. of Shares	%	No. of Shares	%
Resident	1,652,052,036	99.99%	1,652,087,013	99.99%
Non-Resident	125,564	0.01%	90,587	0.01%
Total	1,652,177,600	100%	1,652,177,600	100%

PUBLIC SHAREHOLDING

Description	2024	2023
Float Adjusted Market Capitalization (Rs.mn)	5,116	3,961
Percentage of Shares held by the Public	99.9%	99.9%
Number of Public Shareholders	4,621	4,781

The Company complies the minimum public Shareholding requirement under option 02 of section 7.14.1 (b) of the Listing Rules.

*Float Adjusted Market Capitalisation = Market Capitalisation x Public Holding Percentage

GLOSSARY OF INSURANCE TERMS

Actuary

An expert concerned with the application of probability and statistical theory to problems of insurance, investment, financial management and demography.

Actuarial Valuation

A determination by an actuary at a specific date of the value of a life insurance company's assets and its liabilities.

The purpose of a valuation is to determine if the Company holds adequate assets to fund the Company's liabilities.

Admissible Assets

Value of assets that are included in determining an insurer's statutory solvency margin specified under the rules made by the Insurance Board of Sri Lanka under Regulation of Insurance Industry Act No. 43 of 2000.

Annuity

A contract that provides an income for a specific period.

Approved Assets

Assets that represent the technical reserve and the long-term insurance fund as per the determination made under Regulation of Insurance Industry Act No. 43 of 2000.

Beneficiary

A person or financial institution named by the policyholder as the recipient of the sum insured and other benefits due in the event of the policyholder's death.

Bonus

Bonus is a method of distribution of surplus amongst the participating policyholders of a life insurance company.

A bonus is an enhancement to the basic sum assured under a contract, and is declared as a percentage of the sum assured.

Broker

A sales and service representative who handles insurance for clients, generally selling insurance of various kinds and for several companies.

Claims

The amount payable under a contract of insurance arising from the occurrence of an insured event such as destruction or damage of property and related death or injuries, the insuring of hospital or medical bills, death or disability of the insured and gratuity claims.

Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate adjusted by the gross claims reserve at the beginning and end of the accounting period.

Claim Incurred But Not Reported (IBNR)

A reserve to cover the expect cost of losses that have occurred by the Balance Sheet date but have not yet been reported to the insurer.

Claims Incurred But Not Enough Reported (IBNER)

A reserve made in respect of to cover expected cost of losses that have occurred, but no comprehensive information is available to make adequate provision as at the Balance Sheet date.

Claims Outstanding - Life Insurance

The amounts provided to cover estimated ultimate cost of settling claims arising out of events, which have been notified by the Balance Sheet date, being sums due to beneficiaries together with claims handing expenses, less amounts already paid in respect of those claims.

Claims Outstanding - Non-Life Insurance

The amount provided to cover the estimated ultimate cost of settling claims arising out of events, which have occurred by the Balance Sheet date, including IBNR and IBNER claims and claims handling expenses.

Commission

Remuneration to an intermediary for services such as selling and servicing an insurer's products. This is one component of acquisition expenses.

Deferred Acquisition Expense Reserve

Expenses which vary with and primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they related to a period of risk subsequent to the Balance Sheet date.

Deposit Premium

A premium paid on the inception of a contract of insurance or reinsurance, which is subject to adjustment at a latter date. A deposit premium may represent the minimum amount payable.

Earned Premium

Written premium adjusted by the unearned premium reserve at the beginning and end of the accounting period.

Glossary of Insurance Terms

Endowment

Life Insurance payable to the policyholder if living on the maturity date in the policy or to a beneficiary if the insured dies before that date.

Events Occurring after the Balance Sheet Date

Those events both favourable and unfavourable, that occurs between the Balance Sheet date and the date when the Financial Statements are authorised for issue.

Ex-gratia Payments

A payment by an insurer to an insured for which there is no liability under the contract. In some cases an insurer may feel there has been a mistake or a misunderstanding and he may pay a claim, even though he does not appear to be liable.

Facultative Reinsurance

Oldest form of reinsurance. This is the reinsurance of an individual risk on terms and conditions agreed with the reinsurer specially for that risk. Particulars of each risk are submitted by the ceding company to the reinsurer who may accept or decline at will. This is useful when dealing with risks outside the ceding company's treaty arrangements.

Gross Claims Reserve - Non-Life

The amount provided, including claims incurred but not reported and claims handling expenses, to cover the estimated cost, arising out of events occurred by the end of the accounting period, less amounts already paid in respect of those claims.

Gross Written Premium - Life

Premium to which the insurer is contractually entitled and received in the accounting period.

Gross Written Premium - Non-Life

Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.

Insurance

Insurance is a contract whereby one party the insurer, in return for a consideration, i.e., the premium, undertakes to pay to the other party the insured, a sum of money or its equivalent in kind, upon the happening of a specified event that is contrary to the interest of the insured.

Insurance Provision - Non-Life

This comprises of the gross claims reserve, unearned premium reserve net of reinsurance and the deferred acquisition expenses.

Insurance Provision - Long-Term

The fund or funds to be maintained by an insurer in respect of its long-term insurance business in accordance with Act No. 43 of 2000.

Interim Payments

Periodic payments to the policyholders on a specific type of policy.

Life Surplus

The excess of the assets cover the liabilities as determined by the actuary (taking into account the solvency requirements) and after distribution of Bonus to policyholders.

Long-Term Insurance

Commonly referred to as life insurance contracts, as opposed to annual non-life Insurance policies.

Maturity

The time at which payment of the sum insured under a life insurance policy falls due at the end of its term.

Net Assets

Total assets less total liabilities. Also equal to the shareholders' equity.

Net Combined Ratio - Non-Life

This ratio indicates the profitability of the insurer's operations by combining the net loss ratio with net expense ratio. The combined ratio does not take account of investment income.

Net Earned Premium

Gross written premium adjusted for the reinsurance incurred and for the increase or decrease in unearned premium.

Formula:

$$\frac{(\text{Net claims incurred} + \text{Expenses}) \times 100}{\text{Net earned premium}}$$

Net Expense Ratio - Non-Life

A formula used by insurance companies to relate income to acquisition and administrative expenses (e.g. commissions, taxes, staff, operating expenses).

Formula:

$$\frac{\text{Net Expenses} \times 100}{\text{Net earned premium}}$$

Net Claims Ratio - Non-Life

A formula used by insurers to relate net claims incurred to net earned premium (i.e., after deducting relevant reinsurances).

Formula:

$$\frac{\text{Net claims incurred} \times 100}{\text{Net earned premium}}$$

Net Written Premium

Gross written premium less reinsurance premium payable. Net Claims Incurred Claims incurred less reinsurance recoveries.

Policy Loans

A loan given to the policyholder on the security of the surrender value of a Life Insurance policy. The loan is limited to a percentage of the current surrender value of the policy and interest is charged on such loan.

Premium

The consideration payable by the insured for an insurance contract.

Profit Commission

Commission received from the reinsurer based on the net profit of the reinsurer as defined in the accounting period.

Reinsurance

Transfer of all or part of the risk assumed by an insurer under one or more insurance to another insurer, called the reinsurer.

Reinsurance Commission

Commission received or receivable in respect of premium paid or payable to a reinsurer.

Reinsurance Premium

The premium payable to the reinsurer.

Revenue Account

An account which shows a financial summary of the insurance related revenue transactions for the accounting period.

Segment

Constituent business units grouped in terms of nature and similarity of operation.

Surrender

Termination of an insurance policy by the insured before the expiry of its term (more common in life insurance).

Surrender Value

The sum payable by an insurance company upon the surrender of a life insurance policy before it has run its full course.

Technical Reserve

This comprises of the claims reserve net of reinsurance, unearned premium reserve net of reinsurance and the deferred acquisition costs.

Title Insurance

Insurance which indemnifies the owner of real estate in the event that his clear ownership of property is challenged by the discovery of fault in the title that was passed to him.

Underwriting Result

This is the profit generated purely from the non-life insurance business without taking into account the investment income and expenses.

Unearned Premium

It represents the portion of premium already entered in the account as due, but which relates to a period of risk subsequent to the Balance Sheet date.

Unearned Premium Reserve

A fund kept by the general insurer to provide for claims that may arise in the future under insurance that are still in course.

BRANCH NETWORK

GENERAL INSURANCE OFFICE

CO-OPERATIVE INSURANCE COMPANY PLC

NO	NAME	ADDRESS	TELE. NO.	FAX NO.
1	Akuressa	D.C.Wanigasekara Mawatha, New Bangam Rd, Akuressa	041-2284973 041-2285574	041-2284974
2	Akkaraipattu	Main Street, Akkaraipattu (Near the Education Office)	067-2055122	067-2055123
3	Anamaduwa	1/4, Puttalam Road, Anamaduwa	032-2050414	032-2050417
4	Ambalangoda	26B ½, Galle Rd, Ambalangoda	091-2256500	091-2255581
5	Ambalantota	59, Main Street, Ambalantota	047-2225045 047-2225047	047-2225511
6	Aluthgama	3/160, Galle Road, Aluthgama	034-2296166	034-2296167
7	Ampara`	16, D S Senanayake Mw, Ampara	063-2223122	063-2223586
8	Anuradhapura	08, Maithreepala Senanayake Mw, Anuradhapura	025-2226777-8 025-2227533	025-2225457
9	Avissawella	No.35, Gem Land, Kudagama Road, Avissawella	036-2233881	036-2233704
10	Badulla	81, 2nd Floor, Bank Road, Badulla	055-2222620	055-2225512
11	Balangoda	133A 1/1, Brans Rathwaththa Mw, Balangoda	045-2287494	045-2288438
12	Batticaloa	Dist. Co-op Council Bldg, Pioneer Rd, Batticaloa	065-2227984	065-2228844
13	Bandarawela	Shopping Complex, Thanthiriya, Bandarawela	057-2221657	057-2221701
14	Battaramulla	No.153, Pannipitiya Road, Battaramulla	011-2872791	011-2872792
15	Baddegama	1st Floor, DFCC Building, Udukumbura, Baddegama	091-2294411	
16	Bibila	Wagolla Waththa, Bibila	055-2265036	
17	Chilaw	No.05, Bauddaloka Mawatha, Chilaw	032-2224745	032-2220360
18	City	No.455, Co-op House, Galle Road, Colombo 03	011-2372384 011-2372370	011-2577245
19	Colombo Metro	No.455, Co-op House, Galle Road, Colombo 03	011-2372763	011-2372764
20	Chunnakam	Rajah Building, K K S Road, Chunnakam		
21	Dambulla	No.719 (717), Anuradhapura Road, Dambulla	066-2285624	066-2285625
22	Ganemulla	191/1, 1st Floor, Kirindiwita Road, Ganemulla		
23	Dankotuwa	Pannala Road, Dankotuwa	031-2265685	031-2265418
24	Deniyaya	No.98/02, Near the Bridge, Main Street, Deniyaya	041-2273353	041-2273519
25	Dehiwala	No.11, Galle Road, Mount Lavinia	011-2725265	011-2725261
26	Dehiattakandiya	No.01 Commercial Town, Dehiattakandiya	027-2250028	
27	Digana	No.04, New Town, Digana, Rajawella	081-2072394	
28	Divulapitiya	No.100, Kurunegala Road, Divulapitiya	031-2248080	031-2248105
29	Eheliyagoda	58/A, Main Street, Eheliyagoda	036-2260426	036-2260428
30	Elpitiya	No.05, Main Street, Elpitiya	091-2297019	091-2297095
31	Embilipitiya	66 1/1, Pallegama Rd, Embilipitiya	047-2230177	047-2261394
32	Galle	36, Sri Dewamiththa Mw, China Garden, Galle	091-2227688 091-2232258	091-2227687
33	Galewela	No.45, Kalawewa Road, Galewela	066-2287282	066-2287283
34	Gampaha	No.114/1/1, Bauddaloka Mawatha, Gampaha	033-2248600 033-2231618	033-2231122
35	Gampola	No.110, Nuwara Eliya Road, Gampola	081-2077121	081-2077122
36	Galenbindunuwewa	Infront of Nenasala, Kannimaduwa Road, Galenbindunuwewa	025-2121022	025-2121023
37	Giriulla	No.105/B, 1st Floor, Negombo Road, Giriulla	037-2288710	037-2288711
38	Hatton	Co-op Building, Co-op Square, Hatton	051-2225146	051-2225175
39	Homagama	77, High Level Rd, Homagama	011-2895270-1 011-2748307 011-2098740	011-2855392

NO	NAME	ADDRESS	TELE. NO.	FAX NO.
40	Ja-Ela	No.68, Negombo Road, Kandana	011-2234817	011-2234816
41	Horana	No.257, Rathnapura Road, Horana	034-2260310	034-2260444
42	Jaffna	No.570, Hospital Road, Jaffna	021-2224561	021-2217495
43	Kadawatha	645/G/2, Bandarawaththa, Kandy Road, Kadawatha	011-2927501	011-2927502
44	Kalawana	1st Floor, No.76, Mathugama Road, Kalawana	045-2256033	045-2256088
45	Kaduwela	No.51, Avissawella Road, Kaduwela	011-2548544	011-2548666
46	Kaluthara	219/3, Galle Road, Kaluthara	034-2238131-2	034-2223450
47	Kandy	No.117, D S Senanayake Veediya, Kandy	081-2205661/3	081-2202055
48	Kanthale	Kanthale MPCS Bldg, Awanhala, Kanthale	026-2234302	
49	Katugastota	206, Katugastota Road, Kandy	081-2226687	081-2226688
50	Kalmunai	No.170, Batticaloa Road, Kalmunai	067-2059996	067-2059997
51	Kalpitiya Sub	No.146D, Main Street, Periyakudirippu	032-2260607	
52	Kamburupitiya Sub	No.17, Aluth Walauwa, Akuressa Road, Kamburupitiya	041-2294495	
53	Karapitiya	No.185 2/1, Hirimbura Road, Karapitiya, Galle	091-2228586	091-2228711
54	Kegalle	No.261/1, Kandy Road, Kegalle	035-2221461	035-2231911
55	Kekirawa	12, Dambulla Rd, Kekirawa	025-2265333	025-2265332
56	Kelaniya	369, Kandy Road, Peliyagoda	011-2918312	011-2918311
57	Kolonnawa	No.166, Kolonnawa Road, Kolonnawa	011-2533372	011-2533373
58	Kiribathgoda	67 D/3, Kandy Rd, Kiribathgoda	011-2907858	011-2907859
59	Kilinochchi	C/O Pillaiyar Arul Vanachcholai, A9 Road, Kilinochchi	021-2285790	021-2285791
60	Kuliyapitiya	No.286, Madampe Road, Kuliyapitiya	037-2282249	037-2282248
61	Kirindiwela	27/16/1, Nugahena Waththa, Kirindiwela	033-2253100	033-2253101
62	Kurunegala	13 1/1, Rajapihilla Road, Kurunegala	037-2233601-2	037-2221749
63	Kurunegala North	250/252, Negombo Road, Kurunegala	037-2050000	037-2050064
64	Maharagama	218A 1/1, High Level Rd, Maharagama	011-2845144 011-2089007 011-2089010	011-2843422
65	Mahiyanganaya	No.102/4, Padiyathalawa Road, Mahiyanganaya	055-2257451	055-2257497
66	Malabe	411, Athurugiriya Road, Malabe	011-2156045 011-2742501 011-2080159	011-2742058
67	Mathugama	No.203, Agalawaththa Rd, Mathugama	034-2240972	034-2240973
68	Mannar	No.45, Hospital Road, Mannar	023-2250833	023-2251682
69	Mawanella Sub	Mawanella-Hemmathagama MPCS Bldg, Mawanella	035-2246231	
70	Matale	No. 577, Trincomalee Street, Matale	066-2224498	066-2232222
71	Melsiripura	Near the Fuel Station, Dambulla Road, Melsiripura	037-2250183	037-2250648
72	Medawachchiya	Opposite the Hospital, A9 Road, Medawachchiya	025-2121013	025-2121014
73	Matara	320/15, Anagarika Dharmapala Mawatha, Nupe, Matara	041-2234701-2 041-2234707	041-2230649
74	Minuwangoda	No. 39 1/1, Airport Road, Minuwangoda	011-2299151	011-2288044
75	Metro	No.63, Bauddaloka Mawatha, Colombo 03	011-2556578	(011-2574358)
76	Monaragala	210, Wellawaya Rd, Monaragala	055-2277534 055-2277401	055-2276113

Branch Network

NO	NAME	ADDRESS	TELE. NO.	FAX NO.
77	Moratuwa	490A, Galle Road, Rawathawatta, Moratuwa	011-2644891 011-2649054	011-2644893
78	Mullaitive	Manalkudiriyuupu, Mullaitivu	021-2061056	021-2061057
79	Negombo	No.160/A, Thaladuwa Road, Negombo	031-2222426 031-2121018	031-2228270
80	Narammala	No.60, Kuliyapitiya Road, Narammala	037-2249851	037-2249956
81	Nelliady	No. 82, Point Pedro Road, Nelliady, Karaveddy	021-2265737	
82	Neluwa	Manuka Building, Dellawa Road, Neluwa	091-2285410	091-2285411
83	Nikaweratiya	No.79, Maho Road, Nikaweratiya	037-2260946 037-2260995	037-2260994
84	Nittambuwa	No.48/4, Kandy Road, Nittambuwa	033-2246294	033-2287748
85	Nochchiyagama	19/B, Puttalam Road, Nohchiyagama	025-2257108	025-2257113
86	Nugegoda	No.36, Nawala Road, Nugegoda	011-2890851	011-2890850
87	Nugegoda South	No.36, Nawala Road, Nugegoda	052-2235570	052-2222811
88	Nuwara Eliya	72, Park Rd, Nuwara Eliya	011-2814234	011-2814254
89	Padiyathalawa	Main Street, Padiyathalawa	063-2246057	
90	Pilimathalawa	No.206, Colombo Road, Pilimathalawa	081-2560007	
91	Pelmadulla	No.40/01/04, Chandara Building, Rakwana Road, Pelmadulla	045-2276216	045-2274732
92	Panadura	No.36A, Cyril Janz Mawatha, Panadura	038-2234133	038-2234933
93	Piliyandala	No.165, Moratuwa Road, Piliyandala	011-2615702	011-2615701
94	Polonnaruwa	No.292/1, Batticaloa Road, Polonnaruwa	027-2226880	027-2227310
95	Pottuvil	Main Street, Pottuvil	063-2248858	063-2248859
96	Puttalam	97/B, Cargills Food Citu Bldg, Kurunegala Road, Puttalam	032-2267211	032-2267336
97	Rikillagaskada	72/2, Kandy Road, Rikillagaskada	081-2071622	081-2071330
98	Rathnapura	Coop House, Bandaranayake Mw, Rathnapura	045-2222983-4 045-2221042	045-2225335
99	Trincomalee	No.316, Inner Harbor Road, Trincomalee	026-2226751	026-2221126
100	Siyambalanduwa Sub	No.38, Main Road, Siyambalanduwa	055-2279123	
101	Thalawathugoda	No.1136, Pannipitiya Road, Thalawathugoda	011-2774261	011-2774262
102	Thambuttegama	No.141, Kurunegala Road, Business Town, Thambuttegama	025-2275689	025-2275688
103	Thissamaharama	Mathagasinghe Building, Palliyawaththa Road, Tissamaharama	047-2239820	047-2238596
104	Urubokka Sub	Upper Floor, IOC Filling Station, Uruobokka	041-2272159	
105	Vauniya	99, Station Road, Vavuniya	024-2225536-7	024-2224122
106	Wariyapola	92/A, Puttalam Road, Wariyapola	037-2268206	037-2268205
107	Walasmulla	No.60, Beliatta Road, Walasmulla	047-2254490	047-2254491
108	Wellawaya	No.167, Tissa Road, Wellawaya	055-2274214	
109	Welimada	No.232, Nuwara Eliya Road, Welimada	057-2245627	057-2245628
110	Welligama Sub	Weligama MPCS Bldg, Anagarika Dharmapala Mw, Weligama	041-2254935	
111	Wennappuwa	Wenco Super Market, Chilaw Rd, Wennappuwa	031-2253541 031-2245000	031-2253363
112	Warakapola Sub	Warakapola MPCS Building, Warakapola	035-2269575	

LIFE INSURANCE OFFICE

CO-OPERATIVE INSURANCE COMPANY PLC

No	BRANCH NAME	ADDRESS	TELE NO	FAX
1	Akuressa	80, New Bangama Rd, Akuressa	041-2285564	041-2284878
2	Alawwa	11/1/1, Rajapihilla Rd, Kurunegla	037-2225463	037-2221915
3	Ambalangoda	26B,2/1, Galle Rd, Ambalangoda	091-2255875	
4	Ambalanthota	59, Main Street, Ambalanthota	047-2225346	
5	Ampara	16, D.S. Senanayaka Mw, Ampara	063-2222887	063-2222877
6	Anamaduwa	81, Maho Road, Nikaweratiya	037-2260996	037-2260923
7	Anuradhapura	7 Lane, New Bus Stand, Anuradhapura	025-2227637	
8	Avissawella	35, Honiton Place, Kudagama Rd, Avissawella	036-2234862	
9	Badulla	81, Second Floor, Bank Rd, Badulla	055-2231692, 055-2231693	055-2231694
10	Balangoda	133A1/1 Brans Ratwatta Mw, Balangoda	045-2289522	
11	Batticaloa	Distric Coop Council Building, Pioneer Rd, Batticaloa	065-2229896	065-2229875
12	Chavakachcheri	570, Second Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
13	Chillaw	05, Bauddhaloka Mw, Chilaw	032-2224252	032-2224263
14	Chiunnakam	81, Raja Complex, K.K.S. Rd, Chiunnakam	021-2240530	
15	City	114, 2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617
16	Dambulla	719, Second Floor, Anuradhapura Rd, Dambulla	066-2285377	066-2285377
17	Dankotuwa	194, Madampe Road, Kuliyapitiya	037-2281633	037-2281630
18	Dehiaththakandiya	102/4, Padiyathalawa Rd, Mahiyanganaya	055-2258491	
19	Deniyaya	Coop Building, Deniyaya Rd, Morawaka	041-2282697	
20	Kandy 2	45/1/3, Katugasthota Rd, Kandy	081-2223440	081-2205662
21	Embilipitiya	66 1/1, Pallegama Road, Embilipitiya	047-2262162	047-2262163
22	Galenbidunuwewa	7 Lanr, New Bus Stand, Anuradhapura	025-2227637	
23	Galewela	12, 3Rd Floor, Dambulla Road, Kekirawa	025-2264996	025-2264996
24	Galgamuwa	81, Maho Road, Nikaweratiya	037-2260996, 037-2260945	037-2260923
25	Galle	36, Siridewamiththa Mw, China Garden, Galle	091-2223155	091-2223295
26	Gampaha	114, 2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617
27	Giriulla	Wenco Supermarket, Chillaw Rd, Wennapuwa	031-2255910	031-2255910
28	Homagama	79/1, High Level Rd, Homagama	011-2895424	011-2893916
29	Horana	257/2, Rathnapura Rd, Horana	034-2265984	034-2265985
30	Jaffa	570, 2Nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
31	Jaffa Metro	570, 2Nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
32	Kalawana	1St Floor, No76, Mathugama Rd, Kalawana	045-2256033	045-2256088
33	Kaluthara	358/A, Galle Rd, Kaluthara North, Kaluthara	034-2238252	
34	Kandy	45/1/3,Katugasthota Rd, Kandy	081-2223440	081-2205662
35	Katugasthota	45/1/3,Katugasthota Rd, Kandy	081-2223440	081-2205662
36	Kegalle	261/1, Main Street, Kegalle	035-2231912	035-2222215
37	Kekirawa	12, 3Rd Floor, Dambulla Rd, Kekirawa	025-2265945	025-2264996
38	Kilinochchi	Pillaiyar, Vanar Solai, A9 Rd, Kilinochchi	021-2285792	
39	Kiribathgoda	67/D/3, Kandy Rd, Kiribathgoda	011-2907920	011-2987332
40	Kuliyapitiya	194, Madampe Rd, Kuliyapitiya	037-2281633	037-2281630
41	Kurunegala	11/1/1, Rajapilhilla Rd, Kurunegala	037-2225463	037-2221915

Branch Network

No	BRANCH NAME	ADDRESS	TELE NO	FAX
42	Kurunegala 02	11/1/1, Rajapilhilla Rd, Kurunegala	037-2225463	037-2221915
43	Maharagama	218/A, ½, High Level Rd, Maharagama	011-2088744	011-2089508
44	Mahawa	No-81, Maho Rd, Nikaweratiya	037-2260996	037-2260923
45	Mahiyanganaya	102/4, Padiyathalawa Rd, Mahiyanganaya	055-2258491	
46	Malabe	903/D,Udawaththa Rd,Malabe	011-2077454	011-2185841
47	Manipay	81,Raja Complex K.K.S.Rd,Chunnakam	021-2240530	021-2240550
48	Mannar	45,Hospital Rd,Mannar	023-2251336	023-2251681
49	Mannar City	45,Hospital Rd,Mannar	023-2251336	023-2251681
50	Matale	45/1/3,Katugasthota Rd,Kandy	081-2223440	081-2205662
51	Matara	320/15/B,Prince Tower,Nupe Junction,Matara	041-2237765	
52	Medawachchiya	7 Lane,New Bus Stand,Anuradhapura	025-2227637	
53	Melsiripura	11/1/1,Rajapihilla Rd,Kurunegala	037-2225463	037-2221915
54	Minuwangoda	114/2/1,Bauddaloka Mw,Gampaha	033-2248601	033-2231617
55	Monaragala	72,Wellawaya Rd,Monaragala	055-2276155	055-2277533
56	Moratuwa	177/2/1,New Galle Rd,Moratuwa	011-2644841	
57	Morawaka	Coop Building,Deniyaya Rd,Negombo	041-2282697	
58	Negombo	163 A,Thaladuwa Rd,Negombo	031-2228446	031-2230320
59	Nelliady	Point Pedro Rd,Malu Junction,Nelliady	021-2264945	021-2261351
60	Nikaweratiya North	81,Maho Road,Nikaweratiya	037-2260996	037-2260923
61	Nikaweratiya South	81,Maho Road,Nikaweratiya	037-2260945	037-2260923
62	Nivithigala	22,Kiriella Building,Panadura Rd,Moragahayata,Rathnapura	045-2233238	045-2233238
63	Nittambuwa	114/2/1,Bauddaloka Mw,Gampaha	033-2248601	033-2231617
64	Nochchiyagama	7 Lane,New Bus Stand,Anuradhapura	025-2227637	
65	Nugegoda	218 A,1/2,High Level Rd,Maharagama	011-2088744	011-2089508
66	Nuwara Eliya	Tharanga Building,No 72,Park Rd,Nuwara Eliya	052-2235590	052-2235594
67	Panadura	177 2/1,New Galle Rd,Moratuwa	011-2644841	
68	Pelmadulla	22,Kiriella Building,Panadura Rd,Moragahayata,Rathnapura	045-2233238	045-2233238
69	Pilimathalawa	45/1/3,Katugasthota Rd,Kandy	081-2223440	081-2205662
70	Piliyandala	218/A,1/2,High Level Rd,Maharagama	011-2088744	
71	Polonnaruwa	292/1,Batticoloa Rd,Polonnaruwa	027-2227311	
72	Puttalam	114/2,Kurunegala Rd,Puttalam	032-2265292	032-2267366
73	Rathnapura	22,Kiriella Building,Panadura Rd,Moragahayata,Rathnapura	045-2233238	045-2233238
74	Siyambalanduwa	72,Wellawaya Rd,Monaragala	055-2276155	055-2277533
75	Thambuththegama	141,Kurunegala Rd,Business Town,Thambuththegama	025-2275729	
76	Trincomalee	316,Inner Harbour Rd,Trincomalee	026-2062121	026-2062122
77	Vauniya	Sathya Building,2Nd Floor,1St Cross Street,Vauniya	024-2227961	024-2227962
78	Wariyapola	81,Maho Road,Nikaweratiya	037-2260996	037-2260923
79	Wellawatta	Coop House,455,Galle Rd,Colombo 03	011-2554358	
80	Wennappuwa	Wenco Super Market,Chilaw Rd,Wennappuwa	031-2255910	031-2255910

REGIONAL OFFICES

REGIONAL OFFICE FOR GENERAL INSURANCE

REGION	REGIONAL OFFICE ADDRESS	TELE. NO.	MOBILE NO.
Colombo East Zone	77, High Level Rd, Homagama	011-2895271	071 754 6381
Southern Zone	45A/2, Anagarika Dharmapala Mw, Matara	041-2234703	071 754 6294
Colombo North Zone	114/1/1, Bauddaloka Mawatha, Gampaha	033-2238574	071 684 0782
North West Zone	13 1/1, Rajapihilla Road, Kurunegala	037-2226370	717546287
East Region	No.316, Inner Harbor Road, Trincomalee	026-2226751	077 0343189
North Central Region	08, Maithreepala Senanayake Mw, Anuradhapura	025-2227429	071-4562992
North & Central Region	100/2/1, Vindana Learner's Bldg, Yatinuwara Veediya, Kandy	024-2228035	077 7766271

REGIONAL OFFICE - LIFE

REGION	ADDRESS	TELE NO	FAX
Nikaweratiya	81,Maho Road,Nikaweratiya	037-2260321	037-2260923
Kurunegala	11/1/1, Rajapilhilla Rd, Kurunegala	037-2225463	037-2221915
Kuliyapitiya	194, Madampe Rd, Kuliyapitiya	037-2281633	037-2281630
Kandy	45/1/3,Katugasthota Rd, Kandy	081-2223440	081-2205662
East	316,Inner Harbour Rd,Trincomalee	026-2062121	026-2062122
Uva	81, Second Floor, Bank Rd, Badulla	055-2231692, 055-2231693	055-2231694
Colombo	114, 2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617
Sourthern	36, Siridewamiththa Mw, China Garden, Galle	091-2223155	091-2223295
Homagama	218/A, ½, High Level Rd, Maharagama	011-2088744	011-2089508
North	570, 2Nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
Anuradhapura	12, 3Rd Floor, Dambulla Rd, Kekirawa	025-2265945	025-2264996
Nsm Office	11/1/1, Rajapilhilla Rd, Kurunegala	037-2233603	037-2225462

NOTICE OF MEETING

ANNUAL GENERAL MEETING

The Company will inform the Shareholders of the Annual General Meeting to be held in 2025, in due course.

By Order of the Board of Directors,

Kalupahana and Thilakerathne Law Associates
Secretaries to the Company
26th May 2025

CORPORATE INFORMATION

NAME OF THE COMPANY

Co-operative Insurance Company PLC (CICPLC).

LEGAL FORM

A Public Quoted Limited Liability Company Incorporated in Sri Lanka on August 11, 1997 under Companies Act No. 17 of 1982. The Company was re-registered on December 31, 2008 under Companies Act No. 07 of 2007. Co-operative Insurance Company Limited has become a General Insurance Company licensed by the Insurance Regulatory Commission of Sri Lanka (IRCSL) with effect from 1st January 2015. Company has being Listed on Colombo Stock Exchange in 30th December 2021.

COMPANY REGISTRATION NUMBER

PB 834/PQ 00255274

TAX PAYER IDENTIFICATION NUMBER

TIN - 134007168

VAT REGISTRATION NUMBER

134007168 - 7000

BALANCE SHEET DATE

December 31st

PRINCIPAL ACTIVITIES

With effect from 1st January 2015, principal activities of the Company are carrying on General Insurance Business and providing services to its subsidiary Cooplife Insurance Limited which is carrying on Life Insurance Business.

REGISTERED OFFICE

"Co-operative Insurance House"
No. 74/5, Grandpass Road, Colombo 14. Telephone : +94 (0)112 55 73 00 - 8
Facsimile : +94 (0)112 55 73 09 E-mail : info@coopinsu.com Web : www.ci.lk

RATING

Insurer Financial Strength BB (lka) Outlook stable (Fitch Ratings)

SUBSIDIARY

COOPLIFE INSURANCE LIMITED

No. 455, Co-op House, Galle Road, Colombo 03. Telephone : +94 (0)112 57 48 01

COOPINSU TRAINING ACADEMY (PVT) LTD.

No. 70/3, Grandpass Road, Colombo 14. Telephone : +94 (0)112 55 73 00

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Annual Reports

AUDITORS

Jayasinghe & Company – Chartered Accountants
No. 94/12, Kirulapone Avenue, 2nd Lane, Colombo 05.

DIRECTORATE

Mr. A.A.J. Amarasinghe
Mr. G. G. Dayasumana
Mr. A B Senadira
Mr. P B Jayarathne
Mr. M. Widanagamage
Mr. L. Waragoda
Mr. K.K. Gawesha Sanirathna
Mr. H.H.D.E.P Herath
Mr. Suraj Wickramasinghe
Mr. Ganaka Amarasinghe
MS. W.P.M Chathurani

SECRETARIES

Kalupahana and Thilakerathne Law Associates No. 11/1/1, Belmont Street, Colombo 12

CORPORATE MANAGEMENT

Mr. D.U.P. Rajapakshe - Chief Executive Officer

Ms. L.U.N.C.P.Wijeyasuriya - General Manager - General Insurance (With Effect from 01st of April 2025)

Mr. L.A.N.C. Weerasinghe - General Manager Sales & Marketing

Mr. P.G.N.D Gunathilaka - Acting Chief Financial Officer - Finance and Operations

Mr. D.L. Samarawickrama - Head of Marketing

Mr. K.M. Jayasundara - National Sales Manager

Mr. A.M.R.A.L. Lakmal - Manager - Information Technology

Ms. H.L.N.T. Gunawardena - Manager - Human Resources

Mr. Danushka De Silva - Manager - Administration and Logistics

Ms. Preethimalee Wijerama - Senior Manager - Legal

BANKERS

People's Bank
Commercial Bank
Sampath Bank
RDB Bank
Seylan Bank
DFCC Bank
Bank of Ceylon
Nations Trust Bank
Pan Asia Bank
SDB Bank
SMIB
Cargills Bank
Hatton National Bank

CONSULTANT ACTUARIES

GENERAL INSURANCE

Actsure Lab (Pvt) Limited
No. 11/2, 1st Lane, Pagoda Road, Nugegoda

LIFE INSURANCE

Actsure Lab (Pvt) Limited
No. 11/2, 1st Lane, Pagoda Road, Nugegoda