CO-OPERATIVE INSURANCE COMPANY PLC
ANNUAL REPORT 2025

Strong. Agile. Resilient



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Strong. Agile. Resilient.

At Co-operative Insurance Company PLC, we believe that true progress has a heartbeat. It is a journey that began with a promise to be Steady—to build a foundation so deep and a governance so strong that our customers never have to worry about the ground beneath their feet. The discipline we planted in 2022 has become the sanctuary of safety our nation relies on today.

But strength alone is not enough in a changing world. We have learned to be Swift, moving with the agility of a team in perfect rhythm. We don't just react to challenges; we anticipate them. By putting our hearts into our systems and our people first, we have turned "insurance" into "assurance"—the quick, caring hand that reaches out when it's needed most.

Today, we stand at a turning point. Having secured our stability, we are shedding the weight of the past to embrace a future that is Limitless.

Our record-breaking results are not just numbers on a page; they are proof of what happens when minds meet and spirits align. Guided by the enduring trust of our shareholders and the loyalty of our partners, we are moving beyond consolidation and into a new era of bold, confident growth.

We are Strong. We are Agile. We are Resilient. And together, we are just getting started.

About Us

Co-operative Insurance PLC (CICPLC) is a purpose-driven insurer rooted in the cooperative movement of Sri Lanka, established in 1999 to address the protection needs of financially underserved communities. From its inception, the Company has played a pivotal role in expanding access to insurance, particularly among cooperative members and grassroots segments that were historically excluded from formal risk protection mechanisms. Over the years, CICPLC has evolved into a trusted partner in financial security, serving over one million policyholders across the country.

Listed on the Colombo Stock Exchange in 2021, CICPLC operates under a hybrid model that balances stakeholder value creation, delivering sustainable returns to shareholders while upholding its foundational commitment to policyholders and the cooperative sector. At the point of listing, the Company demonstrated strong investor confidence, underpinned by a resilient business model and long-term growth potential.

The Company is licensed under the Regulation of Insurance Industry Act No. 43 of 2000 and conducts its operations through two specialised entities: Co-operative Insurance PLC (general insurance) and CoopLife Insurance Limited (life insurance). This dual-entity structure enables focused product innovation and operational efficiency across both life and non-life segments.

With a nationwide footprint, CICPLC has built one of the most extensive distribution networks in the industry, comprising over 103 branches and more than 100 service centres and express counters, supported through partnerships with Multi-Purpose Cooperative Societies (MPCS) and post offices. This network enables deep market penetration and enhances accessibility, particularly in rural and semi-urban regions.

The Company offers a comprehensive portfolio of insurance solutions spanning motor, fire, engineering, medical, marine, and miscellaneous segments, including specialised microinsurance and sector-specific products such as farmer and fisheries insurance. This diversified offering reflects CICPLC's commitment to inclusivity and resilience-building across multiple economic sectors.

CICPLC continues to strengthen its role as a catalyst for financial inclusion and social protection, contributing to the resilience of individuals, businesses, and communities. By aligning its cooperative heritage with modern insurance practices, the Company remains well-positioned to deliver sustainable value across all capitals in the integrated reporting framework.

OUR PURPOSE FRAMEWORK

01 FOUNDATION

Co-operative Insurance PLC's organisational culture is founded on the belief that while certain events may be beyond control, outcomes are ultimately shaped by the manner in which individuals and organisations respond to them.

This philosophy defines the Company's collective character and serves as a guiding principle across all levels of the organisation.

> "while certain events may be beyond control, outcomes are ultimately shaped by the manner in which individuals and organisations respond"

02 BUSINESS REALITY

Operating within a dynamic business environment, the Company recognises that challenges are inevitable irrespective of role or responsibility.

However, organisational success is not determined solely by external circumstances, but by the consistency, discipline, and integrity demonstrated in responding to them.

03 STAKEHOLDER IMPACT

This mindset is particularly significant within the service industry, where every interaction contributes to trust, perception, and long-term stakeholder relationships.

Guided by its VISION and Driven by its MISSION

VISION

To be an organisation that stands "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, affordable insurance solutions, which confirm to the highest ethical and moral standards.



VALUES-DRIVEN CULTURE

The Company recognises that sustainable success is built upon a strong values-driven culture.

This culture is expected to be consistently demonstrated by every employee across the organisation. Delivering exceptional service internally among teams and externally to customers and stakeholders requires a shared understanding of how individuals engage, collaborate, and REACT. The fulfilment of the Company's brand promise, "For the people, by the people," is therefore closely linked to the quality and consistency of these interactions.

R E A C T

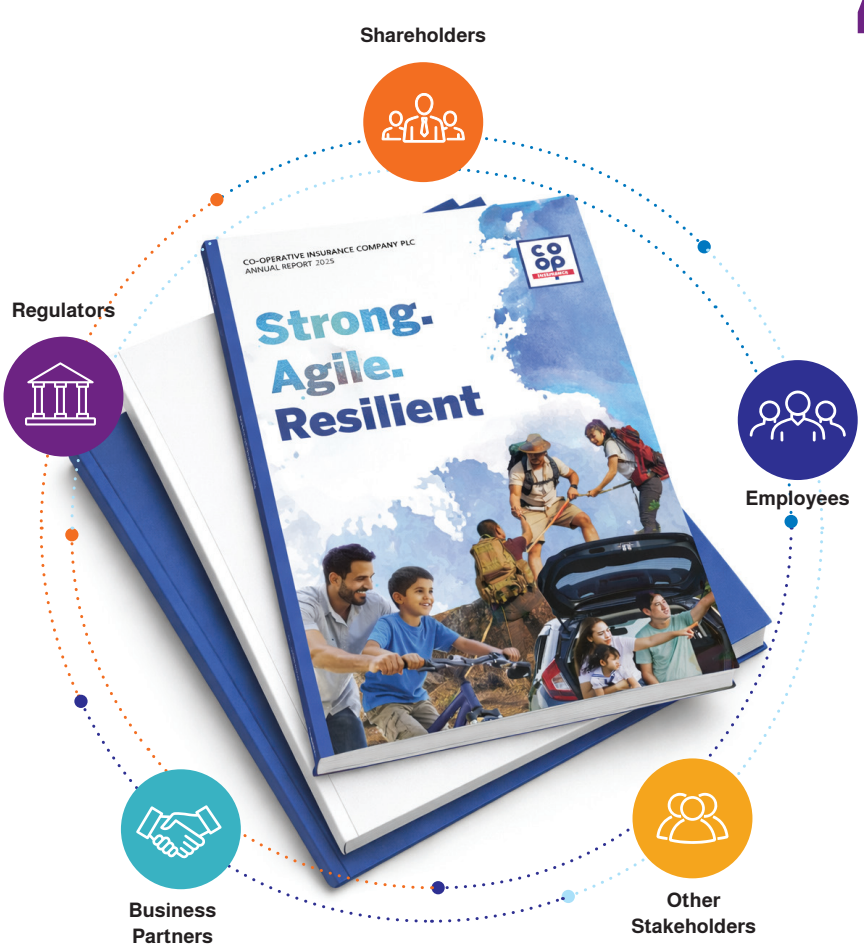
To institutionalise this philosophy, the Company has adopted REACT as a core cultural framework and a set of guiding values that shape day-to-day conduct and decision-making:

- **R** — Respectful: Demonstrating respect in every interaction
- **E** — Ethical: Upholding integrity and ethical standards
- **A** — Accountable: Taking ownership of actions and outcomes
- **C** — Committed: Remaining dedicated to responsibilities and organisational goals
- **T** — Trustworthy: Building and maintaining trust across all relationships

The REACT principle extends beyond a behavioural guideline and forms an integral part of the Company's organisational culture. It influences decision-making, strengthens relationships, and ensures that responses remain aligned with organisational values, even in circumstances beyond control.

Through this shared framework, the Company continues to strengthen service excellence, reinforce stakeholder confidence, and create sustainable value for customers, employees, shareholders, and the wider community.

About the Report



> The Report has been prepared to provide shareholders, policyholders, regulators, employees, business partners, and other stakeholders with a balanced and transparent assessment of the Company's activities, performance, and future direction.

TRANSPARENCY | **GOVERNANCE**

SUSTAINABILITY | **PERFORMANCE**

This Integrated Annual Report presents the financial and non-financial performance of Co-operative Insurance Company PLC (CICPLC) for the financial year ended 31st December 2025. The Report provides an overview of the Company's strategy, operating context, governance, risk management, and performance across the capitals that support long-term value creation.

The Report has been prepared to provide shareholders, policyholders, regulators, employees, business partners, and other stakeholders with a balanced and transparent assessment of the Company's activities, performance, and future direction.

OUR REPORTING JOURNEY

Financial Reporting
Prepared in accordance with applicable financial reporting standards and regulations.

Integrated Reporting
Aligning financial and non-financial performance with strategy and value creation.

Governance & Standards
Guided by national regulations and corporate governance frameworks.

Assurance
Assured for reliability and consistency of information disclosed.

The Report has been prepared in accordance with the principles and guidance of the following reporting frameworks, standards, and regulatory requirements:

FINANCIAL REPORTING

- Sri Lanka Accounting Standards (LKAS/SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Statement of Recommended Practice (SoRP) issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL)
- Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments
- Regulations and Directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL)



INTEGRATED REPORTING AND SUSTAINABILITY

- International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)
- Corporate Governance
- Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange (CSE)
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL)

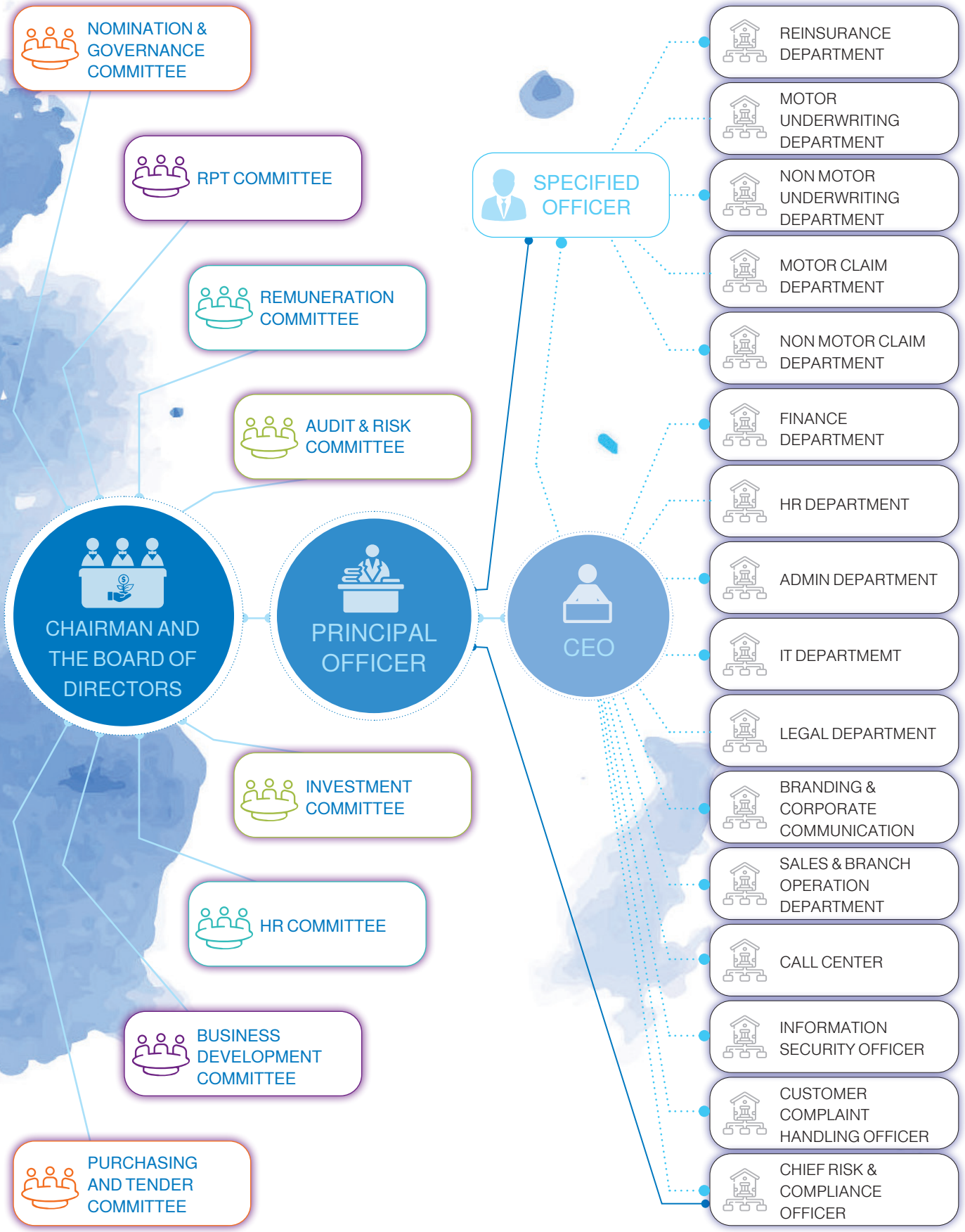


ASSURANCE

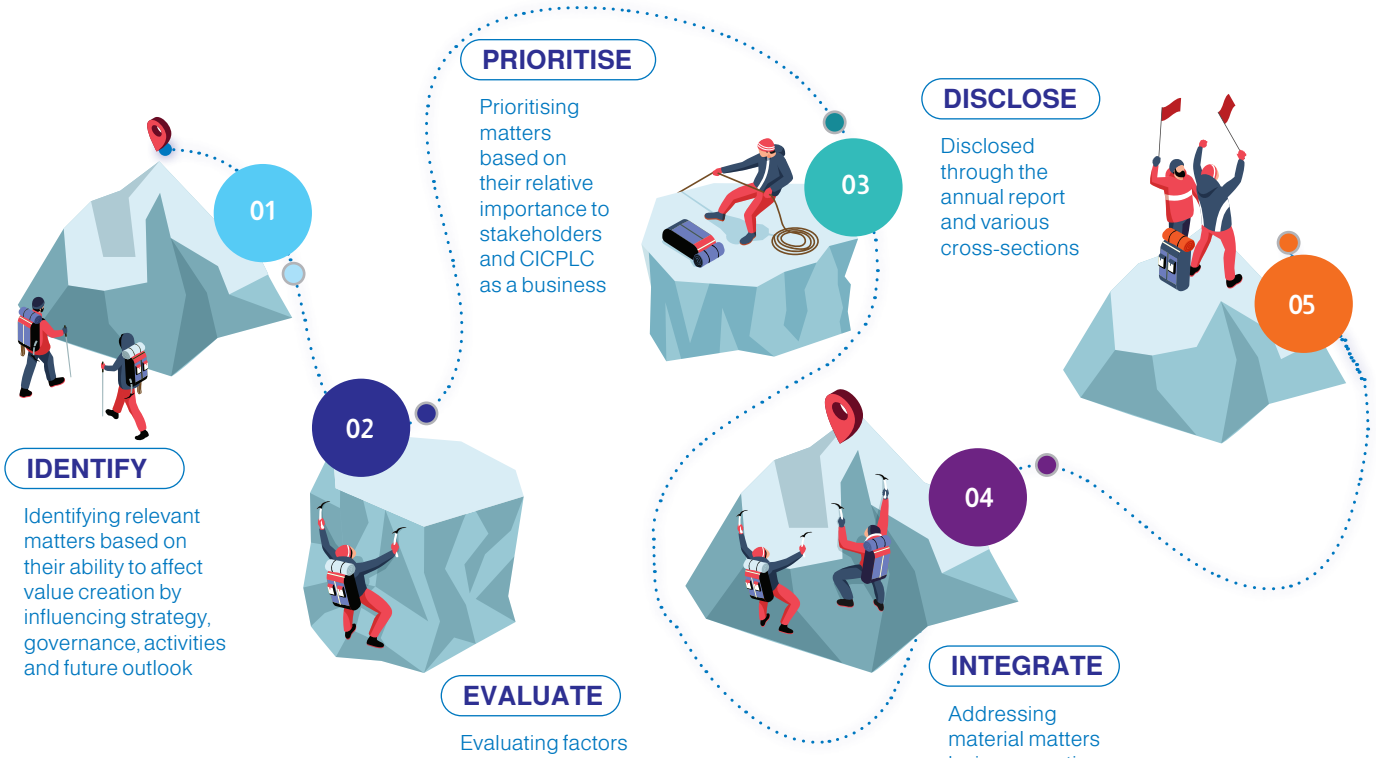
- SLSAE 3000 – Sri Lanka Standard on Assurance Engagements
- The financial statements included in this Report have been prepared under the historical cost convention unless otherwise stated and are presented in Sri Lankan Rupees (LKR).
- The Board of Directors acknowledges its responsibility for the integrity and objectivity of the information presented in this Report. Appropriate systems, internal controls, and governance processes are maintained to ensure that the information disclosed is reliable and consistent with applicable reporting requirements.
- This Report covers the operations of Co-operative Insurance Company PLC and its subsidiary, CoopLife Insurance Limited, for the period from 1st January 2025 to 31st December 2025.



Organizational Structure



Materiality Assessment



OUR APPROACH TO MATERIALITY

CICPLC recognises that identifying and focusing on material matters is essential to delivering sustainable value over the short, medium, and long term. While a formal, standalone materiality assessment has not yet been conducted, the Company has adopted a practical, integrated approach to identifying key matters based on the below:

- Strategic priorities and business objectives
- Risk management and underwriting considerations
- Stakeholder expectations and engagement insights
- Operating environment and industry developments
- Impacts across the six capitals

This approach ensures that the most critical factors influencing value creation, financial performance, and long-term resilience are systematically considered in decision-making and reporting.
Identification of Material Matters

Material matters were derived through an internal evaluation of the below:

- Strategic focus areas such as underwriting discipline, portfolio diversification, and digital transformation
- Key risks including economic volatility, climate risk, and regulatory developments
- Customer expectations relating to accessibility, affordability, and service quality
- Sustainability considerations embedded across operations and investment decisions

These inputs were consolidated and prioritised based on their impact on business performance and importance to stakeholders.
Financial and Operational Sustainability

Materiality Assessment Contd.

Financial and Operational Sustainability

- Underwriting discipline and profitability
- Portfolio diversification (reduction in motor dependency)
- Capital strength and financial resilience
- Cost management and operational efficiency





Customer and Market

- Customer experience and service quality
- Accessibility and financial inclusion
- Product innovation and affordability
- Distribution expansion and market reach

Digital and Innovation

- Digital transformation and service enablement
- Data-driven underwriting and decision-making
- Cybersecurity and technology resilience





Risk and Governance

- Enterprise Risk Management (ERM)
- Regulatory compliance and governance
- Ethical business practices

Environmental and Climate

- Climate risk in underwriting
- ESG-integrated investment decisions
- Resource efficiency and operational footprint





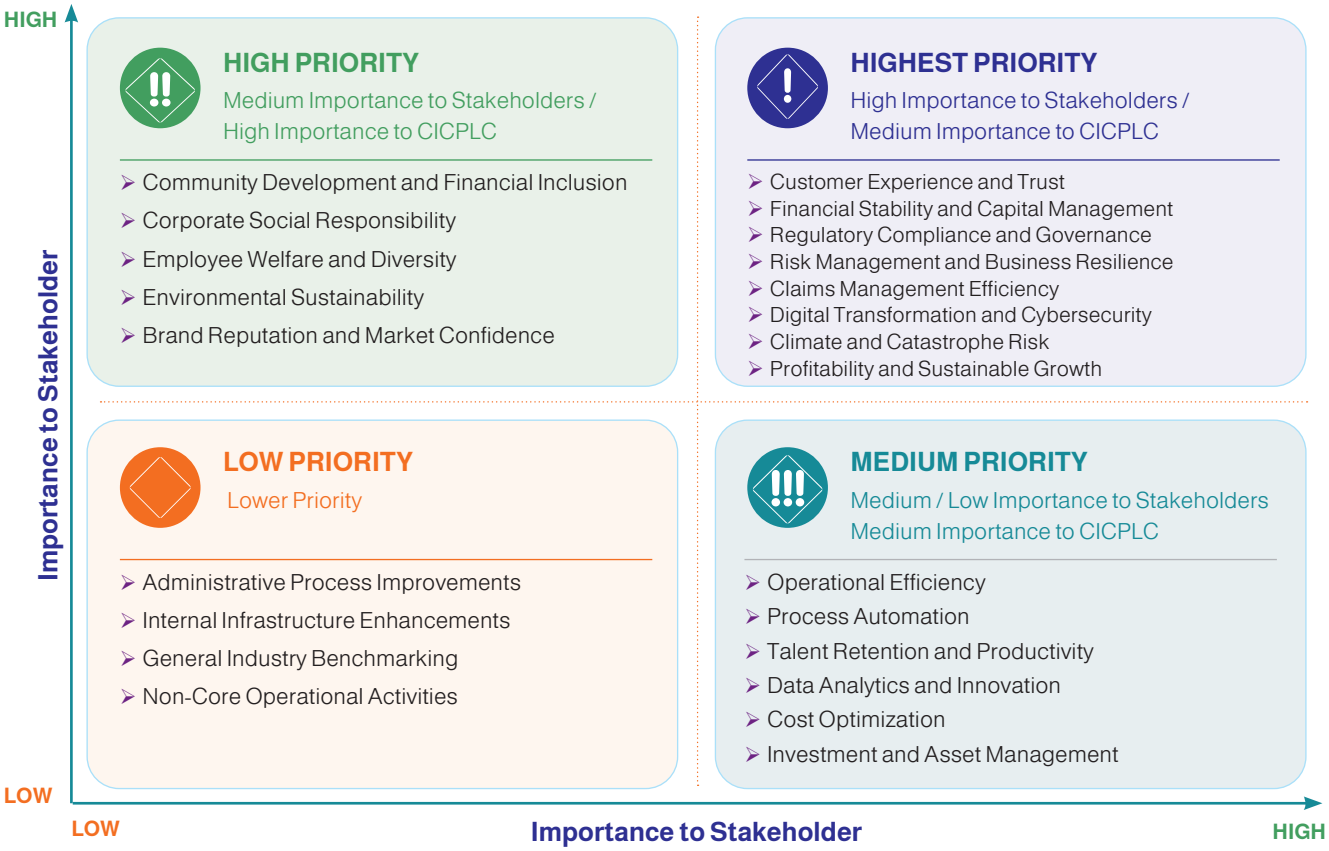
People and Culture

- Talent attraction, development, and retention
- Employee engagement and productivity
- Knowledge development and operational capability

Social and Relationship Capital

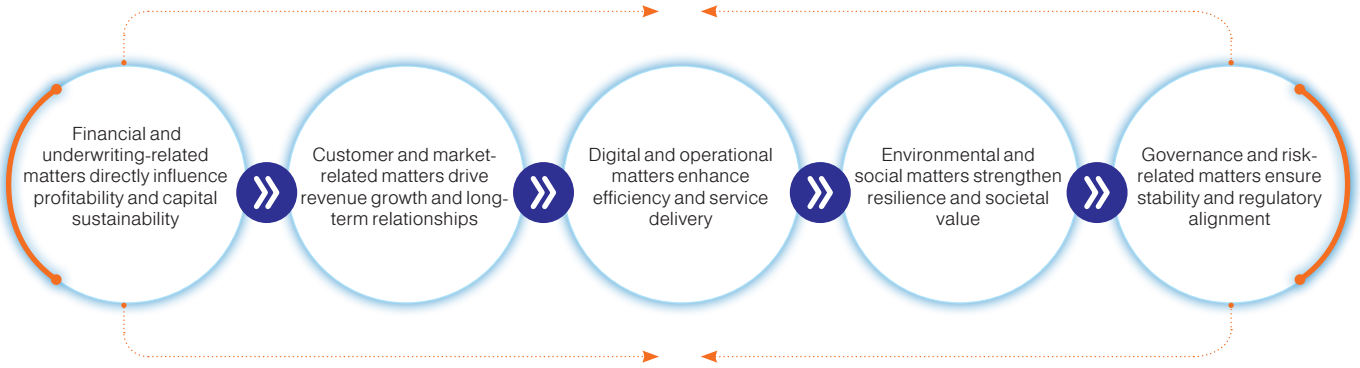
- Customer trust and retention
- Partner ecosystem (agents, brokers, cooperatives)
- Community engagement and inclusive insurance expansion





LINKING MATERIAL MATTERS TO STRATEGY AND VALUE CREATION

CICPLC's material matters are closely aligned with its strategic framework and value creation model.



This alignment ensures that material matters are not treated in isolation but are embedded within the Company's core strategy, risk management processes, and capital allocation decisions.

Milestones Over The Years

2025

Strengthened business stability through enhanced governance and improved operational resilience, reinforcing the Company's commitment to sustainable and disciplined growth.

2024

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

2023

Key Accounts division and agency channel started. Launched express counters concept.

2022

Successfully achieved Rs. 5 Bn GWP milestone.

2021

CICPLC became a quoted public company listed on the Colombo Stock Exchange. Won Compliance award from CA Sri Lanka.

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

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.

2018

100th branch opened.

2017

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

2016

Recorded the highest GWP growth rate in General Insurance sector.



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

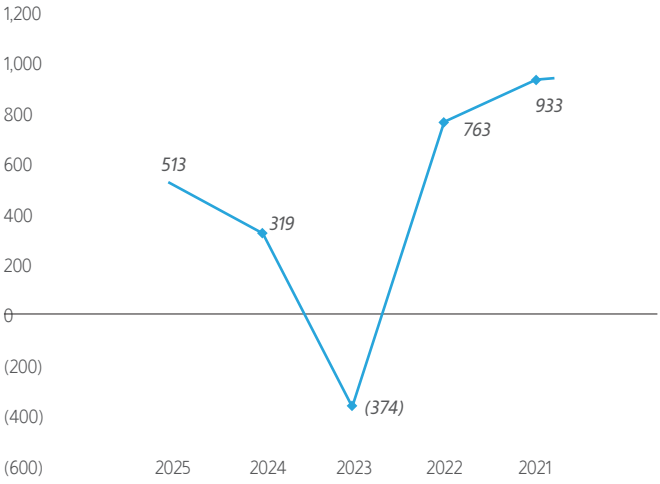
Segregation of CICPLC and Cooplife under Section 53 of the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011.

Financial Highlights

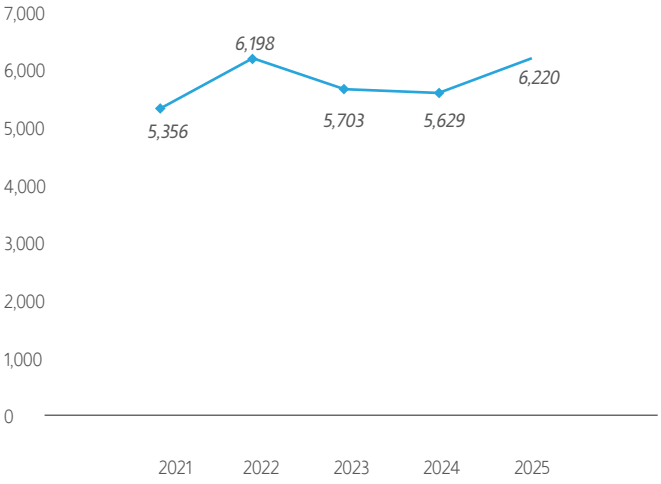
Key Financial Indicators

	2025	2024	2023	2022	2021
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Revenue and profitability – Group					
Gross written premium	6,220	5,629	5,703	6,198	5,356
Net earned premium	4,427	4,611	5,225	5,226	4,550
Finance income	1,694	1,763	1,735	1,186	764
Underwriting profit	886	598	77	1,590	1,808
Profit/(Loss) before tax (PBT)	513	319	(374)	763	933
Profit/(Loss) after tax (PAT)	279	274	(320)	627	810
Revenue and profitability – General					
Gross written premium	5,007	4,526	4,539	5,087	4,519
Net earned premium	3,259	3,554	4,106	4,161	3,760
Investment income	842	892	1,008	771	490
Underwriting profit	1,158	898	477	1,471	1,597
Profit/(Loss) before tax (PBT)	324	153	(337)	563	739
Profit/(Loss) after tax (PAT)	188	113	(259)	458	631
Revenue and profitability – Life					
Gross written premium	1,213	1,103	1,168	1,115	841
Net earned premium	1,168	1,057	1,122	1,068	794
Investment income	853	871	727	415	299
Underwriting profit	(272)	(300)	(397)	556	406
Profit/(Loss) before tax (PBT)	189	166	(37)	200	217
Profit/(Loss) after tax (PAT)	91	161	(62)	169	202
Life fund	5,214	4,834	3,893	2,761	2,327
Claims and benefits incurred					
General	2,389	2,839	3,587	2,599	2,125
Life	1,300	1,225	1,395	793	443
Financial position (Group)					
Total assets	19,415	17,282	15,908	14,246	13,008
Financial investments	13,872	12,686	11,311	10,242	9,032
Premium receivables	1,181	1,109	1,305	1,339	1,024
Insurance provision - General	4,392	3,430	3,575	3,249	3,127
Total liabilities	13,041	11,392	10,222	8,425	7,778
Total equity	6,374	5,890	5,687	5,821	5,229
Profitability ratios					
Return on total assets - Group	1.44%	2%	-2%	4%	6%
ROCE - Group	9%	6%	-6%	14%	19%
Investment yield - Group	12%	14%	15%	12%	8%
For shareholders and investors					
Flout adjuested Market capitalization	4,820	5,116	3,961	4,256	1,167
Dividend per share (LKR)**		0.10	-	-	0.135
Dividend payout ratio		145%	-	-	32%
Market price per share (LKR)	4.40	3.10	2.40	4.0	7.00
Net asset value per share - Company (LKR)	3.22	3.01	2.98	3.04	2.08
Earnings per share (EPS) - Company (LKR)	0.11	0.07	-0.16	0.28	0.42
Ratios (Group)					
Return on equity	4%	5%	-6%	9%	14%
Price to book ratio (LKR)	1.37	1.03	0.80	0.85	0.25

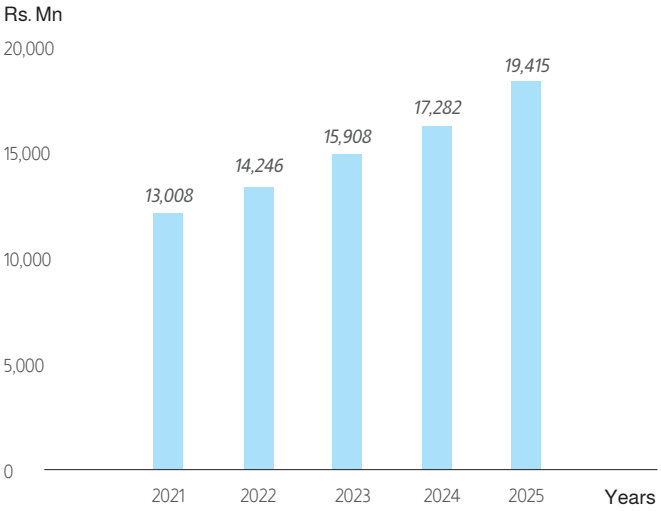
Profit Before Tax Group



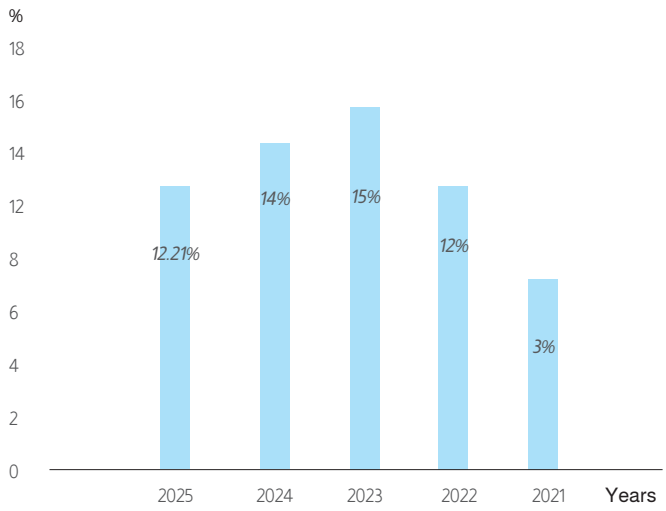
GWP Group



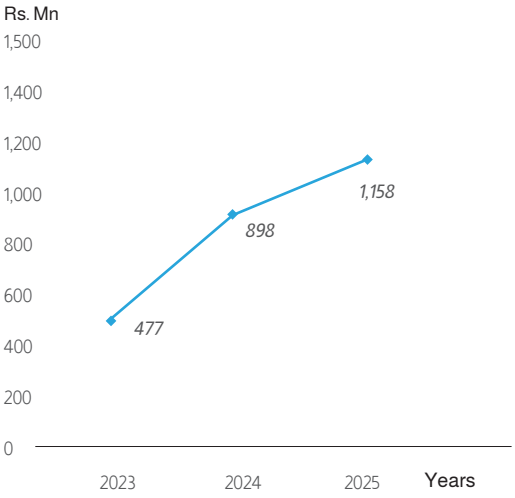
Total Assets Group



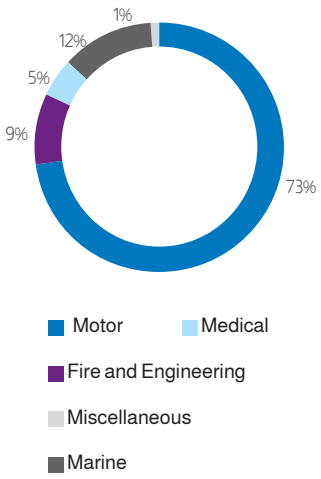
Investment Yield -Group



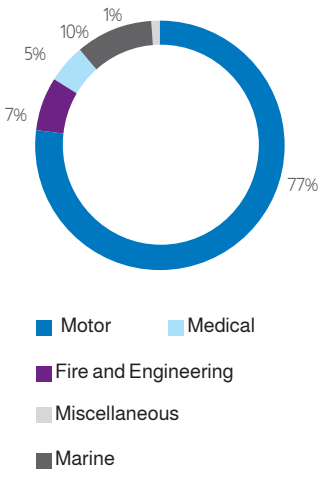
Underwriting profit Company



Product mix 2025



Product mix 2024



Value Creation Model

Turning our Strengths into Sustainable Value

CICPLC creates sustainable value by leveraging its financial strength, operational capabilities, people, and stakeholder relationships while maintaining disciplined risk management and responsible business practices. Through these interconnected capitals, the Company delivers reliable insurance protection to customers, strengthens financial resilience, and contributes to long-term economic stability.

Business Activities: How We Create Value

Through disciplined underwriting, efficient operations, strong governance and continuous innovation, we transform our inputs into lasting impact.

INPUT

1 FINANCIAL CAPITAL
- Strong Capital Base
- Disciplined Investments
- Liquidity management

2 HUMAN CAPITAL
- Skilled Workforce
- Training
- Performance Management

3 INTELLECTUAL CAPITAL
- Underwriting Expertise
- Systems
- Operational Knowledge

4 MANUFACTURED CAPITAL
- Digital Platforms
- Branch Network
- Service infrastructure

5 SOCIAL & RELATIONSHIP CAPITAL
- Customer Trust
- Intermediary Partnerships
- Regulatory engagement

6 NATURAL CAPITAL
- Responsible Investment
- Climate-aware Underwriting

1 Underwriting & Risk Assessment

2 Claims Management

3 Investment Management

VISION

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

Through disciplined underwriting, efficient operations, strong governance and continuous innovation, we transform our inputs into lasting impact.

IMPACT: THE VALUE WE DELIVER

Delivering outcomes that protect today and build a more resilient tomorrow.

4 Customer Service & Distribution

5 Governance & Compliance

6 Digital Transformation

FINANCIAL STABILITY & PROFITABILITY 01

RELIABLE INSURANCE PROTECTION 02

STRONG STAKEHOLDER TRUST 03

OPERATIONAL RESILIENCE 04

SUSTAINABLE LONG-TERM GROWTH 05

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, affordable insurance solutions, which confirm to the highest ethical and moral standards.

Our Strategy

Strategic Focus

CICPLC's strategy is anchored on delivering sustainable growth, strengthening financial resilience, and creating long-term value for stakeholders. In a dynamic operating environment characterised by economic volatility, evolving customer expectations, and emerging risks, the Company adopts a disciplined and adaptive approach to strategy execution.

OUR STRATEGY IS ANCHORED ON

01

SUSTAINABLE GROWTH

Expanding our capabilities, optimizing operations and pursuing oppotunities that drive long-term, responsible growth.

02

STRENGTHENING FINANCIAL RESILIENCE

Maintaining a strong capital base, prudent risk management and disciplined financial practices to withstand uncertainty.

03

CREATING LONG-TERM VALUE

Creating lasting value by delivering reliable solutions, building trust and contributing to the communities we serve.

At the core of this approach is a strong emphasis on underwriting discipline, portfolio diversification, customer-centricity, and operational efficiency, supported by robust governance and risk management frameworks.

Strategic Direction

From Stabilisation to Sustainable Growth

STABILISATION
Strengthening underwriting discipline, improving portfolio quality, and enhancing operational controls.

STRENGTHENING
Expanding non-motor segments, improving efficiency, and enhancing customer experience

SUSTAINABLE GROWTH
Driving balanced portfolio growth, expanding market reach, and strengthening long-term resilience

Strategic Framework

CICPLC's strategy is executed through six interconnected key areas.

Sustainable and Profitable Growth
- Underwriting Discipline
- Portfolio Diversification
- Profitability

Customer Centric Value Proposition
- Accessibility
- Experience
- Trust

Distribution Expansion and Market Reach
- Branch Network
- Partner Channels
- Digital Platforms
- Market Expansion

Operational Excellence and Digital Transformation
- Process Optimization
- Digital Enablement
- Efficiency

Risk Management and Financial Resilience
- ERM Framework
- Capital Strength
- Business Stability

Governance, Sustainability, and Community Commitment
- Ethics
- Compliance
- ESG Approach
- Trust and Long Term Value

Responding to the Challenging Operating Environment

CICPLC operates in an environment shaped by macroeconomic volatility, regulatory developments, and evolving customer expectations. The Company's strategy is designed to remain adaptive and responsive to these changes.

Challenges	CICPLC Response
Economic Volatility	Prudent capital management and underwriting strength
Regulatory Evolution	Strong compliance and Governance
Changing Customer Expectations	Digital and Service Innovation
Climate Risk	Risk aware underwriting and ESG Integration



Future Outlook

CICPLC will continue to build on its strategic foundations by strengthening its non-motor insurance segments, expanding digital capabilities and service channels, and enhancing underwriting precision supported by advanced risk analytics. The Company also aims to broaden its market reach through the development of new distribution channels while integrating climate and ESG considerations into its decision-making processes. Through these strategic priorities, CICPLC seeks to enhance profitability, strengthen resilience, and create sustainable long-term value for all stakeholders.

Stakeholder Engagement

At The Co-operative Insurance Company PLC (CICPLC), stakeholder engagement is fundamental to our ability to create sustainable value and maintain long-term relationships built on trust, transparency, and mutual benefit. We recognise that understanding stakeholder expectations is essential for informed decision-making, effective risk management, and the successful execution of our strategic objectives.

During 2025, CICPLC continued to engage proactively with a diverse range of stakeholders, including customers, employees, shareholders, regulators, business partners, suppliers, and the communities in which we operate. Through ongoing dialogue and structured engagement mechanisms, we gained valuable insights into stakeholder priorities, concerns, and expectations, enabling us to respond effectively to emerging opportunities and challenges.

Stakeholder feedback plays an important role in shaping our business strategy, enhancing service delivery, strengthening governance practices, and supporting sustainable value creation. The outcomes of stakeholder engagement are considered in the materiality assessment process and integrated into strategic planning, operational activities, and performance monitoring across the organisation.

CUSTOMERS

Key Interests and Expectations
- Quality service
- Fair pricing
- Prompt claims settlement
- Digital accessibility
- Data security

Engagement Methods
- Customer surveys
- Branch interactions
- Call centres
- Digital platforms
- Feedback mechanisms

EMPLOYEES

Key Interests and Expectations
- Career development
- Wellbeing
- Fair remuneration
- Workplace safety
- Diversity and inclusion

Engagement Methods
- Performance reviews
- Training programmes
- Staff meetings
- Employee surveys
- Internal communications

SHAREHOLDERS

Key Interests and Expectations
- Sustainable profitability
- Business growth
- Effective governance
- Transparency

Engagement Methods
- Annual General Meeting
- Annual reports
- Investor communications
- Stakeholder meetings

REGULATORS

Key Interests and Expectations
- Compliance with laws and regulations
- Ethical business conduct
- Financial stability

Engagement Methods
- Regulatory filings
- Meetings
- Audits
- Compliance reporting

BUSINESS PARTNERS AND SUPPLIERS

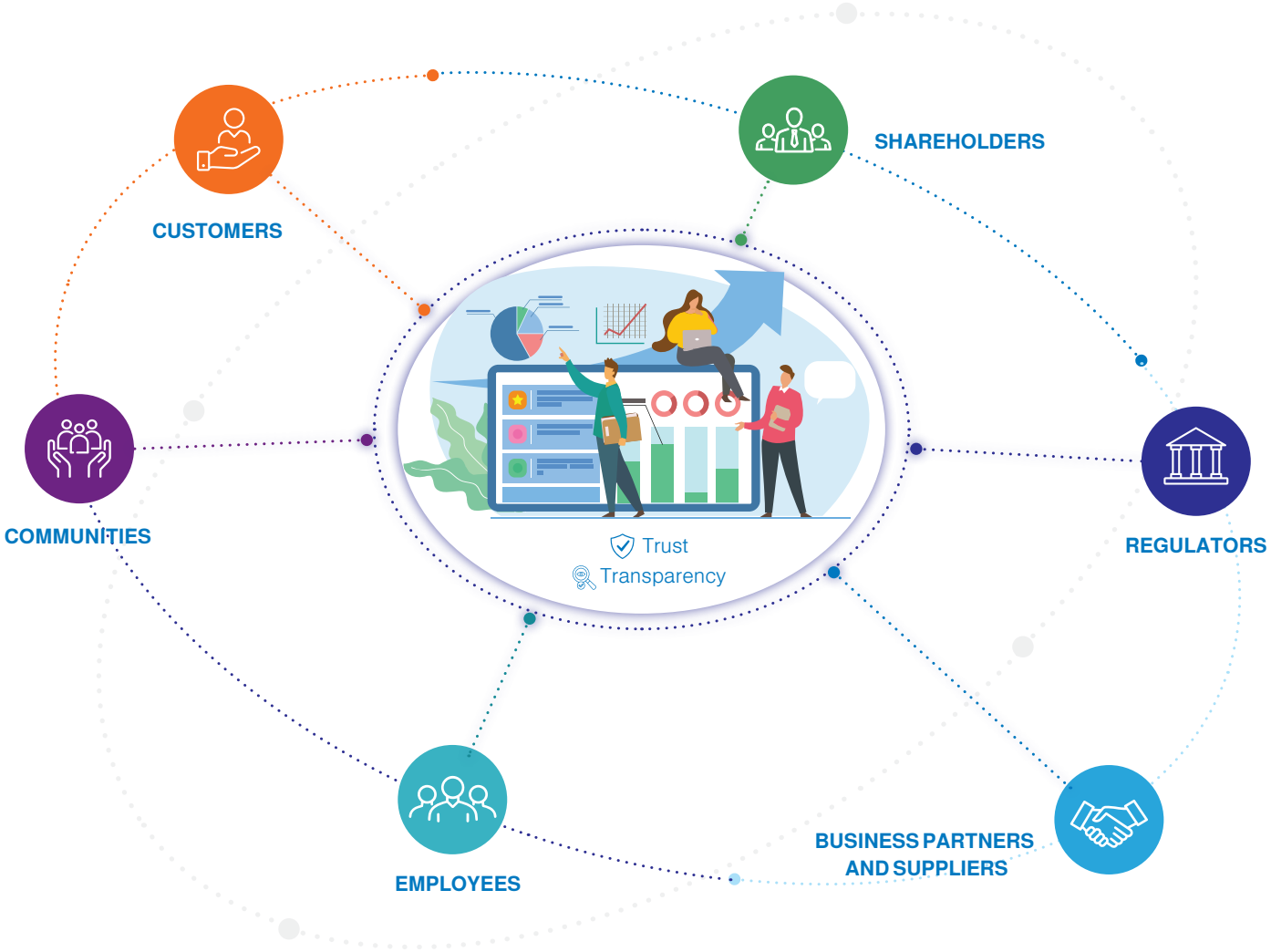
Key Interests and Expectations
- Fair business practices
- Timely payments
- Long-term relationships

Engagement Methods
- Supplier meetings
- Contract reviews
- Performance evaluations

COMMUNITIES

Key Interests and Expectations
- Social responsibility
- Environmental stewardship
- Community development

Engagement Methods
- CSR initiatives
- Community programmes
- Awareness campaigns
- Stakeholder consultations



STAKEHOLDER ENGAGEMENT OUTCOMES

Through continuous engagement with our stakeholders, CICPLC remains committed to fostering strong relationships, enhancing stakeholder confidence, and ensuring that stakeholder perspectives are reflected in our decision-making processes. This collaborative approach supports our commitment to responsible business practices and sustainable value creation for all stakeholders.

- Better Decision Making
- Stronger Relationships
- Enhanced Service Quality
- Improved Governance
- Sustainable Value Creation

Chairman's Statement



The Group recorded a Gross Written Premium (GWP) of LKR 6.2 billion during the year under review, reflecting a growth of 10.5% compared to the previous year, while Net Written Premium increased to LKR 4.7 billion from LKR 4.2 billion with compared to previous year. Despite the impact of higher claims arising from adverse weather-related events during the year

A A J Amarasinghe
Chairman

30th April 2026
Colombo

The year under review marked a continued phase of consolidation for Co-operative Insurance Company PLC, as the Company operated within a gradually stabilising yet evolving economic environment. While domestic macroeconomic conditions showed signs of recovery, global uncertainties, regulatory developments, and shifting customer expectations continued to shape the operating landscape.

Against this backdrop, the Company remained focused on strengthening its core fundamentals and reinforcing its long-term resilience.

Strengthening Foundations for Sustainable Growth

During the year, the Group advanced its strategic transition from stabilisation to sustainable growth. This was achieved through enhanced underwriting discipline, improved portfolio quality, and a gradual rebalancing towards more diversified business segments.

These efforts contributed to reducing concentration risk while strengthening the Group's operational and financial foundation.

The Group recorded a Gross Written Premium (GWP) of LKR 6.2 billion during the year under review, reflecting a growth of 10.5% compared to the previous year, while current year Net Written Premium increased to LKR 4.7 billion from LKR 4.2 billion with compared to previous year. Despite the impact of higher claims arising from adverse weather-related events during the year, the Group maintained resilience through prudent underwriting practices and effective reinsurance arrangements. Profit before tax improved significantly by 60.9% to LKR 512.6 million compared to LKR 318.6 million in the previous year, while profit for the year increased to LKR 279.1 million. Total comprehensive income attributable to equity holders also increased to LKR 468.0 million from LKR 365.5 million in 2024, reflecting the Group's strengthened financial position, disciplined operational management, and continued focus on sustainable long-term value creation.

Governance and Oversight

The Board continued to place strong emphasis on governance, risk management, and regulatory compliance. Robust oversight mechanisms were maintained across all areas of the business, supported by a well-defined risk management framework and an effective internal control system.

These practices ensured that the Company remained aligned with regulatory expectations while maintaining transparency, accountability, and stakeholder confidence.

Dividend Considerations

The Company paid an interim dividend of Rs. 0.10 per share in June 2024. Following the finalisation of the audited financial statements for the financial year 2024, the Board resolved to recommend a further final dividend of Rs. 0.05 per share, subject to the approval of the Insurance Regulatory Commission of Sri Lanka (IRCSL). However, in light of the potential industry-wide impact arising from the Ditwah cyclone situation, the IRCSL subsequently directed all General Insurance companies to refrain from declaring and distributing dividends for the financial years 2024 and 2025 until further notice. This directive remains subject to an industry impact assessment and a subsequent review by the regulatorby end of June 2026. Accordingly, the Company is in compliance with the aforsaid direction issued by the IRCSL.

Commitment to Stakeholders and Society

As part of the cooperative movement, CICPLC remains committed to creating value beyond financial performance. The Company continued to extend insurance solutions to underserved communities, support financial inclusion, and contribute to community development initiatives.

This approach reflects the Group's broader responsibility to deliver sustainable and inclusive growth.



Gross Written Premium (GWP)

LKR 6.2 Bn ↑ 10.5%

Profit Before Tax

LKR 512.6 Mn ↑ 60.9%

Profit for the Year

LKR 279.1 Mn

Looking Ahead

While the outlook for the domestic economy remains cautiously optimistic, uncertainties in the global environment and evolving regulatory and climate-related risks require continued vigilance.

The Board remains confident in the Group's strategic direction and will continue to support disciplined growth, strong risk management, and investment in digital capabilities to enhance long-term resilience.

Acknowledgement

On behalf of the Board, I extend my sincere appreciation to all our stakeholders for their continued trust, confidence, and support throughout the year. I wish to thank our policyholders for placing their confidence in the Company, and our shareholders for their continued belief in our strategic direction and long-term value creation.

I also acknowledge the guidance and support of the regulators and the Government of Sri Lanka in fostering a stable and well-regulated operating environment, which remains essential for the sustainable development of the insurance sector.

Our appreciation extends to our distribution partners, including agents, brokers, bancassurance partners, and cooperative networks, as well as our reinsurance partners, for their continued collaboration and contribution to strengthening our business and expanding our reach.

Finally, I wish to place on record the Board's appreciation to the senior management team and all employees for their dedication, professionalism, and commitment. Their collective efforts have been instrumental in navigating the challenges of the year and advancing the Company's strategic priorities.

Managing Director's Review



Profit Before Tax (PBT) increased by 112% compared to the previous year, while Profit After Tax (PAT) recorded a strong improvement, reflecting the effectiveness of our strategic initiatives and disciplined execution. The Company's total assets grew by 14% during the year

G G Dayasumana
Managing Director
30th April 2026
Colombo

The year under review marked a significant step forward in the Company's journey from stabilisation towards sustainable growth. Operating within an environment shaped by economic recovery, evolving customer expectations, regulatory developments, and rapid technological change, we remained focused on strengthening our core fundamentals while positioning the business for long-term value creation.

Company Performance

Our performance during the year reflects the success of this disciplined approach. The Company recorded a Gross Written Premium (GWP) of LKR 5 billion, representing a growth of 10% over the previous year while maintaining a market share of 4%. Continued focus on underwriting discipline, portfolio optimisation, and operational efficiency contributed to a significant improvement in overall performance.

Profit Before Tax (PBT) increased by 112% compared to the previous year, while Profit After Tax (PAT) recorded a strong improvement, reflecting the effectiveness of our strategic initiatives and disciplined execution. The Company's total assets grew by 14% during the year, supported by prudent capital management and investment portfolio growth. Our investment portfolio generated a return of 11%, contributing positively to earnings while maintaining an appropriate balance between risk and return.

Strengthening Underwriting and Portfolio Quality

A key priority during the year was the enhancement of underwriting discipline across the organisation. Improved oversight, targeted training programmes, strengthened underwriting guidelines, and data-driven decision-making contributed to better risk selection and reduced claims volatility.

Moreover, we continued to diversify our portfolio by gradually reducing our reliance on motor insurance and strengthening non-motor segments. This strategic shift improved portfolio balance, reduced exposure to cyclical risks, and positioned the Company for more sustainable long-term growth.

Enhancing Operational Efficiency and Customer Experience

Operational excellence remained a central focus throughout the year. Investments in digital platforms, process automation, and workflow optimisation enabled us to improve service delivery while enhancing customer experience.

Initiatives such as digital claims processing, enhanced customer engagement tools, and streamlined operational processes reduced turnaround times and improved responsiveness. These efforts not only strengthened customer satisfaction but also contributed to improved productivity and cost efficiency across the organisation.

Expanding Distribution and Market Reach

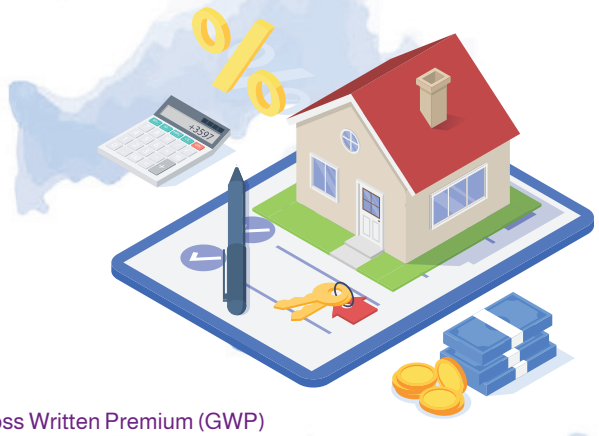
The Company continued to leverage its established branch network, partner channels, and cooperative ecosystem to strengthen its market presence. At the same time, we pursued new distribution opportunities through digital platforms and strategic partnerships, enabling us to reach underserved and emerging customer segments.

This multi-channel distribution strategy supports both business growth and financial inclusion, while enhancing accessibility to insurance solutions across the country.

Strengthening Risk Management and Resilience

Risk management remained integral to the Company's operations. Strong capital adequacy, disciplined risk selection, and continuous monitoring of exposures ensured resilience in a changing environment.

Stress testing and scenario analysis further reinforced the Company's ability to withstand adverse conditions while maintaining financial stability.



Gross Written Premium (GWP)

LKR 5.0 Bn ↑ 10%

Claims Ratio

73% ↓ 7%

Combined Ratio

115% ↓ 7%

Managing Director's Review Contd.

Alignment with IFRS Sustainability Disclosure Standards

As we continue to strengthen our governance, risk management, and reporting capabilities, the Company recognises the growing importance of sustainability-related and climate-related factors in supporting long-term value creation and organisational resilience.

In line with our commitment to enhancing transparency and accountability, we are actively evaluating the requirements of IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2, Climate-related Disclosures. These standards represent an important step towards providing stakeholders with more comprehensive and decision-useful information on sustainability-related risks and opportunities.

The Company is currently assessing the implications of these standards on its governance structures, risk management processes, systems, controls, and reporting frameworks. As part of this process, we are working to strengthen our capabilities in identifying, measuring, monitoring, and reporting sustainability-related and climate-related matters that may influence our long-term performance and strategic objectives.

Consistent with our broader focus on integrating environmental, social, and governance (ESG) considerations into our underwriting, investment, and risk management practices, we are undertaking the necessary preparations to support future compliance with applicable sustainability disclosure requirements. This includes enhancing governance oversight, strengthening data management processes, and embedding sustainability considerations more deeply within decision-making processes across the organisation.

We remain committed to aligning with evolving regulatory expectations and industry best practices while continuing to build a resilient, responsible, and sustainable business that delivers long-term value to all stakeholders.

Future Focus

Looking ahead, the Company remains focused on building a more resilient, diversified, and digitally enabled insurance business. Strategic priorities will centre on expanding non-motor insurance segments to enhance portfolio balance, strengthening data-driven underwriting capabilities to improve risk selection and pricing accuracy, and advancing digital platforms to deliver greater efficiency and improved customer experience. At the same time, the Company will continue to broaden its distribution reach through new channels and partnerships, enabling access to a wider customer base, particularly within underserved segments. Recognising the increasing importance of environmental and social considerations, CICPLC will also further integrate climate-related and ESG factors into its underwriting, investment, and risk management practices. Through these initiatives, the Company aims to enhance operational agility, strengthen financial resilience, and deliver sustainable long-term value to all stakeholders.

Appreciation

I wish to express my sincere appreciation to the Chairman and the Board of Directors for their continued guidance, oversight, and strategic direction, which have been instrumental in navigating the Company through a complex and evolving operating environment. My gratitude also extends to the CEO and senior management team for their leadership and commitment in executing the Company's strategic priorities with discipline and focus.

I would like to thank our employees across the organisation for their dedication, professionalism, and resilience, which continue to drive the Company's performance and service excellence. Their collective efforts remain the foundation of our operational strength and long-term success.

I also extend my appreciation to our valued customers for their continued trust and confidence in the Company, and to our distribution partners, including agents, brokers, bancassurance partners, and cooperative networks, for their ongoing support in expanding our reach and delivering our services across the country. Our reinsurance partners are also acknowledged for their collaboration and support in strengthening our risk management capabilities.

Finally, I wish to thank our shareholders for their continued confidence, as well as the regulators and the Government of Sri Lanka for their guidance and support in maintaining a stable and well-regulated insurance industry. We remain committed to upholding the highest standards of governance, transparency, and accountability as we continue our journey towards sustainable growth.

Chief Executive Officer's Review



Despite market pressures, we strengthened our core fundamentals, improved operational efficiencies, and maintained prudent risk management practices. Our strategic focus on optimising distribution channels, enhancing digital capabilities, and improving customer experience has begun to yield measurable results, positioning the Company for long-term value creation.

D U P Rajapaksha
Chief Executive Officer

30th April 2026
Colombo

Chief Executive Officer's Review Contd.

The year under review marked a period of disciplined progress and strategic realignment for our organisation as we navigated a complex and evolving economic landscape.

During the year under review, the Company recorded a Gross Written Premium (GWP) of LKR 5 billion, reflecting a 10% growth compared to the previous year while maintaining our market share at 4%. Our continued focus on underwriting discipline and portfolio quality contributed to a significant reduction in operational losses by 44% compared to the previous year. This improvement was supported by a claims ratio of 73% in 2025, compared to 80% in 2024, alongside an improvement in the combined ratio to 115% in 2025 from 122% in 2024, demonstrating our commitment to sustainable and profitable growth.

These results were achieved while fully absorbing the impact of the national catastrophic event, Cyclone Ditwah. Supported by a strong reinsurance programme, the Company was able to effectively manage underwriting exposures while continuing to deliver on its promise of providing true protection to customers affected by the event. This reflects the strength and prudence of our risk management framework.

Reduction in operational losses

44%

Combined Ratio

122% to 115%

Profit Before Tax (PBT)

112%



Operational expenses were maintained at 40 % of Net Earned Premium (NEP). Compared to the previous year, this reflects the effectiveness of our disciplined cost management approach. As a result, operational losses were further reduced by 44%.%, contributing to the improvement in the combined ratio from 122% to 115% and supporting a 112% growth in Profit Before Tax (PBT) compared to the previous year.

Despite market pressures, we strengthened our core fundamentals, improved operational efficiencies, and maintained prudent risk management practices. Our strategic focus on optimising distribution channels, enhancing digital capabilities, and improving customer experience has begun to yield measurable results, positioning the Company for long-term value creation.

A key priority during the year was the realignment of our operational structure to enhance agility, accountability, and speed of execution. We also invested in strengthening our human capital and embedding a performance-driven culture across the organisation. These initiatives have reinforced our ability to respond effectively to both market opportunities and emerging challenges.

In today's rapidly evolving business environment, one principle continues to guide my leadership philosophy and the direction of our organisation: while a small portion of the challenges we face may be beyond our control, the true measure of our strength lies in how we respond.

Across the organisation, regardless of role or responsibility, we encounter situations that test our resilience, judgement, and commitment. In such moments, it is not the circumstance itself but our response to it that defines who we are. This belief has become a cornerstone of our culture and a key driver of our progress.

As a service-oriented organisation, our responsibility extends beyond delivering products – we are entrusted with protecting lives, supporting aspirations, and standing by our customers when it matters most. This is firmly reflected in our vision: "To be an organisation that stands united with its customers to the very end."

Our mission further reinforces this commitment by guiding us to remain ever mindful of the needs of our customers and to make "true protection" a way of life through innovative, affordable insurance solutions delivered with the highest ethical and moral standards.

At the core of achieving these aspirations is a strong, value-driven culture. We recognise that sustainable success cannot be achieved through strategy alone – it must be supported by the right behaviours, consistently demonstrated across every level of the organisation. The way we interact with one another internally is ultimately reflected in how we serve our customers externally.

To strengthen this cultural foundation, we have embraced the REACT principle as a defining framework for how we conduct ourselves:

- Respectful – We treat each other with dignity and professionalism.
- Ethical – We act with integrity and uphold the highest standards.
- Accountable – We take ownership of our actions and responsibilities.
- Committed – We remain focused on and dedicated to our purpose.
- Trustworthy – We build lasting relationships through honesty and reliability.

These values are not aspirational statements – they are expectations that guide our daily actions and decisions. They ensure that even in situations beyond our control, our response remains consistent, responsible, and aligned with our purpose.

As we move forward, our strategic priorities will remain centred on sustainable growth, customer-centric innovation, operational excellence, and disciplined risk management. We will continue to invest in our people, processes, and technology to strengthen our competitive position and deliver superior value to all stakeholders.

I am confident that, with our clear strategic direction, strong governance, and deeply embedded culture, we are well positioned to build a resilient and future-ready organisation. Together, we will continue to respond with purpose, act with integrity, and deliver on our brand promise, "For the people, by the people."

Future Focus

Looking ahead, our focus remains on strengthening the Company's resilience while positioning it for sustainable and balanced growth. We will continue to diversify our portfolio by expanding non-motor segments, thereby improving risk distribution and reducing concentration.

Enhancing underwriting discipline through data-driven decision-making will remain a key priority, enabling more precise risk selection and pricing. In parallel, we are accelerating our digital transformation agenda to improve operational efficiency, streamline processes, and deliver a more seamless and responsive customer experience.

We will also expand our distribution footprint through targeted partnerships and alternative channels, with a particular emphasis on increasing accessibility within underserved segments. At the same time, we are progressively integrating ESG and climate-related considerations into our core business practices, aligning with evolving regulatory expectations and long-term sustainability objectives.

Ongoing industry developments including CRIB integration, digital motor certificates, initiatives to increase insurance penetration, and the implementation of IFRS 17 present both opportunities and responsibilities. We are proactively aligning our systems, processes, and capabilities to leverage these developments and strengthen our competitive positioning.

Through these strategic priorities, we aim to enhance agility, strengthen financial resilience, and deliver consistent longterm value to all stakeholders.

Appreciation

I wish to place on record my sincere appreciation to the Chairman, Managing Director, and the Board of Directors, including all Board Sub-Committees, for their continued guidance, governance, and strategic oversight.

I also extend my gratitude to the senior management team for their commitment and disciplined execution of our strategic priorities, and to all our employees for their dedication and professionalism, which remain central to our continued progress.

My sincere thanks go to our valued customers for their continued trust and confidence, and to our distribution partners including agents, brokers, bancassurance partners, and cooperative networks for their ongoing support in expanding our reach and strengthening our market presence.

I also acknowledge the valuable contribution of our reinsurance partners in reinforcing our risk management framework and supporting our growth.

Finally, I thank our shareholders for their confidence, and the regulators and the Government of Sri Lanka for their continued guidance in fostering a stable and well-regulated insurance industry.

We remain committed to upholding the highest standards of governance, transparency, and accountability as we continue our journey forward.

Board of Directors - CICPLC



Mr. A A J Amarasinghe
Chairman -
Non-Independent /
Non-Executive

Mr. G G Dayasumana
Vice Chairman -
Managing Director /
Principle Officer /
Non-Independent /
Executive

Mr. L Waragoda
Independent /
Non-Executive
Director

Mr. Suraj Wickramasinghe
Independent /
Non-Executive
Director

Mr. A B Senadira
Independent /
Non-Executive
Director

Mr. Ganaka Amarasinghe
Independent /
Non-Executive
Director



Mr. H H D E P Herath
Independent /
Non-Executive
Director

Mr. M Widanagamage
Independent /
Non-Executive
Director

Mr. M J P L Lal Kumara
Independent /
Non-Executive
Director

Mr. Haritha Karunanayake
Independent /
Non-Executive
Director

Mr. B M A Mohan De Silva
Independent /
Non-Executive
Director

Board of Directors and Profiles - CICPLC



Mr. A A J Amarasinghe

Chairman - Non-Independent / Non-Executive

Mr. Amarasinghe was appointed as a Director to the Company since 2022 and has gained a vast experience in the insurance industry for well over 3 years. Prior to his appointment as the Chairman of CICPLC in February 2025, he has served as the Vice Chairman of the Company for 6 months. Apart from his engagement with CICPLC he serves as a Director and the Vice Chairman of the Wennappuwa Multi-purpose Co-operative Society Ltd and also a Director of KammalPattu Coconut Producers Co-operative Society Ltd.



Mr. A B Senadira

Independent / Non-Executive Director

Mr. Senadirais a member of the Board of Directors of CICPLC since 2019 and he is also a Past Chairman of the Company. Apart from his engagement with CICPLC as a Director, he holds many positions including Director and Vice Chairman of New Talawakele Multi-Purpose Co-operative Society Ltd, and a Director of Co-oplife Insurance Limited, Sri Lanka Consumer Co-operative Federation, the Nuwara Eliya District Co-operative Council and the Central Province Rural Bank Union Ltd. Mr. Senadira who is also a well-established entrepreneur is the Chairman of the SenadiSavindhi Transport Agency (Pvt) Ltd.



Mr. G G Dayasumana

Vice Chairman / Managing Director / Principal Officer
Non-Independent / Executive

Mr. Dayasumana who joined the Board of Directors of CICPLC on 30thNovemebr 2023, elected as the Vice Chairman of the Company in February 2025. Later he was entrusted the responsibilities of the Managing Director and the Principal Officer of the Company. Mr. Dayasumana is a retired a senior official of the Department of Co-operative Development, who had gained over 35 years of experience in the Co-operative sector, of which 10 years as an Assistant Commissioner and as a Deputy Commissioner. Further he is a member of the Co-operative Employees Commission of Sri Lanka. He holds a Master of Science Degree in Service Management and a Post Graduate Diploma in Business Management from the University of Colombo. Further he possesses a Higher National Diploma in Commerce from the Sri Lanka Institute of Advanced Technology Education.



Mr. M Widanagamage

Independent - Non-Executive Director

Mr. Widanagamage counts a tenure of 3 years in the Board of Directors of CICPLC. During his long spell of service in the co-operative sector has held many positions including the Director and Chairman of Beliatta Multi-Purpose Co-operative Society Ltd, Vice Chairman of the Hambantota District Co-operative Rural Bank Union Ltd and the Hambantota District Co-operative Council.



Mr. L Waragoda

Independent / Non-Executive Director

Mr. Waragoda is a Member of the Institute of Chartered Accountants of Sri Lanka with Fellow status. Further he is an MBA from the University of Sri Jayawardenepura (PIM). He has gained over 35 years of exposure in external and internal auditing, financial management, human resources management and general business administration in shipping & logistics, telecommunication, manufacturing and trading enterprises including in few multinational corporations (MNCs).



Mr. H H D E P Herath

Independent / Non-Executive Director

Mr. H H D E P Herath is the Chairman of Panduwasnuwara Multi-Purpose Co-operative Society Ltd and was a Chairman of Panduwasnuwara Pradeshiya Sabha. 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. Suraj Wickramasinghe

Independent / Non-Executive Director

Mr. Suraj Wickramasinghe was appointed to the Board of CICPLC with effect from 24th March 2024 He is the present Chairman of the Post and Telecom Employees Co-operative Bank Society Ltd. During his long spell of service as a member of the Board of Post and Telecom Employees Co-operative Bank Society Ltd.



Mr. Ganaka Amarasinghe

Independent / Non-Executive Director

Mr. Ganaka Amarasinghe is a graduate of the University of Sri Jayewardenepura in Business Administration and a Fellow Member of the Institute of Chartered Accountants, 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 - CICPLC Contd.



Ms. W P M Chathurani

Independent / Non-Executive / Director

(Appointed on 28 April 2025)

Ms. W P M Chathurani is a graduate of the University of Colombo in Physical Science and a fellow member of The Institute of Chartered Accounts and Institute of Certified Management Accountants of Sri Lanka. She served as the partner of P.E. Mathew & Company (Chartered Accountants). She also served as an independent director of CoopLife Insurance Company Limited for nine years.



Mr. B M A Mohan De Silva

Independent / Non-Executive Director

(Appointed on 08.10.2025)

Mr. B M A Mohan De Silva currently serves as the Chairman of the Wayamba Co-operative Rural Bank Union Ltd since October 2024 and as an Assistant Commissioner at the Department of Co-operative Development since 2023. By profession he is an Attorney-at-Law and holds a Bachelor of Laws (LLB) from the Open University of Sri Lanka. He also possesses a Diploma in Co-operative Development from the National Institute of Co-operative Development (NICD), a Diploma in English from Wayamba University, and several other professional qualifications including a Certificate in Trainers Training on Micro Finance Institution (Pune, India), Advanced Certificate in English Translation, and English Certificate for Legal Purposes. Further, he hold Diploma in Pshycology and councelling - Sipwa Campus.



Mr. M G P L Lal Kumara

Independent / Non-Executive Director

(Appointed on 08.10.2025)
Mr. M G P L Lal Kumara currently serves as the Chairman of the Education Employees Co-operative Thrift and Credit Society Limited since April 2025, having previously held the same position from 2016 to 2019 and served as Secretary from 2009 to 2011. In these roles, he has been responsible for key decision-making and the implementation of cooperative policies and development initiatives. He holds a Bachelor of Science degree from the University of Peradeniya (1999) and a Postgraduate Diploma in Education from the University of Colombo (2002). He has also completed Globe Teaching Training on Soil Study conducted by the Ministry of Education in 2007.



Mr. Haritha Karunanayake

Independent / Non-Executive Director

(Appointed on 13.03.2026)
Mr. Haritha Karunanayake is an experienced professional with active involvement in the co-operative and tea industry sectors. He currently serves as the Chairman of Kotapola Multi-Purpose Co-operative Society (MPCS) since August 2025 and the Chairman of the Matara District Tea Producers Co-operative Society Ltd since August 2025. In addition, Mr. Karunanayake serves as a Director of the Matara District Co-operative Rural Bank Union Ltd from October 2025, where he is involved in governance and strategic decision-making relating to the rural banking and co-operative financial sector. He also holds the position of Director of Anmeida Lanka (Pvt) Ltd since October 2016.

Board of Directors - CoopLife



Dr. W. Lalith A Peiris
Chairman -
Non-Independent /
Non-Executive Director

Mr. R. Sooriyaarachchi
Vice Chairman -
Independent / Non-Executive
Director

Mr. Prasanna Suriyarachchi
Managing Director / CEO /
Principal Officer
Non-Independent /
Executive Director

Mr. K. J. Sesiri
Independent /
Non-Executive Director



Mr. Viraj Wijevardhana
Independent /
Non-Executive Director

Mr. Kumara Senanayake
Independent /
Non-Executive Director

Mr. Polgampalage Noel Chrishantha
Independent /
Non-Executive Director

Mr. A B Senadira
Non-Independent /
Non-Executive Director

Board of Directors and Profiles - CoopLife



Dr. W. Lalith A Peiris

Chairman - Non-Independent / Non-Executive Director

Dr. W. Lalith A. 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 Vice Director of Wayamba Co-operative Rural Bank Federation and former Chairman of Chilaw District Co-operative Council. Further, he servies as a director at Sri Lanka Co-operative Rural Bank Fedaration Limited.



Mr. R. Sooriyaarachchi

Vice Chairman - Independent / Non-Executive Director

Mr. R. 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.



Mr. Prasanna Premarathne Suriyarachchi

Managing Director / CEO / Principal Officer
Non-Independent / Executive 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. K.J. Sesiri

Independent / Non-Executive Director

Mr. K.J. 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.

Board of Directors and Profiles - CoopLife Contd.



Mr. A B Senadira

Non-Independent / Non-Executive Director

Mr. Senadira is a member of the Board of Directors of Cooplife Insurance Ltd and he is also a Director of Co-operative Insurance Company PLC and he was former Chairman of the co-operative Insurance Company PLC. Apart from his engagement with CICPLC as a Director, he holds many positions including Director and Vice Chairman of New Talawakele Multi-Purpose Co-operative Society Ltd, and a Director of Cooplife Insurance Limited, Sri Lanka Consumer Co-operative Federation, the Nuwara Eliya District Co-operative Council and the Central Province Rural Bank Union Ltd. Mr. Senadira who is also a well-established entrepreneur is the Chairman of the Senadi Savindhi Transport Agency (Pvt) Ltd.



Mr. Polgampalage Noel Chrishantha

Independent / Non-Executive Director

Noel 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 organisations he has served.



Mr. Kumara Senanayake

Non-Executive / Independent 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. Viraj Wijewardhana

Independent / Non-Executive Director

Mr. Viraj Wijewardhana holds an MSc in Economics from Ryukoku University, Kyoto, Japan, a BSc in Physical Science (Industrial Management) from the University of Kelaniya, Sri Lanka, and a Diploma in Public Administration from the Sri Lanka Institute of Development Administration.

He currently serves as Director – Macro Economic Policy at the Department of National Budget, a position he has held since February 2020. Prior to this, he served as Director of Customs (August 2018 – August 2019) and Deputy Director of Customs at Sri Lanka Customs (August 2016 – August 2018). His previous appointments also include Assistant Director – Macro Economic Policy at the Department of National Budget (March 2015 – August 2016), Assistant Director – Information Technology (November 2014 – March 2015) and Assistant Secretary – Administration at the Ministry of Finance (May 2014 – November 2014), and Assistant Director – Regional Development at the Department of National Planning (January 2007 – April 2014).

Corporate Management Team - CICPLC



Mr. G.G Dayasumana

Managing Director / Principal Officer



Mr. D U P Rajapaksha

Chief Executive Officer



Ms. L.U.N.C.P.Wijeyasuriya

General Manager - General Insurance



Mr. P.G.N.D Gunathilaka

Chief Financial Officer



Mr. K.M. Jayasundara

General Manager - Sales



Mr. H. Dinusha Thilanka

General Manager - Operation



Ms. Surangi Pathirana

Chief Risk and Compliance Officer



Mr. A.M.R.A.L. Lakmal

Head of IT



Mr. Prasanna Colombage

Assistant General Manager -
Moter Claims / HR and Administration



Ms. P. Thamber

Assistant General Manager
Non motor claims



Ms. Preethimalee Wijerama

Senior Manager – Legal

Corporate Management Team - CoopLife



Mr. Prasanna Premarathne Suriyarachchi

Managing Director / CEO / Principal Officer



J A D M Jayasooriya

Cheif Financial Officer



G N Kettipearachchi

Manager - Life Operation & Underwriting / Specified Officer



Rohana Hettiarchchi

General Manager - Marketing



S G Rathnapala

National Sales Manager



R T K Hakmana

Manager - Servicing and Claim



Premila Paranawithana

Compliance Officer / Data Protection Officer



H P D K Kumarathunga

Manager - Internal Audit



P W A G Kaushalya

Accountant





Guided. Grounded. Great.

Progress begins with a steady hand. Like a father guiding a son toward his first taste of freedom, we provide the balance and the bedrock. Our governance and discipline are the quiet strength that lets the next generation ride with confidence.

Operating Context

Global Economic outlook

The global economy continued to navigate a period of adjustment during 2025 amid evolving trade policies, geopolitical uncertainty, and shifts in macroeconomic conditions. According to the International Monetary Fund's (IMF) World Economic Outlook, global economic activity remained resilient but moderated slightly as temporary drivers of growth observed earlier in the year began to fade.

The IMF projected global growth to slow marginally from 3.3% in 2024 to 3.2% in 2025, before moderating further to 3.1% in 2026. Growth prospects remained uneven across regions, with advanced economies expected to expand by around 1.5%, while emerging market and developing economies were projected to grow at just above 4%. Global inflation was also expected to continue easing overall, although price pressures were anticipated to remain elevated in certain economies while moderating elsewhere.

Despite these projections, downside risks to the global outlook were identified. Continued policy uncertainty, rising protectionist tendencies, fiscal vulnerabilities, and potential financial market corrections were expected to pose risks to economic stability. In this context, policymakers worldwide were encouraged to strengthen macroeconomic frameworks, rebuild fiscal buffers, and advance structural reforms to support sustainable long-term growth.

Sri Lankan Macroeconomic Environment

Sri Lanka's economy continued its recovery trajectory in 2025, recording real GDP growth of 5.0%, marking the second consecutive year of economic expansion despite elevated global uncertainties, climate-related disruptions, and ongoing structural adjustments. The recovery was supported by improved macroeconomic stability, easing external sector pressures, and continued implementation of economic reforms.

The improving economic environment contributed positively to business activity, consumer confidence, and financial sector stability, creating a more supportive operating landscape for the insurance industry. Increased economic activity across industrial, services, and agricultural sectors also supported demand for insurance protection, particularly within commercial, motor, property, and SME-related segments.

Inflation and Interest Rate Environment

Inflation dynamics during 2025 reflected a gradual normalisation following the deflationary conditions experienced during the previous year. After eleven consecutive months of deflation, headline inflation returned to positive territory during the second half of the year, primarily driven by easing energy-related deflation and rising food prices linked to adverse weather conditions and supply disruptions.

Year-on-year CCPI inflation increased to 2.1% the end of 2025 compared to -1.7% in 2024, while core inflation remained at relatively moderate levels, indicating that underlying demand-side pressures remained contained.

For the insurance sector, the relatively stable inflation and interest rate environment supported improved investment conditions, enhanced affordability for policyholders, and greater predictability in claims and operational cost management. However, weather-related inflationary pressures continued to impact claims costs, particularly within motor and property-related insurance segments

Annual Real GDP Growth Rates (a)



Economic Growth and Sectoral Recovery

Sri Lanka's economic growth in 2025 was broad-based, with all major sectors contributing positively to national output. Industry activities, particularly manufacturing and construction, demonstrated strong recovery momentum, while the services sector continued to expand, supported by growth in financial services, transportation, and trade-related activities.

Nominal GDP increased to LKR 32.8 trillion in 2025 from LKR 30.1 trillion in 2024, while GDP per capita rose to LKR 1.5 million (USD 5,003), reflecting improving income levels and economic activity. The strengthening economic environment positively influenced insurance market activity by supporting vehicle sales, business investments, construction activity, trade flows, and consumer spending. These trends contributed to increased demand for general insurance solutions across motor, fire, engineering, marine, and miscellaneous insurance segments.

Insurance Industry Landscape - Source of the numbers 2025
Sri Lanka's insurance industry recorded strong growth during 2025, supported by improving economic conditions and increasing demand for risk protection across both life and general insurance segments. According to statistics published by the Insurance Regulatory Commission of Sri Lanka (IRCSL), total gross written premiums (GWP) of the insurance sector increased to LKR 384.96 billion in 2025, compared to LKR 323.54 billion in 2024, representing an overall industry growth of approximately 19%.

The life insurance segment continued to account for the largest share of industry premiums, recording LKR 227.13 billion in premiums compared to LKR 183.95 billion in the previous year, reflecting a growth of around 23%. This growth was supported by increasing awareness of financial protection and long-term savings products among consumers amid a gradually stabilising economic environment.

The general insurance segment also recorded steady expansion during the year, with premiums increasing to LKR 157.84 billion, compared to LKR 139.59 billion in 2024, representing growth of approximately 13%. Motor insurance remained the largest contributor within the segment, with premiums increasing to LKR 75.99 billion from LKR 62.04 billion in the previous year. The improvement in motor insurance premiums was supported by increased insurance activity during the year and the easing of vehicle import restrictions, which contributed to higher vehicle registrations and demand for insurance coverage.

Industry claims also increased during the period in line with higher insurance activity, with life insurance claims rising by 25% and general insurance claims increasing by 10% compared to the previous year. At the same time, the asset base of the insurance sector expanded to LKR 1.43 trillion, supported by increased investments in government securities, corporate debt instruments and other financial assets.

Overall, the continued growth in premiums, expansion of industry assets and strong capital adequacy across insurers reflect the sector's resilience and its strengthening role within Sri Lanka's financial system.

Digitalisation and Industry Transformation

The Government of Sri Lanka and regulatory authorities continued to actively encourage digitalisation across the services sector during 2025, recognising technology adoption as a key driver of inclusion, operational efficiency, transparency, and economic modernisation. Industry-wide initiatives such as digital motor insurance certificates, enhanced data integration, and increased digital connectivity continued to support the transition towards a more technology-enabled financial ecosystem.

These developments have accelerated the adoption of digital platforms and automated processes across the insurance industry, enabling improved customer accessibility, faster service delivery, and enhanced operational efficiency.

In line with these national and industry-level digitalisation efforts, CICPLC continued to strengthen its own digital transformation agenda through investments in technology-driven operational improvements, process automation, and enhanced digital customer engagement platforms. The Company also continued to streamline internal workflows and strengthen digital service capabilities to improve responsiveness, accessibility, and customer convenience.

Through these initiatives, CICPLC remains aligned with the broader national digitalisation agenda while positioning itself to respond more effectively to evolving customer expectations and the changing dynamics of the insurance industry.

Outlook

Looking ahead, Sri Lanka's economic outlook is expected to remain gradually stable, supported by improving macroeconomic conditions, continued fiscal and monetary policy reforms, and the progressive recovery of business and consumer confidence. Inflation is expected to remain relatively moderate, while improvements in economic activity, external sector stability, and financial market conditions are anticipated to support overall economic momentum.

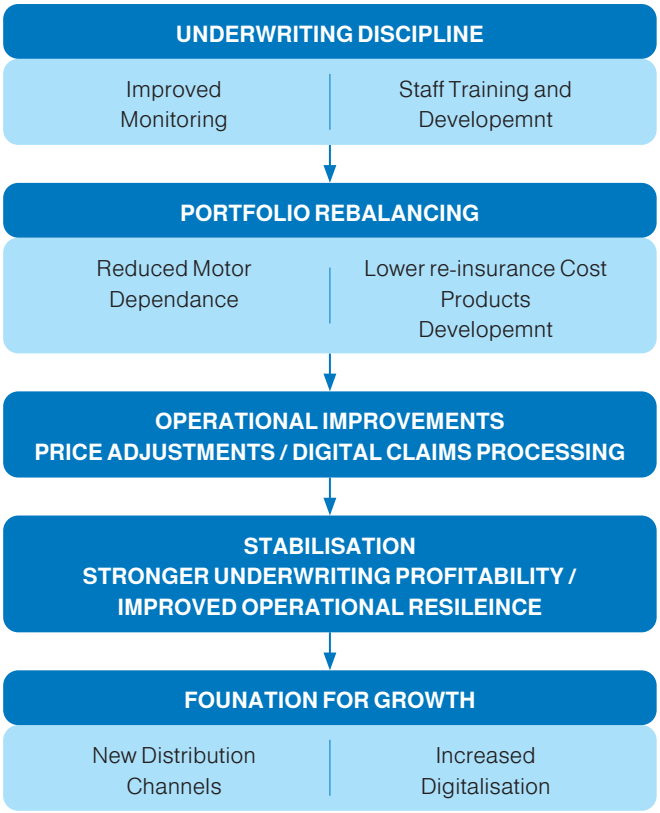
Meanwhile, the global operating environment continues to remain subject to uncertainty arising from geopolitical developments, fluctuating commodity prices, and evolving global economic conditions, which may continue to influence inflation, trade flows, and financial markets.

Against this backdrop, maintaining macroeconomic stability, strengthening financial sector resilience, and sustaining structural reforms will remain important in supporting Sri Lanka's medium- to long-term economic recovery. Continued focus on digitalisation, financial inclusion, investment promotion, and regulatory stability is also expected to support economic activity and create opportunities for sustainable growth across key sectors, including the insurance industry.

Business Performance Review

The year under review marked an important phase in the Company's recovery journey, with 2025 representing a period of stabilisation and the strengthening of operational foundations for future growth. In 2025, the management focused on improving underwriting discipline, enhancing portfolio quality and strengthening operational controls, which contributed to improved performance and greater resilience across the business.

The below illustration presents an overview of CICPLC's approach to improved business performance:



Performance

The year under review marked an important phase in the Company's transition from stabilisation towards sustainable growth, with continued focus on strengthening operational resilience, underwriting discipline, and portfolio quality. Management priorities during the year centred on improving risk selection, enhancing operational controls, expanding non-motor business segments, and strengthening customer service capabilities.

Within the General Insurance segment, the Company continued to pursue a more balanced and sustainable business portfolio by gradually reducing reliance on motor insurance while strengthening non-motor lines. This strategic shift supported improved portfolio quality, reduced concentration risk, and enhanced underwriting performance amidst a competitive market environment.

Operational improvements implemented during the year contributed to stronger organisational resilience and greater efficiency across core business functions. Enhanced underwriting oversight, targeted staff training, improved monitoring mechanisms, and disciplined pricing strategies supported better risk management and operational stability.

At the same time, the Company accelerated several customer-focused and digital initiatives aimed at improving accessibility, responsiveness, and service delivery. Digital claims processing, online customer engagement platforms, and streamlined internal workflows contributed to improved operational efficiency and customer convenience.

The Company also continued to strengthen its distribution capabilities by leveraging its established branch network, partner channels, and cooperative ecosystem while exploring new digital and alternative distribution channels to expand market reach and improve accessibility across underserved segments.

Despite external challenges, including adverse weather-related events and evolving market conditions, the Company remained focused on maintaining operational discipline, strengthening business fundamentals, and positioning itself for long-term sustainable growth.

Growth drivers

A key driver of the Company's performance during the year was the strengthening of underwriting practices and portfolio management discipline. The Company enhanced underwriting oversight through improved monitoring at head office level, targeted staff training and structured communication of underwriting guidelines. These measures contributed to a reduction in claims ratios and supported the development of a more profitable and balanced business portfolio. Meanwhile, the Company prioritised products with lower reinsurance costs and focused on improving overall portfolio profitability.

The operating environment also influenced business dynamics during the year. While the removal of restrictions on vehicle imports created the potential for renewed growth in the motor insurance segment, the Company maintained its strategic focus on diversifying into non-motor insurance segments to mitigate concentration risk. Additionally, evolving customer expectations and increasing digital adoption prompted the Company to further enhance its service delivery capabilities. Digital initiatives introduced during the year included the "Call and Go" facility, online claims submission through digital platforms, expedited processing for claims below LKR 50,000, and the introduction of quick-link access for motor-related services. These initiatives improved customer convenience, accessibility, and operational efficiency while enabling faster and more responsive service delivery.

To safeguard profitability in a competitive environment, the Company undertook a review of pricing across its product portfolio, revising premium structures where necessary and ensuring appropriate sums insured across policies. These measures, together with disciplined underwriting and cost management, contributed to a significant improvement in profitability during the year. In addition, minimum net premium thresholds were introduced for motor insurance products to maintain pricing discipline within a highly competitive segment.

Looking ahead

Looking ahead, the Company is expanding its distribution strategy beyond its traditional branch network by developing new distribution channels, which is expected to support broader market reach and stronger revenue growth in the years ahead.

Meanwhile, the Company also begun to incorporate climate-related risk considerations into its strategic planning and underwriting approach. This includes strengthening risk identification and classification processes, reviewing underwriting strategies and policy conditions, and exploring the use of catastrophe modelling and data analytics to better understand emerging climate-related exposures. Portfolio diversification remains a key element of this approach.

Financial Capital

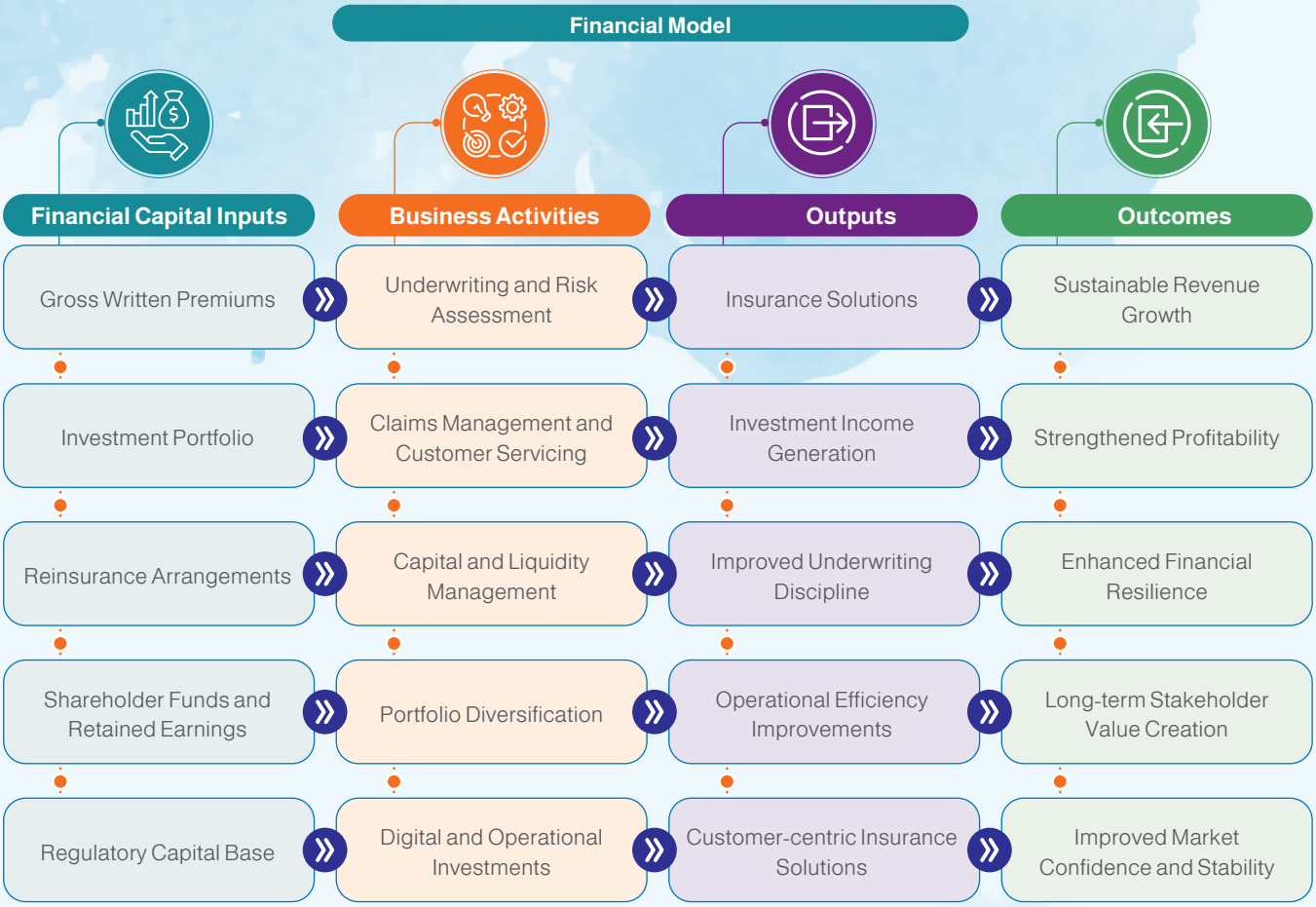


Overview

Financial capital represents the pool of funds available to Co-operative Insurance Company PLC to support underwriting activities, honour policyholder obligations, invest in growth opportunities, and generate sustainable returns to stakeholders. As an insurance provider operating within a dynamic and risk-sensitive environment, the Company's ability to maintain financial strength, liquidity, profitability, and capital adequacy remains fundamental to long-term value creation.

The Company's financial capital is primarily generated through insurance premium inflows, investment income, and retained earnings, while capital deployment is directed towards claims settlement, underwriting operations, strategic investments, technology enhancement, regulatory compliance, and business expansion initiatives.

Guided by prudent financial management practices, disciplined underwriting, and a robust reinsurance framework, the Company continued to strengthen its financial resilience during the year under review despite prevailing market pressures and catastrophe-related claims.



Financial Capital Performance

The Company's financial capital performance during the year under review reflected continued operational resilience, disciplined underwriting practices, and prudent financial management despite a challenging operating environment and elevated catastrophe-related claims.

At Company level, Co-operative Insurance Company PLC recorded a Gross Written Premium (GWP) of LKR 5.0 billion in 2025, reflecting a growth of 10% compared to the previous year while maintaining a market share of 4%. Continued focus on underwriting discipline, portfolio quality, and cost management contributed to improved operational performance during the year. The Company also recorded improvements in claims and combined ratios, demonstrating progress towards sustainable and profitable growth.

The Company's financial performance was supported by growth across key business segments and strengthened distribution capabilities. Despite the impact of adverse weather-related events, including Cyclone Ditwah, the Company was able to effectively manage underwriting exposures through a robust reinsurance programme and disciplined risk management practices.
At Group level, consolidated Gross Written Premium increased to LKR 6.2 billion from LKR 5.6 billion in 2024, while Net Written Premium increased to LKR 4.7 billion compared to LKR 4.2 billion in the previous year. Net earned premium stood at LKR 4.4 billion, while investment income remained strong at LKR 1.7 billion, continuing to support earnings stability and capital strength.

Financial Capital Contd.

Group Profit Before Tax (PBT) increased significantly by 60.9% to LKR 512.6 million compared to LKR 318.6 million recorded in 2024, reflecting improvements in underwriting performance, disciplined cost management, and stronger operational efficiencies across the Group. Profit after tax increased to LKR 279.1 million, while total comprehensive income attributable to equity holders improved to LKR 468.0 million from LKR 365.5 million in the previous year.

The Group continued to maintain a prudent approach to liquidity, solvency, and capital management to ensure financial stability, regulatory compliance, and the timely settlement of policyholder obligations. Sustained investments in operational efficiency, digital capabilities, and portfolio diversification further strengthened the financial resilience of both the Company and the Group during the year under review

Capital Management and Financial Resilience

The Company's approach to financial capital management is centred on preserving solvency, maintaining liquidity, strengthening profitability, and ensuring sustainable long-term value creation. Capital allocation decisions are guided by regulatory requirements, risk-return considerations, and strategic priorities.

A strong reinsurance programme continued to play a critical role in mitigating underwriting risk exposure and protecting the Company's capital base against large or catastrophic losses. This enabled the Company to absorb the impact of major claims events while maintaining operational and financial stability.

The Company also continued to strengthen underwriting discipline, optimise portfolio quality, and enhance cost management practices during the year. Strategic emphasis was placed on improving operational efficiencies, expanding non-motor business segments, and leveraging digital capabilities to enhance productivity and customer experience.

Investment portfolio management remained focused on balancing yield optimisation with capital preservation and liquidity requirements. The Company maintained a diversified investment portfolio aligned with regulatory guidelines and prevailing market conditions.

Value Created Through Financial Capital

Through disciplined financial management and prudent risk governance, the Company continued to create sustainable value for its stakeholders by maintaining financial stability and regulatory compliance, strengthening underwriting profitability and operational efficiency, and ensuring the timely settlement of policyholder claims. Continued emphasis was also placed on supporting long-term business sustainability and resilience, enhancing shareholder confidence and stakeholder trust, investing in digital transformation and operational improvements, and expanding insurance accessibility across underserved communities. The Company remains committed to further strengthening its financial capital base through sustainable growth strategies, disciplined risk management practices, and continued investment in innovation and customer-centric solutions.

SUPPORTING SUSTAINABLE ECONOMIC RESILIENCE AND FINANCIAL INCLUSION

SDG 8 – Decent Work and Economic Growth



SDG 9 – Industry, Innovation and Infrastructure



SDG 11 – Sustainable Cities and Communities



IFRS 17 Implementation Status

SLFRS 17 Implementation Roadmap

The Company commenced its SLFRS 17 (Insurance Contracts) implementation programme with the objective of ensuring full compliance with the standard and meeting regulatory expectations. The implementation project has been executed in a structured phased approach as outlined below:

The Company continues to progress its implementation of IFRS 17 in accordance with the regulatory requirements and the approved project plan.

During 2024, the Company successfully completed the selection of the implementation consultant and the IFRS 17 system.

The implementation consultant was appointed on 10 September 2024, and the IFRS 17 system was selected and contracted on 10 October 2024.

As of the reporting date, the system implementation phase was substantially completed during the fourth quarter of 2025. Following implementation, the Company commenced the parallel run phase to validate processes, controls, and reporting outputs. The parallel run process is ongoing as of 15 March 2026.

The Company has revised its implementation timeline, and the planned IFRS 17 go-live date is 1st August 2026. Management continues to closely monitor project milestones and remains committed to ensuring a smooth and effective transition to the new accounting standard.

IFRS 17 Implementation Progress Summary (as at 30 April 2026)

Action	Target Date (as per CA Sri Lanka)	Actual / Current Status
Consultant Selection	Before Dec. 2023	EY appointed on 10/09/2024
System Selection	Before March 2024	Completed on 10/10/2024
System Implementation	Before Sep. 2024	Completed in 4th week of Dec. 2025
Parallel Run	Before Dec. 2024	Ongoing as at 15/03/2026
Go Live	1 January 2026	Revised to 1st August 2026

Manufactured Capital



Overview

Manufactured Capital comprises CICPLC's physical infrastructure, service delivery network, and digital and technological platforms that enable efficient operations and customer accessibility across the country. These assets support core insurance processes, including underwriting, policy administration, and claims management, while ensuring seamless connectivity between the head office, branches, partners, and customers.

Through continuous investment in infrastructure and technology, the Company enhances operational efficiency, strengthens service delivery, and supports long-term value creation.

Capital Composition

CICPLC's Manufactured Capital consists of two integrated components:

PHYSICAL INFRASTRUCTURE	DIGITAL AND TECHNOLOGICAL INFRASTRUCTURE
Branch network and service centres Office facilities and operational premises Express counters and third-party service points	Core insurance systems and digital platforms Mobile applications and customer interfaces Network infrastructure and cybersecurity systems

Together, these assets enable scalable, efficient, and accessible service delivery across diverse geographic regions.

Manufactured Capital Framework

WHAT WE LEVERAGE	WHAT WE DO	WHAT WE CREATE
Branch network, service centres, digital platforms, IT infrastructure	Service delivery, process optimisation, digital enablement, infrastructure management	Accessibility, operational efficiency, service quality, and resilience

Manufactured Capital KPIS 2025

Mobile app users	Property, plant, and equipment (PPE) value	Capital expenditure of during the year	Depreciation expense
2237	Rs. 1,830 Mn	Rs. 3.82 Mn	Rs. 147.04 Mn

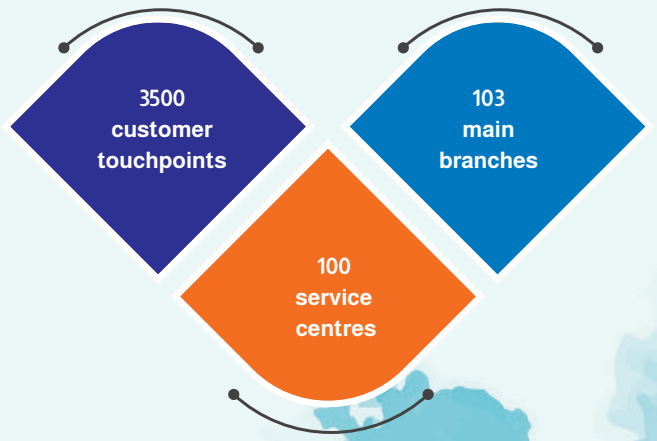
Physical Network and Service Accessibility

CICPLC continues to optimise its physical footprint to improve efficiency and service delivery. During the year, the branch network was streamlined to 103 locations, with no new branches established, reflecting a strategic shift from expansion towards optimisation of existing resources.

Branch consolidations and relocations were undertaken in selected locations to enhance operational efficiency and customer convenience, while managing capital expenditure prudently.

Distribution Footprint

The Company maintains an extensive service network that enables nationwide accessibility:



This multi-channel distribution model enhances customer reach while reducing the need for significant capital investment in physical expansion.

Alternative Service Channels

CICPLC continues to expand its presence through cost-efficient service channels. During the year, new COOP Express counters were introduced, further strengthening accessibility in key locations. Partnerships with third-party networks and cooperative societies enable the Company to extend its services to grassroots communities, supporting broader financial inclusion.

Digital Infrastructure and Transformation

Core Digital Enablement

Digital platforms play a critical role in supporting core insurance functions, including underwriting, policy management, and claims processing. These systems enable seamless integration across the Company's operations, improving efficiency and responsiveness.

Manufactured Capital Contd.

Mobile Application – COOP Insu

The Company's signature app, COOP Insu mobile application enhances customer engagement and service accessibility. The application enables policyholders to access policy information, make premium payments, and report claims digitally, including the ability to upload accident-related information in real time. This platform enhances customer convenience while supporting more efficient service delivery and engagement.

Infrastructure Enhancements

Investments in digital infrastructure, including system upgrades and data management capabilities, have strengthened operational performance and supported the Company's evolving digital requirements. These enhancements contribute to improved service efficiency and scalability.

Technology Resilience and Cybersecurity

CICPLC continues to strengthen its technological resilience through investments in cybersecurity and system protection. During the year, infrastructure upgrades included enhanced firewall systems, endpoint security solutions, and vulnerability assessments to mitigate emerging risks.

Employee awareness programmes on cybersecurity were also conducted to reinforce internal controls. Importantly, no significant system failures or security breaches were reported during the year, reflecting the robustness of the Company's IT environment.

Operational Efficiency and Optimisation

CICPLC continues to focus on optimising capital utilisation through:

- **Rationalisation of branch operations**
- **Cost management initiatives**
- **Efficient allocation of capital expenditure**
- **Deferred non-critical maintenance in response to financial constraints**

This approach ensures that resources are deployed effectively to maximise operational efficiency while maintaining service standards.

Challenges and Opportunities

The Company operates in an environment, where maintaining and expanding physical infrastructure involves significant cost considerations. However, these challenges present opportunities to adopt more efficient and scalable solutions.

The Company leverages digital platforms, virtual engagement tools, and alternative distribution channels to enhance service delivery while reducing reliance on capital-intensive physical expansion.

Future Outlook

CICPLC will continue to strengthen its Manufactured Capital through targeted investments in digital transformation, infrastructure modernisation, and cybersecurity.

Key priorities include:

- **Expanding digital service capabilities and customer touchpoints**
- **Enhancing system scalability through advanced technologies, including cloud-based solutions**
- **Strengthening cybersecurity frameworks and resilience**
- **Improving operational efficiency through automation and process optimisation**

Through these initiatives, the Company aims to enhance service accessibility, improve operational performance, and support sustainable long-term growth.

STRENGTHENING ACCESSIBLE AND TECHNOLOGY-ENABLED INSURANCE SERVICES

SDG 9 – Industry, Innovation and Infrastructure



SDG 11 – Sustainable Cities and Communities



SDG 12 – Responsible Consumption and Production



SDG 8 – Decent work and Economic Growth



Intellectual Capital



Overview

Intellectual capital represents the collective knowledge, systems, processes, and organisational capabilities that enable CICPLC to deliver reliable insurance solutions and maintain long-term competitiveness. These intangible assets are embedded in our underwriting expertise, operational frameworks, digital infrastructure, and the institutional knowledge accumulated through decades of industry experience.

Over the years, the intellectual capital of CICPLC has shaped its strategic position, competitiveness, and value proposition. The strength of this capital stems from the intellectual capabilities of our employees as well as the internal processes, systems, and operational disciplines developed across the organisation.

During the year under review, CICPLC continued to strengthen its intellectual capital through initiatives focused on process refinement, digital transformation, knowledge sharing, and data-driven decision-making. These efforts enabled the Company to enhance service delivery, strengthen risk governance, and support sustainable growth in an evolving insurance landscape.

Intellectual Capital KPIs 2025

Investment in IT Infrastructure	Digital policies issued	Mobile app users	Process improvement initiatives
Rs. 7,993,069	500	2237	20

Intellectual Capital Framework

KNOWLEDGE AND CAPABILITIES

OPERATIONAL EXCELLENCE

CUSTOMER-CENTRIC INNOVATION

SUSTAINABLE VALUE CREATION

Core Knowledge and Capabilities

The Company's intellectual strength is driven by a combination of technical, underwriting, and operational capabilities, which collectively support sound risk management and effective service delivery.

TECHNICAL CAPABILITIES

Reliable core systems
Accurate data management
Secure documentation
Regulatory reporting

UNDERWRITING CAPABILITIES

Clear risk appetite
Strong risk assessment
Pricing discipline
Alignment with reinsurance terms

OPERATIONAL CAPABILITIES

Claims governance
Independent verification
Recovery and salvage processes
Compliance-driven communication

These capabilities form the foundation of CICPLC's operational resilience and its ability to maintain underwriting discipline while ensuring fair and efficient claims management.

Strengthening Knowledge Through Training and Systems

Recognising that knowledge development is central to maintaining underwriting quality and operational consistency, CICPLC implemented targeted initiatives to enhance internal capabilities.

Key initiatives include:

- Focused training programs covering underwriting discipline, claims governance, documentation standards, and reinsurance procedures.
- Improvements to internal systems and workflows for claim tracking, document management, and regulatory reporting.
- Refinement of Standard Operating Procedures (SOPs), checklists, and operational templates to improve consistency and reduce processing delays.

These initiatives enhanced operational transparency while supporting employees in executing their responsibilities with greater efficiency and accountability.

Data-Driven Underwriting and Claims Decisions

CICPLC continues to leverage data and operational insights to improve underwriting discipline and claims governance. By analysing historical claims trends and operational outcomes, the Company is able to refine risk selection, improve pricing accuracy, and strengthen fraud prevention mechanisms.

Data Analytical process

CLAIMS DATA ANALYSIS

RISK TREND IDENTIFICATION

PRICING ADJUSTMENTS AND POLICY TERMS REFINEMENT

IMPROVED UNDERWRITING DISCIPLINE AND LOSS MANAGEMENT

Data-driven insights have also supported the improvement of documentation standards and verification procedures, particularly in managing large or complex claims.

Intellectual Capital Contd.

Product Development and Market Intelligence

The Company's product development strategy continues to be guided by market insights and operational data. Through continuous engagement with sales teams, branch networks, and claims analysis, CICPLC identifies emerging customer needs and develops insurance solutions that are both accessible and relevant.

Key inputs for product development include:

- Sales and branch network feedback on customer requirements
- Claims data analysis to identify emerging risk patterns
- Market trend observation to assess shifts in customer preferences

These insights support the development of products that address real market needs while maintaining affordability and accessibility for a broad customer base.

Technology and Digital Solutions

Technological innovation remains a critical driver of intellectual capital at CICPLC. During the year, the Company continued to strengthen its digital infrastructure and technology-driven service delivery.

Key digital initiatives included:

- Introduction of E-Motor Certificates and E-Cover Notes
- Enhancement of mobile and web platforms for improved customer accessibility

Digital Innovation

DIGITAL POLICY ISSUANCE

E-DOCUMENTATION

MOBILE APP SERVICES

REAL-TIME CUSTOMER NOTIFICATIONS

These digital innovations have significantly improved operational efficiency while enhancing the customer experience through faster policy issuance and improved service accessibility.

Enhancing Organisational Knowledge

CICPLC places strong emphasis on preserving institutional knowledge and ensuring that expertise developed within the organisation is effectively shared.

Knowledge capture initiatives include:

- Documentation of high-value claims as learning cases
- Mentorship programmes pairing experienced staff with new employees
- CRM and claims systems used to capture operational insights and customer behaviour patterns

These mechanisms ensure that valuable operational knowledge is retained within the organisation and continuously applied to improve decision-making and risk management.

Continuous Improvement Initiatives

To support operational excellence, CICPLC implemented several continuous improvement initiatives during the year.

Key initiatives included:

- Lean process workshops to optimise operational efficiency
- Cross-functional team discussions to identify service gaps and implement practical solutions
- Continuous training programmes for underwriting, claims, and sales staff

These initiatives contributed to improved turnaround times and enhanced service delivery across the Company's operations.

Brand Equity and Market Presence

CICPLC continued to strengthen its brand equity through targeted engagement with customers and communities. Brand development initiatives focused on enhancing visibility, trust, and digital engagement.

Key initiatives included:

- Community engagement activities aimed at strengthening local presence
- Digital marketing initiatives to enhance social media engagement
- Expansion of professional networking platforms such as LinkedIn

These initiatives supported increased brand recognition while strengthening the Company's reputation as a trusted insurance provider.

Managing Intellectual Property and Knowledge Assets

While no new intellectual property was formally registered during the year, the Company continued to maintain safeguards for its proprietary processes, digital platforms, and brand assets.

CICPLC also continued exploring opportunities to strengthen its intellectual property governance framework to support long-term competitiveness and innovation.

Opportunities and Future Capability Development

Looking ahead, CICPLC recognises several areas where further development of intellectual capital will enhance organisational resilience and operational performance.

Key areas for future focus include:

- Enhanced portfolio analytics and catastrophe exposure monitoring
- Greater automation and integration between underwriting, claims, finance, and reinsurance systems
- Strengthening specialist expertise in areas such as engineering risk assessment and fraud analytics
- Expansion of digital service channels to improve customer and broker engagement

CICPLC aims to further enhance operational efficiency while supporting long-term value creation for stakeholders through strengthening its knowledge infrastructure and digital capabilities.

DRIVING INNOVATION, KNOWLEDGE, AND OPERATIONAL EXCELLENCE

SDG 8 – Decent Work and Economic Growth



SDG 9 – Industry, Innovation and Infrastructure



SDG 16 – Peace, Justice and Strong Institutions



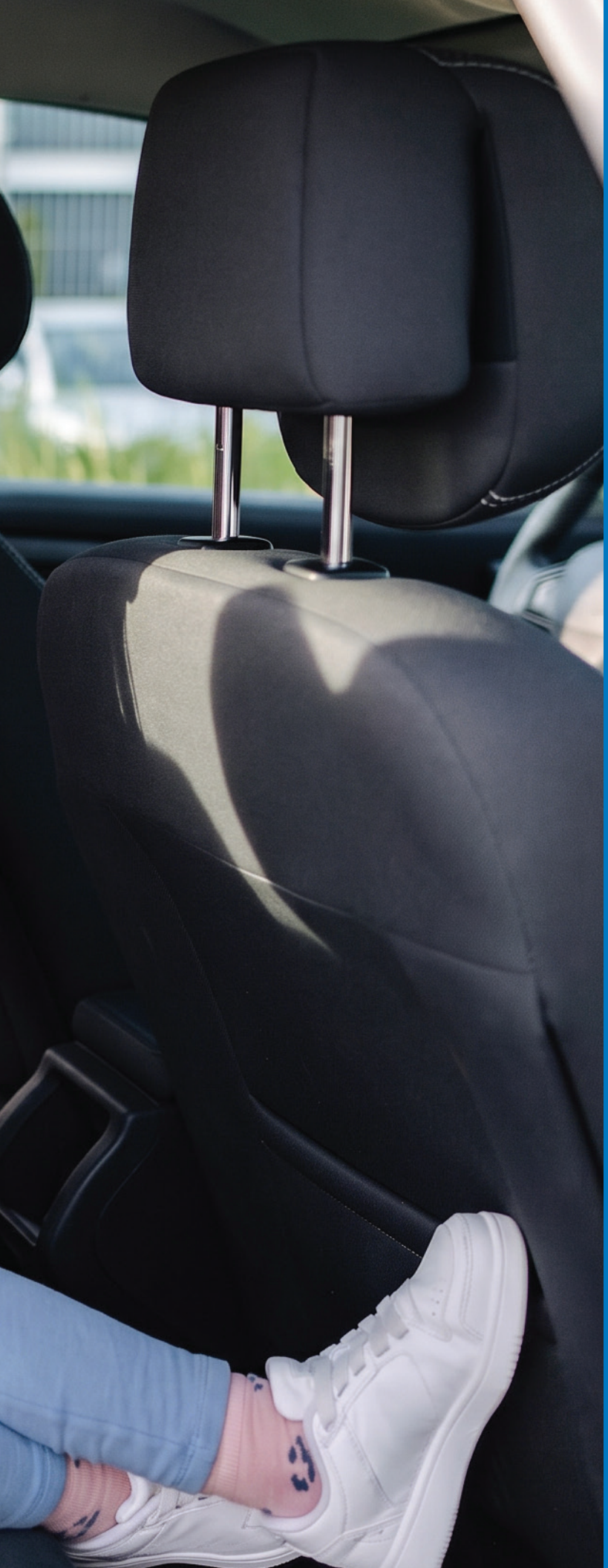
SDG 4 – Quality Education



SDG 12 – Responsible consumption and production







Simple.
Safe.
Swift.

Real protection is felt, not seen. It is the instinctive click of a seatbelt—a small act of immense love. We move with the speed of life, ensuring that our agility translates into seamless security for the families who trust us with their most precious journeys.

Sustainability in Our Business Model

Natural Capital

Natural Capital reflects CICPLC's interaction with the environment through its investment decisions, underwriting practices, and operational activities. As an insurer, the Company's most significant environmental impact arises from how it allocates capital and assesses risk, alongside its efforts to minimise resource consumption across its operations.

CICPLC integrates environmental considerations into decision-making and improving resource efficiency, to reduce its environmental footprint while supporting long-term sustainability and resilience.

Natural Capital Framework

WHAT WE LEVERAGE	WHAT WE DO	WHAT WE CREATE
Financial resources, underwriting expertise, operational infrastructure	ESG-integrated investment, climate-aware underwriting, resource optimisation	Reduced environmental impact, enhanced climate resilience, sustainable value creation

Natural Capital KPIs 2025

Electricity consumption reduction rate (YoY)

2%

Paper usage reduction (Units)		Paper usage reduction Rate (YoY)
2024 Year	2025 Year	
3347	2750	18%

Responsible Investment

CICPLC recognises that its most significant environmental impact arises through its investment activities. The Company incorporates environmental considerations into its investment decision-making by supporting financial instruments such as bonds and debentures that contribute to environmentally sustainable projects. At the same time, it exercises prudence in avoiding exposure to environmentally harmful sectors, thereby aligning its investment portfolio with broader sustainability objectives.

Climate-Aware Underwriting

Environmental considerations are also embedded within the Company's underwriting practices. CICPLC continues to assess climate-related risks, including exposure to extreme weather events such as floods and storms, when designing insurance products and determining pricing structures.

The Company also reviews policy coverage and reinsurance arrangements to ensure resilience against climate-related risks, enabling it to better protect policyholders while maintaining financial stability.

Managing Climate Risk Exposure

CICPLC continues to strengthen its approach to managing climate-related risks by integrating environmental risk assessments into its core business processes. This includes evaluating exposure across its insurance portfolio and encouraging policyholders to adopt risk mitigation measures where appropriate.

Through these efforts, the Company enhances both operational resilience and its ability to respond to evolving environmental challenges.

Operational Environmental Footprint

While the Company's direct environmental impact is comparatively limited, efforts are made to manage resource consumption responsibly across its operations.

Energy Consumption

Electricity Consumption	2024 Units	2025 Units
Head Office	272829	233047
Branches	635573	652677

Water Consumption

Water consumption	2024 Units	2025 Units
Head Office	3978	4299
Branches	7280	7321

Waste Management

General waste	Collected and disposed through municipal services
Electronic waste	Recycled or responsibly disposed
Paper waste	Reduced through digitalisation and reuse practices

Waste is managed in a structured manner across all locations, with an emphasis on responsible disposal and minimising environmental impact.

Digitalisation and Environmental Efficiency

CICPLC continues to leverage digital technologies to reduce its environmental footprint and improve operational efficiency. Key initiatives include:

- Introduction of e-cards to eliminate plastic insurance cards
- Digitalisation of tender processes to reduce paper usage
- Implementation of a Document Management System to minimise physical documentation
- Deployment of in-house applications to streamline claims processing and reduce printing requirements

Promoting Environmental Responsibility

The Company promotes environmentally responsible practices across its operations through initiatives such as:

- Encouraging digital communication and reducing paper usage
- Implementing double-sided printing and paper reuse practices
- Raising employee awareness on energy and resource conservation

These efforts contribute to fostering a culture of sustainability within the organisation.

Future Outlook

CICPLC will continue to strengthen its Natural Capital management by integrating environmental considerations into its core business activities while improving operational efficiency.

Key priorities include:

- Expanding ESG integration within investment decision-making
- Enhancing climate risk assessment within underwriting processes
- Increasing adoption of digital solutions to reduce resource consumption
- Strengthening monitoring and reporting of environmental performance

Through these initiatives, the Company aims to minimise its environmental impact while supporting sustainable long-term value creation.

INTEGRATING ENVIRONMENTAL RESPONSIBILITY AND CLIMATE RESILIENCE

SDG 12 – Responsible Consumption and Production



SDG 13 – Climate Action



SDG 6 - Clean Water and Sanitation

SDG 7 – Affordable and Clean Energy

Human Capital



Overview

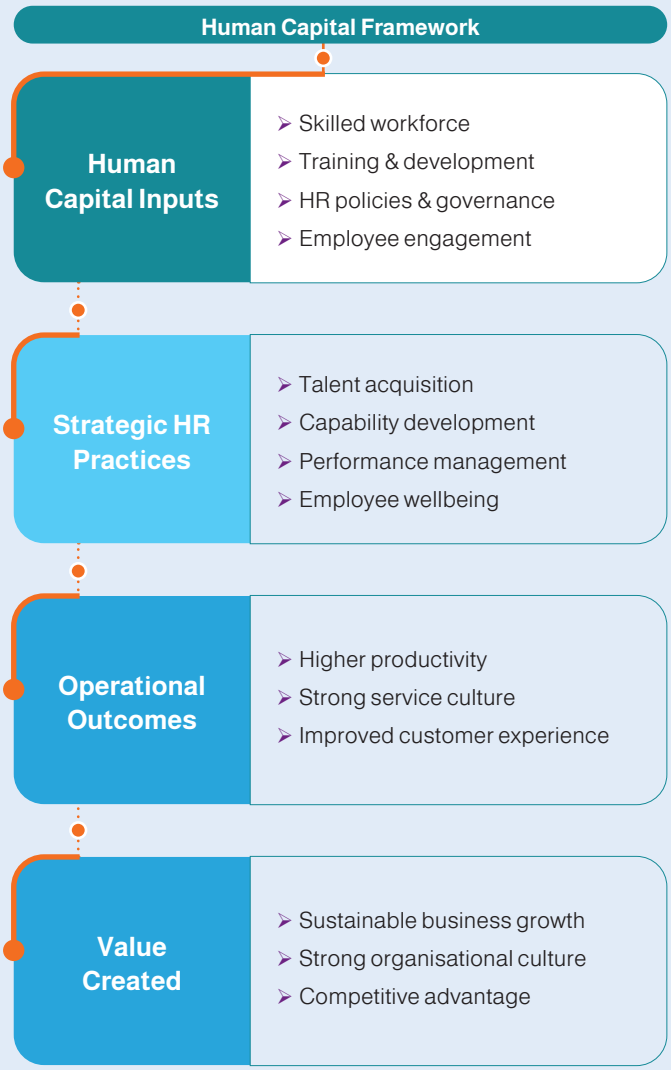
Human capital is the foundation of CICPLC's operational strength and long-term sustainability. The knowledge, expertise, and commitment of our employees enable the Company to deliver reliable insurance solutions while maintaining strong relationships with customers, partners, and communities.

Our people contribute significantly to the Company's intellectual and operational capabilities. Maintaining a motivated and competent workforce therefore requires a strong employee value proposition that balances professional development, fair compensation, and a supportive work environment. The relationship between leadership and employees continues to be built on mutual respect and shared commitment toward creating sustainable value for all stakeholders.

During the year under review, CICPLC continued to focus on strengthening talent attraction, development, and retention strategies while enhancing employee engagement and organisational culture.

Human Capital KPIs 2025

Retention rate	Investment in employees	Total Training Hours (Average per employee)
96%	Rs. 1,589,980	35 Hours



Workforce Composition

As at the end of the financial year, CICPLC employed 891 employees, representing a diverse workforce across multiple regions and functions. The workforce structure reflects a balance between experienced professionals and emerging young talent, supporting knowledge continuity while enabling innovation.

Workforce Composition

Employment Category	Male 2024	Female 2024	Male 2025	Female 2025
	592	476	462	429

Employee by Tenure

Tenure	Percentage
Less than 5 years	50.73%
5 – 10 years	29.85%
10 – 20 years	16.95%
More than 20 years	2.47%

Per Employee GWP last 5 years data.

Year	2021	2022	2023	2024	2025
GWP Rs.	4,519,359,369	5,086,944,501	4,538,557,140	4,525,673,733	5,007,263,600
Number of Staff	1280	1320	1230	1068	891
Per Staff members - Rs.	3,530,750	3,853,746	3,689,884	4,237,522	5,619,824

Diversity, Equity and Inclusion

CICPLC is committed to maintaining a diverse and inclusive workplace where employees are treated with fairness and respect. Competency-based recruitment and regional representation have organically strengthened diversity across the organisation.

During the year under review, the female representation within the workforce stood at 48.15%, reflecting the Company's continued progress in promoting gender diversity.

Workforce Stability

Employee retention remains an important indicator of organisational stability and employee satisfaction.

Indicator	2024	2025
Retention Rate	96%	96%
Total Employees leaving	4%	4%

Human Capital Contd.

Chart of Staff Promotion 2025 / 2024

Employee turnover during the year was influenced by factors such as overseas migration and retirements. Despite these challenges, CICPLC continues to strengthen retention initiatives through employee engagement and career development programs.

CICPLC provides employees with structured career pathways and job stability through transparent employment practices.

Key initiatives include:

- Structured contract renewals based on performance
- Clear career progression opportunities within the organisation

These initiatives encourage long-term commitment from employees while strengthening organisational continuity.

Talent Attraction, Development and Retention

CICPLC recognises that its long-term competitiveness depends on its ability to attract, develop, and retain talented individuals who possess both technical expertise and a strong commitment to customer service. Accordingly, the Company has implemented a structured talent management framework that focuses on three key pillars: Talent Attraction, Talent Development, and Talent Retention. These initiatives enable the Company to build a capable workforce that supports sustainable growth while maintaining high standards of professionalism and governance.

Talent management approach

ATTRACT	DEVELOP	RETAIN
Employer Branding **Recruitment Strategy** **Graduate Programs** **Competitive Pay**	**Training and Development** **Professional Qualifications** **Performance Management** **Leadership Development**	**Financial Rewards** **Recognition Programs** **Employee Wellbeing** **Career Progression**

Talent Attraction

CICPLC's talent attraction strategy focuses on positioning the Company as an employer of choice within Sri Lanka's insurance industry. This is achieved through strong employer branding, structured recruitment processes, and competitive compensation structures.

Employer Branding

The Company promotes its reputation as a stable and trusted local insurance provider with strong ethical governance and employee-friendly policies. By fostering a positive organisational culture and maintaining strong governance practices, CICPLC continues to enhance its attractiveness to prospective employees.

Structured Recruitment and Selection

The Company follows a well-structured recruitment process designed to ensure fairness, transparency, and competency-based hiring. Recruitment decisions are based on clearly defined criteria including qualifications, experience, and individual competencies.

Key recruitment practices include:

- Competency-based interviews to identify suitable candidates
- Transparent internal and external recruitment processes
- Internal promotions and transfers to fill management

Positions Where Possible

These practices ensure that the organisation attracts talent capable of contributing to long-term business success.

Competitive Compensation

To remain competitive in the insurance sector, CICPLC offers market-aligned compensation packages designed to reward performance and encourage productivity.

Key elements include:

- Market-aligned salary structures
- Attractive commission schemes for sales employees
- Performance-based incentives linked to KPIs

These financial incentives ensure that employees remain motivated while aligning their individual performance with the Company's strategic objectives.

Internship and Graduate Programs



The Company continues to invest in future talent through internship and graduate development programs.

These initiatives include:
- Partnerships with universities and professional institutions
- Opportunities for management trainee programs
- Career pathways for young graduates entering the insurance industry

Such programs help CICPLC build a sustainable talent pipeline while nurturing the next generation of industry professionals.

Talent Development
Developing employee capabilities remains a strategic priority for CICPLC. The Company invests in training programs, professional development opportunities, and structured performance management systems to enhance employee skills and organisational capabilities.

Training and Development

Training programs are designed to strengthen both technical and behavioural competencies across the organisation.

These initiatives include:
- Soft skill development programs for sales staff, including communication, negotiation, and leadership training
- Technical training programs for operational staff focusing on insurance procedures and customer service
- Digital learning initiatives to improve access to training resources

These programs help employees remain adaptable in a rapidly evolving insurance landscape

Training programs in 2025

Training Category	Focus Area	Employee Category	Participants	Target Group	Strategic Outcomes
General Insurance Training	Insurance operations, product knowledge, customer service	Non-sales employees	162	Regional operational teams	Strengthened technical knowledge and service delivery capabilities
Sales Capability Development	Product knowledge and sales effectiveness	Sales employees	75	Marketing staff	Improved sales competencies and customer engagement
Underwriting Training	Risk assessment and underwriting practices	Sales and non-sales employees	80	Regional teams	Enhanced underwriting discipline and risk management
Induction and Orientation	Organisational culture, policies, and operational processes	New employees	22	New recruits	Supported employee integration and organisational alignment

Human Capital Contd.

During the year under review, CICPLC continued to invest in employee capability development through targeted technical, operational, and behavioural training programmes. Training initiatives focused on strengthening underwriting expertise, improving customer engagement capabilities, enhancing operational efficiency, and reinforcing organisational culture. Particular emphasis was placed on developing technical competencies within the general insurance business while supporting employee integration and continuous professional growth across the organisation.

Professional Qualifications
CICPLC encourages employees to pursue professional qualifications relevant to the insurance industry.

Support mechanisms include:
- Sponsorship and encouragement for insurance-related qualifications
- Career advancement opportunities for operational and back-office employees

These initiatives contribute to building specialised expertise within the organisation.

Performance Management System
The Company maintains a structured performance management framework based on Key Performance Indicators (KPIs). These systems enable employees to align their individual goals with organisational objectives.

Key features include:
- KPI-based target setting
- Annual performance appraisals
- Continuous feedback from management

This approach encourages accountability, performance improvement, and career growth.

Leadership Development
To build a strong leadership pipeline, CICPLC promotes internal talent and encourages employees to take on greater responsibilities.

Leadership development initiatives include:
- Cross-functional exposure to broaden employee experience
- Leadership training for high-potential employees

These initiatives help the Company develop future leaders while strengthening institutional knowledge.

Talent Retention
Retaining experienced and capable employees remains essential for maintaining organisational stability and service quality.

CICPLC adopts a combination of financial incentives, recognition programs, and supportive workplace practices to encourage employee retention.

Financial Rewards
Employees are rewarded through competitive compensation structures that recognise individual performance and organisational contributions.

These include:
- Performance-based salary increments
- Sales incentives and bonuses
- Fringe benefits such as medical insurance and allowance

Such rewards motivate employees while ensuring alignment with organisational performance.

Non-Financial Rewards

CICPLC continues to celebrate outstanding employee achievements through structured recognition programs.

Key initiatives include:
- Annual Excellence Awards recognising exceptional performance in sales and operations
- Long Service Recognition Programs honouring employees who have served more than 20 years
- Special recognition for employees achieving industry distinctions such as MDRT status

These initiatives help foster a culture of excellence, motivation, and loyalty within the organisation.

Employee Wellbeing and Engagement

Employee wellbeing remains central to CICPLC's human capital strategy. The Company supports employee welfare through initiatives that promote physical health, mental wellbeing, financial security, and work-life balance.

Employee Wellbeing approach
Employee engagement initiatives such as cultural events, religious programs, sports activities, and team-building programs help strengthen organisational unity and employee morale.

PHYSICAL WELLBEING

Safe work environments
Health insurance

PSYCHOLOGICAL WELLBEING

Open communication culture
Grivance mechanism

FINANCIAL WELLBEING

Competitive salaries
Incentives and bonuses

WORK-LIFE BALANCE

Flexible working arrangements
Leave benefits

List of events to add

Workplace Health and Safety

The Company maintains high standards of workplace safety by implementing comprehensive safety measures across its offices.

These include:

- Secure premises with CCTV monitoring
- Fire safety equipment and emergency signage
- Clean working environments with proper sanitation and water facilities

These measures ensure that employees operate in a safe and secure environment.

Looking Ahead

CICPLC remains committed to strengthening its human capital to support the Company's long-term strategic ambitions. In the coming years, the Company will continue to enhance HR policies, implement succession planning initiatives, strengthen internal training capabilities, and expand recognition programs to support employee motivation and retention.

EMPOWERING PEOPLE THROUGH CAPABILITY DEVELOPMENT AND INCLUSIVE GROWTH

SDG 5 – Gender Equality



SDG 8 – Decent Work and Economic Growth



SDG 4 - Quality education



SDG 3 - Good health and wellbeing



Social and Relationship Capital



Overview

Social and Relationship Capital represents the trust-based relationships CICPLC maintains with policyholders, distribution partners, regulators, and communities. These relationships are fundamental to sustaining customer confidence, expanding market reach, and delivering inclusive insurance solutions across Sri Lanka.

We foster a strong stakeholder engagement, maintaining high standards of governance, and ensuring consistent service delivery, to strengthen the Company's reputation as a reliable insurer while supporting long-term value creation and financial resilience.

CICPLC's value creation is supported by a diverse network of stakeholders:

Stakeholder	Engagement
Policy Holders	Retail and institutional customers across motor and non-motor segments
Distribution Partners	Agents, brokers, bancassurance partners, and cooperative societies
Regulators	Insurance Regulatory Commission of Sri Lanka (IRCSL) and other authorities
Suppliers and Service Providers	Support operational efficiency
Communities	Particularly within the cooperative sector and underserved segments

These relationships enable the Company to enhance accessibility, deliver tailored solutions, and maintain operational resilience.

Social and Relationship Capital Framework

WHAT WE LEVERAGE	WHAT WE DO	WHAT WE CREATE
Customer trust, partner networks, regulatory alignment	Customer engagement, service delivery, partner enablement, compliance and governance	Customer retention, market expansion, stakeholder trust, inclusive access to insurance

Social and Relationships Capital KPIS 2025

Claims settlement ratio – Motor

2024	2025
70%	65%

Customer retention rate

2024	2025
70%	72%

Number of agents

2024	2025
255	239

Number of brokers

2024	2025
74	83

Number of bancassurance partners

2024	2025
21	20

3rd party Insurance details / OCS - Optional Compensation Scheme

2024	2025
6	3

Cyclone Ditwah Claims Update as at 31 March 2026

Following the widespread impact of Cyclone Ditwah, the Company demonstrated its commitment to customer support through the efficient handling of both motor and non-motor insurance claims. A total of 508 motor claim intimations were received, and only 20 claims rejected, resulting in a rejection ratio of less than 4% – one of the lowest reported in the industry. In compliance with the guidelines issued by the Insurance Regulatory Commission of

Sri Lanka (IRCSL), the Company successfully settled more than 95% of motor claims by 31 March 2026, ensuring timely financial relief to affected policyholders.

Social and Relationship Capital Contd.

The Company also received 524 non-motor claim intimations arising from the cyclone. Of these, only 29 claims were rejected, representing approximately 5.5% of total claims received. Excluding co-insurance-related cases, the majority of non-motor claims were settled by 31 March 2026, with the remaining claims continuing to be processed in line with IRCSL directives. This strong claims performance highlights the Company's operational resilience, customer-centric approach, and ability to deliver prompt assistance during times of crisis.

Customer Relationship

CICPLC's longstanding presence of over 25 years in the insurance industry reflects its stability, experience, and commitment to policyholders. As a listed entity on the Colombo Stock Exchange, the Company adheres to stringent disclosure requirements and regulatory standards, reinforcing transparency and accountability.

Customer trust is further strengthened through ethical underwriting practices, timely claims settlement, and consistent service delivery across an extensive branch network. Strong governance frameworks and disciplined financial management underpin the Company's ability to honour its commitments, even during periods of economic uncertainty.

Customer Growth and Portfolio Strength

The Company serves a policyholder base exceeding 1 million, reflecting steady growth and expanding market reach. Motor insurance continues to represent a significant portion of the portfolio, while ongoing efforts are directed towards diversifying into non-motor segments to enhance portfolio balance and resilience.

Through its general and life insurance offerings, CICPLC provides comprehensive protection solutions tailored to both individual and corporate needs.

Customer Experience and Service Delivery

Delivering a seamless and responsive customer experience remains a key priority for CICPLC. The Company maintains an average claims settlement time of approximately seven days, with expedited processing available for lower-value claims. Customer queries are addressed within defined timelines, while call centre response times are consistently managed within established operational benchmarks.

Digital Enablement and Accessibility

CICPLC continues to enhance accessibility through digital platforms and service innovations. Customers are able to engage through multiple channels, including online platforms, mobile communication tools, and branch networks.

Investments in digital infrastructure, including the establishment of a new data centre, have improved operational efficiency and enabled uninterrupted service delivery, particularly during periods of disruption.

Customer Insights and Product Development

Customer feedback collected through branches, service centres, call centres, and digital platforms is systematically analysed to enhance both product offerings and service delivery. These insights enable the development of tailored insurance solutions, simplification of processes, improvement of turnaround times, and greater accessibility across both urban and rural markets. Through continuous innovation driven by customer insights, the Company remains responsive to evolving needs and expectations, ensuring relevance and sustained value creation.

Distribution and Partner Ecosystem

CICPLC's extensive distribution network is central to its ability to reach diverse customer segments across the country. The Company collaborates with:

- Agents and sales personnel
- Insurance brokers
- Bancassurance partners
- Cooperative societies and regional networks

This ecosystem enables broader market penetration while leveraging local insights to tailor products and services effectively.

CICPLC maintains mutually beneficial relationships with its partners through fair compensation, continuous training, and operational support. During the year, the company expensed LKR 456.70 Mn in commission to distribution partners and ceded LKR 1474.07 Mn in premiums to reinsurers to facilitate effective risk sharing. These value flows strengthen partner engagement, expand market reach, enhance service delivery, and reinforce the Company's overall risk management capabilities.

Meanwhile, Company invests in continuous training, performance monitoring, and engagement with its partners to ensure consistent service standards and responsible selling practices. This strengthens customer confidence and supports sustainable business growth.

Governance and Regulatory Relationships

CICPLC maintains strong relationships with regulatory bodies through strict adherence to compliance requirements and transparent reporting practices.

Dedicated compliance officers oversee regulatory submissions and ensure alignment with guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). Regular audits, governance oversight, and internal controls reinforce accountability and operational integrity.

Community and Inclusive Insurance

Aligned with its cooperative heritage, CICPLC is committed to extending insurance solutions to underserved and financially vulnerable segments.

Through partnerships with cooperative societies and regional networks, the Company delivers affordable and accessible insurance products to rural communities, small businesses, and individuals with limited access to formal insurance coverage. Additionally, during the year, CICPLC supported several community initiatives, including social welfare programmes and regional development efforts.

Additionally, during the year, CICPLC continued to support several community-focused and inclusive insurance initiatives aligned with its cooperative values and commitment to financial protection for underserved segments. These included Group Personal Accident (PA) insurance schemes, consumer protection initiatives, and inclusive insurance solutions developed in partnership with cooperative societies and regional networks. The Company also strengthened its partnership with PickMe by providing personal accident insurance covers for drivers, supporting the financial security and wellbeing of individuals operating within the growing digital mobility sector. Through these initiatives, CICPLC continued to enhance insurance accessibility while contributing to social protection and financial inclusion across diverse communities.

The Company also contributes to economic empowerment by generating employment opportunities across the country, with a significant number of recruits originating from outside the Western Province.

Social and Relationship Capital Contd.

Responsible Relationship Management

CICPLC upholds responsible business practices through the protection of customer data and privacy, adherence to ethical sales and underwriting practices, and the delivery of standardised services across all channels. These are supported by continuous monitoring and strict compliance with regulatory and internal standards. Collectively, these practices ensure the fair treatment of customers while strengthening long-term stakeholder trust and confidence.

Future outlook

CICPLC will continue to strengthen its Social and Relationship Capital by enhancing customer experience, expanding digital capabilities, and deepening partner engagement. Strategic priorities include improving service quality across all customer touchpoints, expanding access to underserved markets, enhancing partner capabilities and service standards, and leveraging technology to improve operational efficiency and responsiveness. Through these initiatives, the Company aims to build stronger relationships, reinforce customer trust, and support sustainable long-term growth.

STRENGTHENING TRUST, INCLUSION, AND COMMUNITY RESILIENCE

SDG 10 – Reduced Inequalities



SDG 11 – Sustainable Cities and Communities



SDG 1 – No Poverty



SDG 3 - Good health and welbeing



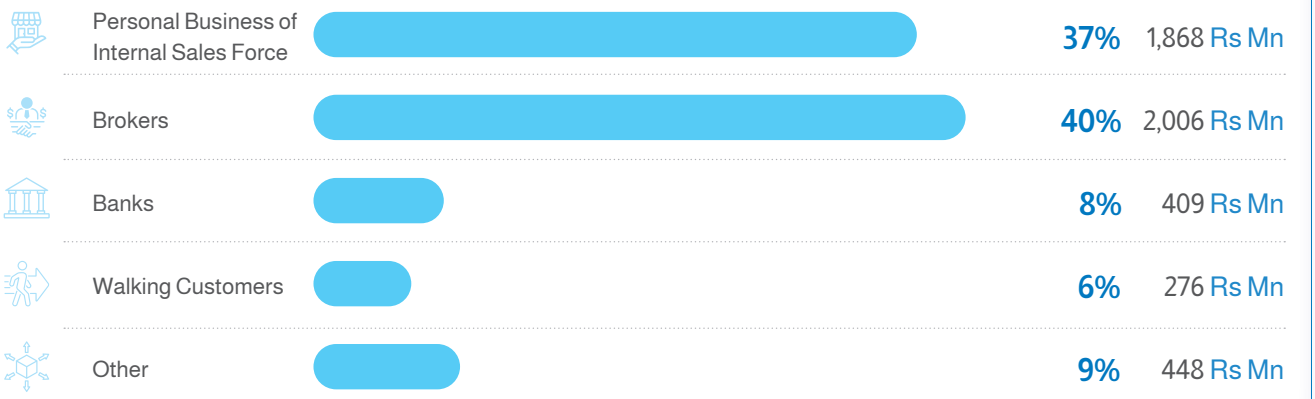
SDG 17 - Partnership for the goals



Distribution Channels

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

STAKEHOLDER ENGAGEMENT OUTCOMES







United.
Upward.
Unbound.

No summit is reached alone. Our growth is a shared heartbeat, a hand reaching back to pull a partner higher. Having secured our footing, we now look toward the peak. Together, our potential is no longer measured by where we are, but by how far we can rise.

Corporate Governance Report

Induction and Training of the Board

At CICPLC, newly appointed Directors undergo a structured induction programme designed to familiarise them with the Company's management structure, strategic objectives, governance framework, and regulatory environment. Directors are briefed on key policies, Board procedures, committee structures, and their fiduciary responsibilities. Continuous development is supported through regular updates from the Managing Director/ Chief Executive Officer on industry developments, regulatory changes, and emerging risks.

Availability of Information

To facilitate effective decision-making, senior management provides the Board and its Committees with comprehensive, timely, and accurate information relating to the Company's strategies, business developments, financial performance, investment activities, and other relevant matters. Board papers are circulated in advance of meetings, and minutes of Board and Committee meetings are properly documented and maintained by the Company Secretary.

Board Performance Appraisal

The Board periodically evaluates its effectiveness in discharging its responsibilities throughout the year. This assessment considers the Board's overall performance, governance oversight, decision-making effectiveness, and contribution to the Company's strategic objectives.

Director Remuneration

The Remuneration Committee is responsible for overseeing the remuneration framework for Directors. The Committee ensures that remuneration levels are structured to attract, retain, and motivate Directors while remaining aligned with the Company's objectives. In carrying out its duties, the Committee consults with the Chief Executive Officer and the Chairman and may seek internal and external advice to ensure fair and appropriate remuneration decisions.

Company Secretary

The Company Secretary assists the Chairman in facilitating Board meetings and ensuring that proceedings are properly recorded. The Secretary also plays a key role in maintaining effective communication between the Board and Management and serves as the primary point of contact for regulatory and public disclosures.

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are held by separate individuals, ensuring a clear distinction between Board leadership and executive management. This separation promotes accountability, effective oversight, and balanced decision-making within the Company.

The Chairman

The Chairman provides leadership to the Board and ensures its effective functioning. Key responsibilities include:

- Leading the Board and facilitating effective participation in decision-making.
- Ensuring that Board meetings are conducted efficiently.
- Promoting high standards of corporate governance and compliance.
- Objectively evaluating Directors' contributions and addressing concerns raised.
- Balancing stakeholder interests in Board deliberations and decisions.
- Providing guidance and support to the Chief Executive Officer and Management on strategic matters.

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Company and the execution of Board-approved strategies. Key responsibilities include:

- Developing and implementing the Company's business strategy in collaboration with senior management.
- Providing leadership and direction in daily operations.
- Managing operational performance and addressing business challenges.
- Ensuring achievement of strategic, financial, and operational objectives.
- Supporting effective organisational performance and delivery of long-term goals.

CEO Evaluation

The performance of the Chief Executive Officer is reviewed annually by the Board against agreed financial and non-financial performance objectives. Progress is monitored throughout the year, enabling the Board to assess performance and take corrective actions where necessary.

Audits and Internal Controls

Internal Audit

The Internal Audit function (BDO) provides independent assurance on the effectiveness of the Company's governance, risk management, and internal control systems. Internal audit activities are conducted in accordance with an approved audit plan, and findings are reported to the Audit Committee.

The Audit Committee reviews internal audit reports, monitors the implementation of recommendations, and ensures that appropriate internal control systems are maintained. The Committee also oversees compliance with regulatory requirements and promotes continuous improvement in control processes.

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 Twelve (12) Directors. The majority of them represent Shareholders of co-operative societies being Chairpersons of such co-operative societies. Directors' profiles are presented on pages 30-33 of this Annual Report.	Complied
		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 2025, stated in Directors report in page 99. 13 board meetings were held during the year 2025.	Complied
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 MD to formulate the required strategy	Complied
			The MD and the management team develop the Corporate Strategy.	Complied
			Annual budgets and action plans are developed in order to implement the Corporate Strategy. Those are reviewed by the Board of Directors.	Complied
		Ensuring that the MD and the Management Team possess the required skills, experience and knowledge to implement the strategy.	The Board ensures that the MD 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	Complied
		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.	Complied
			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.	Complied
			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.	Complied

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
	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.	Complied
	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.	Complied
	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 50-76 for more information on company's sustainable business development plan.	Complied
	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.	Complied
	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 132-135.	Complied
	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.	Complied
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.	Complied
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.	Complied
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.	Complied

Compliance Status Contd.

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 MD & CEO were held separately.	Complied
		This segregation ensures a clear distinction between the Chairperson's responsibility to manage the Board and the MD & CEO 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	Complied
A.2.1	Disclosure required if the positions of the Chairman and the MD & CEO are combined.	The position of the Chairman and the MD & CEO are separated.	Complied
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.	Complied
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.	Complied
	Operations of the Board are managed effectively.	Chairman is the ultimate point of contact to the Shareholders at the AGM.	Complied
	All key and relevant issues are discussed by the Board in a timely and constructive manner.		Complied
	Taking appropriate steps to provide effective communication with shareholders and to ensure that shareholders' views are communicated to the Board as a whole		Complied
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	Complied

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 Ten Non-Executive Directors.	Complied
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 30-33 the details of the Directors	Complied
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 Twelve Directors are Independent Directors, in compliance with the requirements of the Code	Complied
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.		Complied
A 6.1	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, etc. To ensure clear communication of information.	Complied
A.6.2	The minutes, agenda and papers required for Board	Comprehensive Board Papers are presented to Directors at the Board Meetings.	Complied
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.	Complied
A.7.1	Establish Nomination Committee	The Board has established a Nomination & Governance Committee.	Complied
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.	Complied
A.7.3	Succession Planning for MD and all KMPs	A succession plan is being developed for the MD and all Key Management Personnel (KMPs) as part of our strategic leadership planning	Complied
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.	Complied
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.	Complied

Compliance Status Contd.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
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.	Complied
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.	Complied
A 9.2	Appraisals of the Board and the sub-committees	Yearly Appraisal	Complied
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	Complied
A 9.4	State the evaluation process in the Annual Report	Complied with the above disclosures and information on page 125/126.	Complied
A.10 Disclosure Of Information In Respect Of Directors			
	Principle: Shareholders should be kept advised of relevant details in respect of Directors.		Complied
A.10.1	Annual Report should contain details of all Directors	Information with respect to all Directors is disclosed in pages 30 to page 33 in this Annual Report and where relevant.	Complied
A.11 Appraisal Of Cheif Executive Officer			
	Principle: The Board should be required, at least annually, to assess the performance of the MD and 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.	Complied
A.11.1	The Board should set, with consultation of the MD, the financial and non-financial targets to be achieved by the MD during the year, in line with short, medium and long term objectives of the Company	The performance evaluation of the MD and CEO 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	Complied
A.11.2	The performance of the MD and CEO should be evaluated by the Board at the end of each year	The MD and CEO is responsible for day-to-day operations of CICPLC and is accountable to the Board of Directors. The Board evaluates the MD and CEO performance through monitoring the achievement levels of set objectives during the year	Complied
B Directors' Remuneration			

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
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		Complied
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		Complied
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.	Complied
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 three additional Non Executive Directors. Remuneration levels are designed to attract, retain and motivate persons who contribute to the achievement of the corporate plan Remuneration levels are designed to attract, retain and motivate persons who contribute to the achievement of the corporate plan.	Complied
B.2.3	The Remuneration Committee should consult the Chairperson and MD 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 MD's remuneration. The Committee consults the MD on proposals regarding Executive remuneration. No Director participates in determining his/her remuneration	Complied
B.2.4	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Director and CEO.	Remuneration committee designed remuneration levels to attract, retain and motivate persons who contribute to the achievement of the corporate plan.	Complied
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 123.	Complied

Compliance Status Contd.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
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.		Complied
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 101.	Complied
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	Complied
		With Shareholders and to allow them a reasonable opportunity to ask questions from the Board of Directors.	Complied
		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.	Complied
		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.	Complied
		The Board members and Company representatives are available to clarify the matters raised by shareholders. The most recent shareholders' meeting held on 28th June 2025.	Complied
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.	Complied
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.	Complied
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.	Complied
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	Complied
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.	Complied

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
C.2 Communication With Shareholders			
	Principle: The Board should implement effective communication with shareholders.		Complied
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 MD and communicated through the Secretaries	Complied
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.	Complied
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 etc.	Complied
		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	Complied
C.2.4	Disclose the contact person for such communication.	MD / 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 MD/CEO	Complied
		Further, clarifications with regard to any financial information published can also be directed to the Chief Financial Officer of CICPLC through the details given on page 119.	Complied
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	Complied
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.	Complied
C.3 Major And Material Transactions			
	Principle: Directors should disclose to shareholders all proposed material transactions.		Complied
C.3.1	Proposed major transactions	There were no major transactions during the year.	N/A

Compliance Status Contd.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
D. Accountability And Audit			
D.1 Financial & Business Reporting			
	Principle: Board responsibility for statutory and regulatory reporting.		Complied
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.	Complied
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	Complied
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 98-103.	Complied
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 118.	Complied
		The Auditor's Report is provided on page 132-135.	Complied
D.1.6	The Annual Report should contain a 'Management Discussion and Analysis.	The Management Discussion and Analysis is given on page 14 of this Annual Report, which covers the disclosure requirement under this Code.	Complied
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
D.1.8	Adequate and accurate disclosure of related party transactions	CICPLC has implemented the following procedures for the disclosure of Related Party Transactions:	Complied
		Establishment of a Related Party Transactions Review Committee, which reviews related party transactions on a quarterly basis.	Complied
		All related party transactions are subject to review, and appropriate disclosures are made in the financial statements in accordance with applicable standards	Complied
		Note 35 of the financial statements (page 188-191) provides detailed information on Related Party Transactions	Complied
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).	Complied

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
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	Complied
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.	Complied
	Statement of internal control	The Board's Statement on Internal Control is given on page 114.	Complied
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 Four (4) 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.	Complied
D.3.2	Terms of Reference for Audit Committee	The Audit Committee operates with clearly defined terms of referance, which are reviewed annualy. 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	Complied
D.3.3	Disclosures required by the Audit Committee in the Annual Report.	Audit committee report on page 121 includes names of the Directors in the Audit Committee and other disclosures.	Complied
D.5 Related Party Transaction Review Committee			
D.5.1	Definition	Related party transactions are defined in accordance with LKAS 24	Complied
D.5.2	Establish a Related Party Transactions Review Committee	The Board has established a Related Party Transactions Review Committee comprising four Independent and Non-Executive Directors, chaired by Mr. Ganaka Amarasinghe	Complied

Compliance Status Contd.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
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 127 and the Report of the Related Party Transactions Review Committee on pages 127 and 128 for further	Complied
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 80 to 97 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.	Complied
D.6.7	Chairman's statement	Refer to the Chairperson's Message on page 20/21 and the Annual Report of the Board of Directors on the affairs of the Company on page 98.	Complied
D.7 Corporate Governance Disclosures			
D.7.1	Corporate Governance disclosures	The Corporate Governance Report on pages 80 to 97 comply with this requirement	Complied
E. Institutional Investors			
E.1 Shareholder Voting			
	Principle: Should ensure institutional shareholders' voting intentions are translated into practice.		Complied
E.1.1	Communication with Shareholders	Please refer details on shareholder communication under C.2.1 and C.2.2	Complied
F. Other Investors			
	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.	Complied
F.2	Encouraging shareholder participation and exercise their voting right	Refer Annual General Meeting section on page 243.	Complied
G. Internet of Things And Cyber Security			
	Internet of things and cyber security	IT department has competent staff and with the advice of the MD / 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	Complied
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 108	Complied
G.4	Independent periodic review and assurance	IT department ensures the effectiveness of cyber security periodically and suggests necessary actions to the MD who is reports to the Board. Board of Directors takes necessary actions accordingly.	Complied
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 108	Complied

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status
H.	Sustainability: ESG Risk And Opportunities		
H.1	Environment, Society and Governance (ESG)	Annual Report of the Board of Directors on page 118 This report has been prepared following the IR framework, and the code of best pactrice on Corporate Governance. The following reports provide further information: Environmental Reporting Natural Capital Report on page 64-65 Social Reporting Human Capital Report on pages 66-71 Social & Relationship Capital Report on page 72-76 Governance Corporate Governance Report on page 80	Complied

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.

Section	Corporate Governance 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 93 for the statement of compliance.	Complied
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.	Complied
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 120 to 128.	Complied
9.3.3		Chairman of Board Committees	The Chairman of Board Committees is not the Chairman of the Board	Complied
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.	Complied

Compliance Status Contd.

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status	
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 organisation's values and commitments, including sustainability initiatives.	Complied
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.	Complied
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 80 Segregation of Key Roles. There is no requirement for a Senior Independent Director due to the segregation of roles.	Complied
9.7.1	Fitness of Directors & CEOs	Take necessary steps to ensure that Directors, MD and CEO are, at all times, fit and proper persons in accordance with criteria set out in 9.7.3	The Company ensures that the Directors, MD and CEO at all times fulfil the fit and proper assessment criteria set out in the Listing Rules.	Complied
9.7.4		Annual Declaration	The Directors and the MD have provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year	Complied
9.7.5		Disclosures in the Annual Report	The Company obtains declarations from all Directors and MD 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.	Complied
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 99 for the Board composition	Complied
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 2025	Complied
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	Complied

Section	Corporate Governance Requirement	CICPLC's Level of Compliance	Compliance Status	
9.10.2		Market announcement to be made on appointment	Accordingly Market Announcements/ notices have been sent to CSE relating to corporate disclosures	Complied
9.10.3		Market announcement to be made on changes to composition of the Board Committees		Complied
9.10.4		Disclose information relating to Directors in Annual Report	Please refer profiles of Directors of pages 30 to 33.	Complied
9.11.1 – 9.11.5	Nomination and Governance Committee	Composition and Functions of the Committee	Please refer pages 125 and 126 for the report of the Nomination and Governance Committee	Complied
9.11.6		Annual Report Disclosures		Complied
9.12.1 – 9.12.	Remuneration Committee	Composition and functions of the Committee	Please refer pages 123 and 124 for the report of the Remunaration Committee	Complied
9.12.8		Annual Report Disclosures		Complied
9.13.1 – 9.13.4	Audit Committee	Composition and functions of the Committee	Please refer pages 120 to 122 for the report of the audit committe	Complied
9.13.5	Annual Report Disclosures			Complied
9.14.1 – 9.14.3	Related Party Transactions Review Committee	Composition and functions of the Committee	Please refer pages 127 and 128 for the report of related party. Transactions Review Committee	Complied
9.14.4		Committee Meetings	The Related Party Transactions Review committee convened 04 times during the year	Complied
9.14.7 – 9.14.8		Disclosures	Please refer pages 127 and 128 for the report of related party. Transactions Review Committee	Complied
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 118 of the Annual Report of the Board of Directors for the Declarations	Complied

Compliance Status Contd.

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 96.	Complied
B	Insurers are required to comply with the following:		Complied
(1)	The Board of an insurer must be comprised of a minimum of two Directors who are citisens and residents of Sri Lanka.	All Directors of the Company are citisens and residents of Sri Lanka.	Complied
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	Complied
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	Complied
(3) (b)	In this context following transitional exemption apply.	No such situation has arisen during the year.	Complied
	(i), (ii), (iii)		Complied
(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 93 to 95.	Complied
(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.	Complied

Section	Requirement	CICPLC's level of compliance	Compliance Status
(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 93 to 95 of the Annual Report and it is published on the company and CSE websites within the stipulated period.	Complied
	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.	Complied

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, 2025 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 pages 136 and Auditor's Report on financial statements is provided on page 135 of this annual report.

CORPORATE GOVERNANCE

The Corporate Governance principles and practices of the Company are described from pages 80 to 97 of this Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Statement of Directors' Responsibilities for Financial Reporting is given on page 130 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 page 118. 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 136 to 221 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 LKR 6,220 Mn (LKR 5,629 Mn in 2024).

FINANCIAL RESULTS AND APPROPRIATIONS

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Net profit / (loss) before taxation	512,644	318,621	324,026	153,055
Income tax	233,574	44,974	136,116	39,663
Net profit / (loss) after taxation	279,069	273,647	187,910	113,392
Unappropriated profit brought forward	2,449,273	2,330,507	1,693,438	1,736,965
Funds available for appropriation	2,723,665	2,449,273	1,873,163	1,693,438
Other comprehensive income	188,881	91,804	154,337	95,311
Dividends Paid	-	165,218	-	165,218
Unappropriated profits carried forward	2,723,665	2,449,273	1,873,163	1,693,438
Earnings per share (LKR)	0.17	0.17	0.11	0.07

THE BOARD OF DIRECTORS

The Directors of the Company as at date are set out under "Corporate Information" on Page 245 and their profiles are given on pages 30 and 33 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:

Mr. A A J Amarasinghe

Mr. G G Dayasumana

Mr. A B Senadira

Mr. M Widanagamage

Mr. L Waragoda

Mr. H H D E Priyantha Herath

Mr. Suraj Wickramasinghe

Mr. Ganaka Amarasinghe

Ms. W P M Chathurani

Mr. M G P L Lal Kumara

Mr. B M A Mohan De Silva

Mr. Haritha Karunanayake - with effect from 13th March 2026

Mr. P B Jayarathne - retired 28th June 2025

Mr. K K G Sanirathne - retired 28th June 2025

Mr. T B H Kumara - ceased with effect from 2025

DIRECTORS' MEETINGS

The number of Directors' meetings which comprises Board meetings, Audit Committee meetings, Investment Committee meetings, Human 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 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	13	-	12	10	4	9	1	4	1
2. G G Dayasumana	13	2	10	8	4	8	1	-	4
3. M Widanagamage	13	-	2	7	3	8	-	-	1
4. A B Senadeera	13	-	12	3	3	9	-	-	-
5. P B Jayarathna	6	3	-	3	-	3	-	-	-
6. H H D E P Herath	13	3	10	7	4	7	1	1	-
7. K K G Sanirathne	6	-	-	5	5	-	-	-	-
8. Lalith Waragoda	13	14	-	-	-	-	1	4	4
9. Suraj Wickramasinghe	13	12	-	2	1	-	1	4	2
10. Ganaka Amarasinghe	11	13	-	-	-	-	-	3	3
11. T B H Kumara	4	3	2	-	1	-	-	-	-
12. W P M Chathurani	9	-	-	-	-	-	-	-	-
13. B M A Mohan De Silva	4	2	-	-	-	-	-	-	1
14. M G P L Lal Kumara	4	2	-	-	-	-	-	-	1

BOARD SUB COMMITTEES

The following Sub Committees were established by the Company:

Audit and Risk Management Committee

Remuneration Committee

Nomination and Governence Committee

Related Party Transaction Review Committee

Investment Committee

HR Committee

Purchasing and Tender Committee

Business Development Committee

The Reports of the Sub Committees are on pages 120 To 128 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 120 to 128 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, 2025 are as follows.

Directors' Fees and emoluments are as follows.

	2025 Rs.	2024 Rs.
Board Remuneration of CIC PLC	27,855,514	26,219,805
Board Remuneration of Cooplife Insurance	23,921,156	23,625,487
	51,776,670	49,845,292

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 2025 are as follows:

Mr. A A J Amarasinghe	252,096
Mr. A. B. Senadira	Nil
Mr. M Widanagamage	Nil
Mr. L.Waragoda	Nil
Mr. G G Dayasumana	1,467,470
Mr. H H D E P Herath	Nil
Mr. SWickramasinghe	22,550
Mr. Ganaka Amarasinghe	Nil
Ms. W P M Chathurani	Nil
Mr. M P L Lal Kumara	Nil
Mr. B M A Mohan De Silva	Nil

DIVIDENDS

The Insurance regulatory commision of Sri Lanka (IRCSL) has issued a direction dated 8th December 2025 directing all registerd general insurance companies to refrain from declaring or distributing any dividends four the financial year 2024 and 2025 that have not allready been declared or distibuted. This direction shall remain inforce untill 30th June 2026.

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 LKR 1,149 Mn 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.

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

MAJOR SHAREHOLDERS

20 Major shareholders of the Company as at 31st December, 2025

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 Co-operative 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	68,068,881	4.12%
6.	Beliatta Multi Purpose Co-operative Society Ltd	65,431,230	3.96%
7.	Matara District Co-operative Rural Banks Union Ltd	50,709,940	3.07%
8.	Matara District Tea Producers Co-operative Society Ltd	50,521,423	3.06%
9.	Puttalam Salt Ltd	41,371,390	2.50%
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.	Sri Lanka Co-Operative Rural Banks Federation Limited	26,172,490	1.58%
13.	Hambanthota District Co-operative Rural Bank Union Ltd	25,206,250	1.53%
14.	Panduwasnuwara New Multi Purpose Co-operative Society Ltd	24,547,180	1.49%
15.	Bingiriya Multi Purpose Co-operative Society Ltd	22,181,190	1.34%
16.	Kotapola Multi Purpose Co-operative Society Ltd	21,481,376	1.30%
17.	Mirigama Multi Purpose Co-operative Society Ltd	20,579,230	1.25%
18.	Kolonnawa Multi Purpose Co-operative Society Ltd.	18,973,030	1.15%
19.	Colombo District Co-operative Rural Bank Union Ltd	17,800,000	1.08%
20.	Dambadeniya Multi Purpose Co-operative Society Ltd.	16,157,650	0.98%
	Total	1,085,743,370	65.72%

ANALYSIS OF SHAREHOLDERS

The percentage of Public Holding is 66.31% of the issued voting shares of the Company, represented by 6,255 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 104.

STATED CAPITAL

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

SHAREHOLDERS

The total Shareholder base of the Company as at 31st December, 2025 was 6,264

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 2025

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. LKR 3.13 Mn. (2024 - LKR 2.91 Mn.) has been paid as Audit Fee for the Year Ended 31st December, 2025.

The Board of Directors has resolved to reappoint Messrs. Jayasinghe & Company as the External Auditors of the Company for the financial year 2026, with the consent of Messrs. Jayasinghe & Company which will be submitted for shareholders approval at the next Annual General Meeting.

AUDITORS' RELATIONSHIP WITH THE COMPANY

Messrs 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

29th May 2026

Certificate Of IBNR and LAT

29 May 2026

Certification by the Actuary

Co-operative Insurance Company PLC 31 December 2025 Net IBNR and LAT Certification

I hereby certify that the Central Estimate IBNR provision of LKR 722,990,455 is adequate in relation to the Claim Liability of Co-operative Insurance Company PLC as at 31 December 2025, net of reinsurance (undiscounted). This IBNR provision, together with the Case Reserves held by the Company, is expected to be adequate at Central Estimate to meet the future liabilities, including the claim handling expenses, in respect of the Company's incurred claims obligations as at 31 December 2025, in many but not all scenarios of future experience. (The undiscounted Central Estimate IBNR provision, gross of reinsurance, including an allowance for CHE is LKR 798,465,439).

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test ('LAT') as laid out in SLFRS4. The LAT is performed to assess the adequacy of the carrying amount of the Unearned Premium Reserve ('UPR'). I hereby certify that the UPR provision of LKR 1,777,200,791 set by the Company, net of reinsurance and DAC, is adequate at a 50th percentile in relation to the unexpired risks of Co-operative Insurance Company PLC as at 31 December 2025, in many but not all scenarios of future experience. As such, there is no premium deficiency to be recognised 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 above Company and I have not independently verified the data supplied, beyond applying checks to satisfy myself as to the reasonableness of the data.

Roberto Malattia
Fellow of the Institute and Faculty of Actuaries (FIA)
For and on behalf of NMG Financial Services Consulting
Dated 29 May 2026

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Risk Management

Effective risk management is a fundamental component of the governance framework of Co-operative Insurance Company PLC (CICPLC), supporting the achievement of strategic and operational objectives. As an insurance provider, the Company is exposed to a broad spectrum of risks arising from underwriting activities, investment decisions, market developments, operational processes, and regulatory changes.

CICPLC maintains a structured, enterprise-wide risk management approach to ensure that risks are identified, evaluated, and managed in a timely and effective manner. The Company continuously strengthens its risk management practices to safeguard financial stability, maintain operational resilience, and protect the interests of policyholders, shareholders, and other stakeholders.

Risk management is embedded across all levels of the organisation and supported by a culture that promotes accountability, transparency, and proactive risk awareness. While the Risk Management function provides oversight and coordination, effective risk management remains the collective responsibility of the Board of Directors, senior management, and all employees.

Risk Environment in 2025

The evolving external environment gives rise to a range of interconnected risk concerns that have the potential to impact the Company's financial performance, operational resilience, and long-term sustainability

Macroeconomic and Financial Risks

Drivers:

- Macroeconomic uncertainties
- Increased taxation
- Shifts in disposable income
- Geopolitical tensions

Risk Concerns:

- Reduced demand for insurance products due to lower disposable income
- Pressure on premium growth and policy renewals
- Increased claims ratios driven by economic stress conditions
- Volatility in investment returns due to market instability
- Adverse impact on asset valuations and capital adequacy
- Increased cost pressures affecting profitability

Regulatory and Compliance Risks

Drivers:

- Regulatory developments
- Regulatory shifts linked to IMF requirements

Risk Concerns:

- Increased compliance obligations and reporting requirements
- Higher operational costs associated with regulatory adherence
- Risk of non-compliance due to evolving regulatory frameworks
- Need for rapid adaptation of internal policies and systems
- Potential constraints on business operations or product offerings

Technological and Cyber Risks

Drivers:

- Technological advancements
- Increased reliance on digital platforms
- Increased use of artificial intelligence

Risk Concerns:

- Increased exposure to cyber security threats and data breaches
- System vulnerabilities arising from rapid digital transformation
- Operational disruptions due to system failures or technology integration issues
- Ethical and governance risks associated with AI adoption
- Dependence on technology increasing systemic risk concentration

Information and Reputational Risks

Drivers:

- Rapid dissemination of information

Risk Concerns:

- Heightened reputational risk due to rapid spread of negative information
- Increased exposure to misinformation and public perception risks
- Reduced ability to control narrative during crisis situations
- Amplified stakeholder scrutiny

Customer and Market Behaviour Risks

Drivers:

- Changing customer expectations

Risk Concerns:

- Increased demand for digital, fast, and personalised services
- Risk of customer attrition if expectations are not met
- Pressure to continuously innovate products and service delivery
- Increased competition from digitally enabled market participants

Risk Management Contd.

Environmental and Climate Risks

Drivers:

- Climate change

Risk Concerns:

- Increased frequency and severity of insurance claims due to extreme weather events
- Changes in underwriting risk profiles
- Potential impact on reinsurance costs and availability
- Long-term uncertainty in risk modelling and pricing

Human Capital and Workplace Risks

Drivers:

- Increased focus on workplace safety and wellbeing

Risk Concerns:

- Increased expectations for employee wellbeing, safety, and flexibility
- Risk of reduced productivity or engagement if expectations are unmet
- Need for enhanced workplace policies and support systems
- Talent retention and attraction challenges

Strategic and Adaptive Risks

Drivers:

- Combined effect of all environmental shifts

Risk Concerns:

- Risk of delayed strategic response to rapidly evolving external conditions
- Misalignment between business strategy and operating environment
- Increased uncertainty in long-term planning and capital allocation
- Pressure on organisational agility and decision-making speed

Risk Management Framework

The Company has established a comprehensive risk management framework designed to systematically identify, assess, monitor, and mitigate risks across the organisation. This ensures that risk exposures remain within acceptable levels while enabling the pursuit of business opportunities in a controlled and sustainable manner.

Objectives of the Framework

The framework is designed to:

- Identify and assess existing and emerging risks impacting operations, financial performance, and strategic objectives
- Implement appropriate mitigation and control measures
- Facilitate effective communication of risk information through defined reporting channels
- Support efficient allocation of resources in managing risk exposures
- Strengthen stakeholder confidence through transparent and disciplined risk management
- Enhance responsiveness to uncertainties and support business continuity

Risk Management Process

CICPLC follows a structured risk management process as presented below:



Risks are identified across core business activities and the operating environment, then evaluated based on likelihood and impact. Appropriate mitigation strategies and internal controls are implemented, with continuous monitoring and reporting to senior management and the Board.

Risk Governance Structure

While the Board of Directors and the Risk Committee oversee the overall risk approach, the Company adopts the Three Lines of Defense model, ensuring clear accountability and oversight.



Under this framework, the first line of defence comprises operational management, which is responsible for identifying and managing risks within their respective business activities.
The second line of defence includes specialised functions such as risk management and compliance, which provide oversight, guidance, and monitoring of risk management practices.
The third line of defence is represented by the internal audit function, which provides independent assurance on the effectiveness of the overall risk management and internal control framework.

Risk Assessment and Outputs

CICPLC undertakes a structured risk assessment process to evaluate risks identified across its operations and operating environment. This process enables the Company to develop a comprehensive understanding of its risk exposure, including the nature of risks, their likelihood of occurrence, and their potential impact on operational performance, financial stability, and strategic objectives.

Risk analysis involves assessing how individual risks may affect different business functions, as well as evaluating the interrelationships between risk factors across the organisation. While certain risks have the potential to significantly disrupt business activities, others may have a more limited impact.
This structured evaluation supports informed decision-making and enhances the Company's ability to respond effectively to evolving risk conditions.

Functional Risk Assessments

To ensure a comprehensive assessment of risk exposures, evaluations are carried out across key functional areas of the business:

Strategic Risk

Risks that may impact the Company's long-term direction and ability to achieve its strategic objectives are assessed as part of the strategic planning process. Senior management evaluates these risks to ensure alignment between business strategy, risk appetite, and the external operating environment.

Underwriting Risk

Underwriting risks arise from uncertainties in risk assessment and pricing. Regular evaluations are conducted to strengthen underwriting guidelines and ensure that premiums adequately reflect the level of risk assumed, maintaining exposures within acceptable limits.

Financial Risk

Financial risks, including credit, market, and liquidity risks, are monitored by the finance and audit functions. This includes ongoing review of financial market developments, investment portfolio performance, and counterparty exposures to support prudent financial management and adequate liquidity.

Operational Risk

Operational risks are assessed by process owners across key business functions. These assessments focus on risks related to internal processes, control effectiveness, regulatory compliance, and system reliability. Continuous improvements to procedures and controls are implemented to minimise the likelihood of operational disruptions.

Risk Prioritisation and Outputs

Following the assessment process, risks are prioritised based on their likelihood and potential impact. This enables the Company to categorise risks according to their severity and significance:

Low-level Risks –
Limited impact on operations or financial performance

High-priority Risks –
Potential to cause significant financial, operational, or reputational impact

This prioritisation forms a key output of the risk assessment process, allowing management to:

- Focus on the most critical risk exposures
- Allocate resources and control measures effectively
- Determine the level of oversight required

Risk Management Contd.

Risks identified as high-impact may require immediate mitigation actions and are subject to enhanced monitoring by senior management and the Board. This structured approach ensures that risk management efforts remain focused, proportionate, and aligned with the Company's overall risk profile.

Key Risk Areas

The Company continuously evaluates its operating environment to identify significant risks that could affect its operations, financial performance, and long-term sustainability. The following key risk areas were identified during the year under review.

Risk Category	Description	Mitigation Measures
Underwriting Risk	Risk arising from inadequate pricing, incorrect risk assessment, or higher-than-expected claims.	Strengthening underwriting guidelines, periodic review of pricing models, and monitoring claims experience.
Market Risk	Risk arising from fluctuations in interest rates, exchange rates, and investment market conditions affecting investment returns.	Diversification of investment portfolio and continuous monitoring of market developments.
Credit Risk	Risk of financial loss due to failure of counterparties, intermediaries, or reinsurers to meet their obligations.	Credit evaluations, counterparty limits, and regular monitoring of receivables and recoveries.
Liquidity Risk	Risk that the Company may not have sufficient liquid funds to meet its financial obligations when they fall due.	Maintaining adequate liquid investments and monitoring cash flow requirements.
Operational Risk	Risk arising from failures in internal processes, systems, or human errors.	Strengthening internal controls, staff training, and process improvements.
Technology and Cyber Risk	Risk associated with increasing digitalisation, cyber threats, and system vulnerabilities.	Implementation of IT security controls, system monitoring, and cyber security awareness programs.
Regulatory and Compliance Risk	Risk of non-compliance with regulatory requirements and industry standards.	Continuous monitoring of regulatory developments and strengthening compliance frameworks.
Macroeconomic Risk	Risk arising from economic instability, inflation, taxation changes, and reduced disposable income affecting insurance demand.	Continuous monitoring of economic indicators and strategic adjustments to business plans.

Risk Appetite

The Company defines its risk appetite to guide decision-making and ensure alignment between strategic objectives and risk-taking activities. The Company adopts a balanced approach to risk, seeking to generate sustainable returns while maintaining an appropriate level of prudence in managing exposures.

The risk appetite establishes clear boundaries within which business activities are undertaken, supporting disciplined underwriting, investment, and operational practices. It also provides a basis for evaluating risk-return trade-offs and prioritising resource allocation

across the organisation.

Oversight of the Company's risk appetite rests with the Board of Directors, with periodic reviews undertaken to ensure continued alignment with the Company's strategic direction, regulatory requirements, and prevailing market condition.

Risk Appetite Framework and Tolerances

The Company's risk appetite is operationalised through defined limits and thresholds across key risk categories, ensuring that exposures are maintained within acceptable levels.

Risk Category	Risk Appetite	Tolerance
Underwriting / Insurance Risk	Moderate	Maximum exposure to a single policyholder: LKR 50 million; Maximum exposure per product line: 25% of total portfolio.
Investment / Market Risk	Moderate	Equity investments ≤ 25% of total investment portfolio; Minimum credit rating for fixed income investments: AA
Liquidity Risk	Low	Maintain liquid assets to cover ≥ 120% of expected short-term liabilities.
Operational Risk	Low to Moderate	Critical operational incidents causing financial loss capped at Rs. 10 million per event
Credit Risk (Reinsurance / Counterparty)	Moderate	Maximum exposure to a single reinsurer: 20% of total reinsurance recoverables; Minimum credit rating for reinsurers: A
Capital Adequacy / Solvency	Conservative	Maintain solvency ratio ≥ 120%; Supervision ≥ 160%, above regulatory requirement.

Implementation and Monitoring

Adherence to the defined risk appetite is supported through established monitoring and governance mechanisms:

The Board of Directors oversees the risk appetite and ensures that risk exposures remain within approved tolerances

Risk management and business units are responsible for ongoing monitoring and timely reporting of any deviations Periodic stress testing and scenario analysis are conducted to assess whether risk exposures remain within acceptable limits under adverse conditions

Review

The risk appetite framework is reviewed annually by the Board to ensure continued alignment with the Company's strategic objectives, regulatory requirements, and evolving market conditions.

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Stress Testing and Scenario Analysis

The Company performs periodic stress testing and scenario analysis to assess the potential impact of adverse developments on its financial position, profitability, and solvency. These assessments support management in evaluating the resilience of the business under extreme but plausible conditions and in informing forward-looking decision-making.

Stress scenarios are designed around key risk drivers relevant to the Company's operations, including claims experience, catastrophe events, investment market movements, and cost pressures.

Risk Management Contd.

Key Stress Scenarios Considered

Stress Scenario	Assumption	Potential Impact
Increase in Claims Frequency	15% increase in motor and medical claims	Reduction in underwriting profitability and combined ratio deterioration
Catastrophic Event	Major flood affecting insured assets	Significant increase in gross claims and reinsurance recoveries
Investment Market Downturn	20% decline in equity market values	Reduction in investment income and fair value reserves
Interest Rate Shock	200 basis point decline in interest rates	Impact on investment portfolio yields
Expense Inflation	10% increase in operating expenses	Pressure on underwriting margins

The impact of selected stress scenarios on the Company's solvency position is illustrated below:

Scenario	Solvency Ratio
Base Case	165%
Claims Stress	148%
Investment Stress	152%
Catastrophe Stress	140%

Stress Testing Outcomes

Results from the stress scenarios performed during the financial year indicate that the Company's capital and solvency position remained within regulatory requirements. While certain scenarios resulted in temporary pressure on profitability and underwriting performance, overall resilience was supported by:

- A diversified underwriting portfolio
- Effective reinsurance arrangements
- A prudent investment strategy
- Strong capital adequacy levels

The Company continues to refine its stress scenarios to reflect evolving economic, environmental, and market conditions.

Management Response

Where stress thresholds are approached, management has identified a range of responsive actions to mitigate potential impacts, including:

- Strengthening reinsurance coverage
- Adjusting underwriting guidelines
- Reviewing pricing strategies
- Enhancing cost management initiatives
- Rebalancing the investment portfolio

These measures support the Company's ability to maintain financial stability and meet its obligations to policyholders under adverse conditions.

Emerging Risks

In addition to the key risks currently faced by the Company, Co-operative Insurance Company PLC continuously monitors emerging risks that may arise from changes in the economic, technological, regulatory, and social environment. Identifying emerging risks enables the Company to prepare proactively and strengthen its resilience against future uncertainties.

The following emerging risks have been identified as areas requiring close monitoring in the coming years:

Emerging Risk	Description	Potential Impact	Management Response
Artificial Intelligence (AI) and Automation	Rapid adoption of AI technologies across industries may transform business processes and customer interactions.	Changes in operational processes, new compliance requirements, and potential ethical considerations.	Monitoring technological developments and evaluating opportunities for responsible adoption of AI solutions.
Cyber Security Threats	Increasing digitalisation and online transactions expose organisations to evolving cyber threats and data breaches.	Financial loss, operational disruption, and reputational damage.	Strengthening IT security infrastructure, implementing cyber security policies, and enhancing employee awareness programs.
Climate and Environmental Risks	Growing global focus on climate change may influence regulatory requirements, insurance claims patterns, and investment strategies.	Increased frequency of extreme weather events and potential changes in underwriting risk exposures.	Monitoring environmental trends and incorporating climate considerations into risk assessment and underwriting practices.
Regulatory Changes	The regulatory environment for insurance companies continues to evolve with new compliance requirements and reporting standards.	Increased compliance costs and operational adjustments.	Maintaining active engagement with regulators and strengthening internal compliance frameworks.
Changing Customer Behaviour	Digital adoption and evolving customer expectations are reshaping the insurance market.	Increased demand for digital services and faster service delivery.	Enhancing digital platforms and improving customer experience through technology-driven solutions.
Macroeconomic Uncertainty	Inflation, exchange rate volatility, and economic instability may affect consumer purchasing power and insurance demand.	Reduced premium growth and potential impact on investment returns.	Close monitoring of economic indicators and maintaining prudent financial management practices.

The Company will continue to monitor these emerging risks and incorporate them into its risk management framework to ensure timely responses and effective mitigation strategies.

Internal Control System

The Company maintains an integrated internal control system that supports the effective management of risks across all areas of its operations. This system is designed to ensure that appropriate policies, procedures, and control mechanisms are consistently applied to manage identified risk exposures.

The internal control framework is focused on:

- Safeguarding assets
- Ensuring the accuracy and reliability of financial reporting
- Promoting operational efficiency
- Ensuring compliance with applicable laws and regulatory requirements

Controls are embedded within key business processes and are subject to regular review to ensure their continued effectiveness in addressing evolving risk conditions.

The effectiveness of the internal control system is monitored through a coordinated approach involving operational management, risk management, compliance, and internal audit. Periodic risk assessments and internal reviews are conducted to evaluate the adequacy of controls and identify areas for improvement.

The Internal Audit function provides independent assurance to the Board and senior management on the effectiveness of the overall control environment and risk management practices. Findings and recommendations are reported through established governance channels to ensure timely implementation of corrective actions.

This integrated approach supports the maintenance of a strong control environment and ensures that risk management practices remain aligned with the Company's strategic objectives and regulatory obligations.

Statement of Compliance

Compulsory and Voluntary Governance Codes

Co-Operative Insurance Company PLC is committed to maintaining the highest standards of corporate governance and ensuring compliance with all applicable statutory, regulatory, and governance requirements relevant to the insurance industry and the cooperative sector.

The Company has established appropriate policies, procedures, and internal control mechanisms to ensure ongoing compliance with all applicable laws, regulations, directives, and internal governance standards governing its operations. These controls are subject to regular review and enhancement to align with changes in the regulatory environment and emerging best practices.

During the financial year under review, no material instances of non-compliance with applicable laws, regulations, or internal policies were reported.

As part of the Company's compliance monitoring framework, monthly compliance certifications are completed and endorsed by responsible management personnel to confirm adherence to regulatory requirements and internal policies. Compliance checklists are regularly updated to reflect new and amended regulatory requirements, and supporting documentation is maintained as evidence of compliance.

The Board of Directors and Management remain committed to fostering a strong culture of compliance, accountability, integrity, and ethical conduct throughout the organisation, thereby supporting the long-term sustainability and success of the Company.
Regulatory Compliance Summary

Requirement	Compliance Status
Submission of Compliance Certificates to IRCSL	The Company submits Compliance Certificates A and B to the Insurance Regulatory Commission of Sri Lanka (IRCSL) on a quarterly basis. These certificates are duly signed by the Chief Executive Officer in her capacity as the Principal Officer and by the Chief Financial Officer on behalf of the Board of Directors, confirming compliance with applicable regulatory requirements.
Compliance with Investment Regulations	The General Insurance Fund is adequately supported by approved investments in accordance with Section 25(1) of the Regulation of Insurance Industry Act No. 43 of 2000 and subsequent regulatory determinations issued by IRCSL.
Ability to Meet Policyholder Obligations	The Company continuously monitors its capital position to ensure its ability to meet obligations to policyholders. The Capital Adequacy Ratio (CAR) remained above the minimum regulatory requirement throughout the year, reflecting a strong capital base and financial stability. As at 31 December 2025, the Company's CAR stood at 207%, significantly exceeding the minimum regulatory requirement of 120%.
Actuarial Valuation of Insurance Liabilities	Insurance liabilities have been independently assessed and certified by a qualified External Actuary in accordance with the requirements of the Regulation of Insurance Industry Act No. 43 of 2000 and applicable actuarial standards as per the details on page 104.
Reinsurance Arrangements	All reinsurance arrangements are maintained with reputable reinsurers that satisfy the minimum credit rating requirements stipulated by the IRCSL, thereby ensuring adequate risk transfer and financial security as per the details on page 206.
Listing Rules - Section 9 - Corporate Governance	The status of compliance has been disclosed from pages 93 to 95 of the compliance summary
Corporate Governance Compliance	The Company has complied with the applicable Corporate Governance requirements and disclosure obligations. Compliance with governance-related regulations and best practices is monitored on an ongoing basis and reported to the Board of Directors.

Stakeholder Engagement – 2025

At Co-operative Insurance Company PLC (CICPLC), stakeholder engagement is fundamental to our ability to create sustainable value and maintain long-term relationships built on trust, transparency, and mutual benefit. We recognise that understanding stakeholder expectations is essential for informed decision-making, effective risk management, and the successful execution of our strategic objectives.

During 2025, CICPLC continued to engage proactively with a diverse range of stakeholders, including customers, employees, shareholders, regulators, business partners, suppliers, and the communities in which we operate. Through ongoing dialogue and structured engagement mechanisms, we gained valuable insights into stakeholder priorities, concerns, and expectations, enabling us to respond effectively to emerging opportunities and challenges.

Stakeholder feedback plays an important role in shaping our business strategy, enhancing service delivery, strengthening governance practices, and supporting sustainable value creation. The outcomes of stakeholder engagement are considered in the materiality assessment process and integrated into strategic planning, operational activities, and performance monitoring across the organisation.

Key Stakeholder Groups and Engagement Methods

Stakeholder Group	Key Interests and Expectations	Engagement Methods
Customers	Quality service, fair pricing, prompt claims settlement, digital accessibility, data security	Customer surveys, branch interactions, call centres, digital platforms, feedback mechanisms
Employees	Career development, wellbeing, fair remuneration, workplace safety, diversity and inclusion	Performance reviews, training programmes, staff meetings, employee surveys, internal communications
Shareholders	Sustainable profitability, business growth, effective governance, transparency	Annual General Meeting, annual reports, investor communications, stakeholder meetings
Regulators	Compliance with laws and regulations, ethical business conduct, financial stability	Regulatory filings, meetings, audits, compliance reporting
Business Partners and Suppliers	Fair business practices, timely payments, long-term relationships	Supplier meetings, contract reviews, performance evaluations
Communities	Social responsibility, environmental stewardship, community development	CSR initiatives, community programmes, awareness campaigns, stakeholder consultations

Through continuous engagement with our stakeholders, CICPLC remains committed to fostering strong relationships, enhancing stakeholder confidence, and ensuring that stakeholder perspectives are reflected in our decision-making processes. This collaborative approach supports our commitment to responsible business practices and sustainable value creation for all stakeholders.

Directors' Statement on Internal Control Over Financial Reporting

The Board of Directors of Co-Operative Insurance Company PLC presents this Statement on Internal Control Over Financial Reporting in accordance with Section 9.16(ii) of the Corporate Governance Requirements of the Listing Rules of the Colombo Stock Exchange and Section D.1.5 of the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka.

Responsibility

The Board of Directors is responsible for maintaining an adequate and effective system of internal controls and sound risk management practices within the Company to safeguard shareholders' interests, policy holders' funds, and the Company's assets.

The system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The internal control framework encompasses governance structures, policies and procedures, information systems, operational processes, control activities, and monitoring mechanisms.

The Board recognises that any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement, error, fraud, or loss. Accordingly, the Company's internal control system is designed to manage rather than eliminate such risks.

The Board has established an ongoing process for identifying, evaluating, and managing significant risks faced by the Company. This process is regularly reviewed through the Board Audit Committee and other Board Committees, with support from Internal Audit, Risk Management, and Compliance functions. The Board reviews significant control deficiencies and recommendations reported by these functions and directs management to implement appropriate corrective actions to strengthen the control environment.

Management is responsible for implementing Board-approved policies and procedures and for identifying, assessing, managing, and monitoring risks arising from the Company's operations.

System of Internal Control

The Board has implemented the following measures to obtain reasonable assurance that an effective system of internal control is maintained throughout the Company:

- The Board has established Board Committees, including mandatory committees required under the Listing Rules of the Colombo Stock Exchange, to assist in overseeing the effectiveness of operations, risk management, internal controls, governance, and financial reporting.
- Comprehensive policies and procedures covering key functional areas of the Company have been approved by the Board and relevant Board Committees. These policies are periodically reviewed and updated to address emerging risks, regulatory developments, technological changes, and industry best practices.
- The Internal Audit function independently reviews the adequacy and effectiveness of internal controls, governance processes, and compliance with approved policies and procedures. Internal audits are conducted according to a risk-based annual audit plan approved by the Board Audit Committee.
- Internal Audit findings, observations, and recommendations are reported to the Board Audit Committee on a regular basis, together with management's corrective action plans and implementation status.
- The Board Audit Committee reviews reports presented by Internal Auditers, External Auditors, and regulatory authorities and evaluates the adequacy and effectiveness of the Company's internal control and risk management systems. The Committee also monitors the implementation of corrective actions relating to significant audit findings.
- The Board Audit Committee periodically reviews the scope, independence, and effectiveness of the Internal Audit function and the adequacy of the Company's risk management framework.
- Key Risk Indicators (KRIs) have been established across major operational and financial processes. Risk dashboards and management reports are reviewed periodically by Management, the Board Audit Committee, and the Board to facilitate timely identification and mitigation of emerging risks.
- The Company continually reviews and strengthens controls relating to significant financial reporting processes, accounting estimates, and disclosures. The effectiveness of these controls is independently assessed through internal audit reviews and management monitoring activities.
- A compliance monitoring framework is maintained to ensure adherence to applicable laws, regulations, directives, and internal policies. Compliance certifications are obtained from relevant business and functional heads, and compliance reports are regularly submitted to the Board.

Confirmation Statement

Based on the processes and controls established and maintained during the financial year, the Board of Directors confirms that the Company's system of internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

The Board further confirms that the financial statements of Co-Operative Insurance Company PLC have been prepared in accordance with applicable Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007, the requirements of the Insurance Regulatory Commission of Sri Lanka (IRCSL), and the Listing Rules of the Colombo Stock Exchange.

The Board is satisfied that the system of internal control and risk management in place during the year under review was adequate and effective to support the achievement of the Company's objectives and the integrity of its financial reporting processes.

By Order of the Board



Lalith Waragoda
Chairperson of the Board Audit and Risk Committee

30th April 2026

Colombo





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Pointing. Promising. Protecting.

The father's finger does not just point — it leads. In the back seat, mother and daughter follow his gaze toward a horizon only trust can see. Every journey we insure is that small, sacred moment: a hand raised toward tomorrow, a family leaning forward together, and the quiet confidence that the road ahead is safe.

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, 2025 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 2026

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.

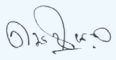
The Board of Directors and the management of the Company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to these financial statements were made on a prudent and reasonable basis in order that the financial statements reflect 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 132 to 135 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 2025 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.



D U P Rajapakshe
Chief Executive Officer



P G N D Gunathilaka
Chief Financial Officer

30th April 2026

Colombo

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 2025. 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 120 to 122.

COMPOSITION AND ATTENDANCE OF THE AUDIT COMMITTEE

Name of the Director	Nature of Directorship	Date of Appointment to the Committee	Eligibility to Attend / Attended
Mr. L. Waragoda (Chairperson)	Non-Executive / Independent		14/14
Mr. Ganaka Amarasinghe	Non-Executive / Independent		13/14
Mr. S. Wickramasinghe – Composition Changed 16.10.2025	Non-Executive / Independent		12/12
Mr. P. B. Jayarathne - Appointed w.e.f. 18th April 2025 and Retired w.e.f. 28th June 2025	Non-Executive / Independent		3/3
Mr. T. B. H. Kumara – Ceased w.e.f. 18th April 2025	Non-Executive / Independent		3/3
Mr. G. G. Dayasumana – Composition Changed 27.02.2025	Non-Executive / Independent		2/2
Mr. H. H. D. E. P. Herath – Composition Changed 18.04.2025	Non-Executive / Independent		3/3
Mr. Mohan Silva	Non-Executive / Independent	08.10.2025	2/2
Mr. Lal Kumara	Non-Executive / Independent	08.10.2025	2/2

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 2025 and the attendance of the committee members at these meetings are summarised 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 of the Company.

SUMMARY OF ACTIVITIES OF THE AUDIT 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.

Report of the Board Audit and Risk Committee (BARC) Contd.

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 finalization 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 Committee has recommended to the Board of Directors that Messrs. Jayasinghe & Company Chartered Accountants be re-appoint as the External Auditors for the fiscal year ending December 31, 2026, subject to 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.



Lalith Waragoda
Chairperson of the Board Audit and Risk Committee

30th April 2026

Colombo

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 2025.
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 MD.
- 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. Suraj Wickramasinghe (Chairperson)	Non-Executive / Independent		1/1
Mr. Ganaka Amarasinghe	Non-Executive / Independent		1/1
Mr. Lalith Waragoda	Non-Executive / Independent		1/1
Mr. Lal Kumara	Non-Executive / Independent	08.10.2025	0/0

ATTENDANCE BY INVITATION

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

Report of the Board Remuneration Committee (BRC) Contd.

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 123 to 124.

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 188 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.



Suraj Wickramasinghe
Chairperson - Remuneration Committee

30th April 2026
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 2025. 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 Director	Nature of Directorship	Date of Appointment to the Committee	Eligibility to Attend / Attended
Mr. Lalith Waragoda (Chairperson)	Non-Executive / Independent		4/4
Mr. A A J Amarasinghe	Non-Executive / Non-Independent		4/4
Mr. Ganaka Amarasinghe	Non-Executive / Independent		4/4
Mr. Suraj Wickramasinghe	Non-Executive / Independent		4/3
Mr. Mohan De Sliva	Non-Executive / Independent	08.10.2025	0/0

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 125 to 126.

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, sise, 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.

Report of the Board Nominations and Governance Committee Contd.

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 30 to 33 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.



Lalith Waragoda
Chairperson - Nominations & Governance Committee

30th April 2026
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 Director	Nature of Directorship	Date of Appointment to the Committee	Eligibility to Attend /Attended
Mr. Ganaka Amarasinghe (Chairperson)	Independent / Non-Executive		3/3
Mr. Lalith Waragoda	Independent / Non-Executive		4/4
Mr. G G Dayasumana - Composition Change 29.10.2025	Independent / Non-Executive		3/3
Mr. M Vidanagamage - Composition Change 18.04.2025	Independent / Non-Executive		1/1
Mr. Suraj Wikramashinghe - Composition Change 16.10.2025	Independent / Non-Executive		2/2
Mr A A J Amarashinghe - Composition Change 18.04.2025	Non Independent / Non-Executive		1/1
Mr. Mohan De Sliva	Independent / Non-Executive	08.10.2025	1/1
Mr. Lal Kumara	Independent / Non-Executive	08.10.2025	1/1

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 127 to 128.

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.

Report of the Related Party Transactions Review Committee Contd.

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 2025.



Ganaka Amarasinghe
Chairperson - Related Party Transactions Review Committee

30th April 2026
Colombo

Financial Calendar

Audited Financial Statement

2025
Financials signed on
30 April 2026

2025
Annual Report published on
02 June 2026

2026 Proposed
Financials to be signed on
15 March 2027

2026 Proposed
Annual Report to be published on
17 May 2027

Annual General Meeting (AGM)

2025
28th Annual General Meeting to be held on
June 2026

2026 Proposed
29th Annual General Meeting to be held on
June 2027

Interim Financial Statements - Submission to the Colombo Stock Exchange (CSE)

2025
For the 1st Quarter ended 31 March 2025
16 May 2025

2025
For the 2nd Quarter ended 30 June 2025
06 August 2025

2026 Proposed
For the 1st Quarter ended 31 March 2026
15 May 2026

2026 Proposed
For the 2nd Quarter ended 30 June 2026
10 August 2026

2025
For the 3rd Quarter ended
30 September 2025
11 November 2025

2025
For the 4th Quarter ended
31 December 2025
13 February 2026

2026 Proposed
For the 3rd Quarter ended
30 September 2026
10 November 2026

2026 Proposed
For the 4th Quarter ended
31 December 2026
12 February 2027

Directors' Responsibility for Financial Reporting

The following statement is presented by the Board of Directors to be in line with Section 9.16 (ii) – Corporate governance requirements of Listing rules issued by Colombo stock exchange section D1.5 of the Code of Best Practices on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka.

RESPONSIBILITY

The Board of Directors (Board) is responsible for the adequacy and effectiveness of the Internal Control system and sound risk management practices within the Company in order to safeguard the shareholder's investment and the Company's assets. Internal controls over financial reporting are primarily designed to identify and highlight any deviations in the control environment including information systems, operational processes, control activities and monitoring. However, due to the inherent nature of the internal control mechanism, systems of internal control are intended to manage, rather than to eliminate the risk of failure to achieve business objectives. In view of this, the system of internal controls can only provide reasonable, but not absolute assurance against material misstatements of financial information or losses and frauds.

The Board has established an on-going process to ensure the significant risks faced by the Company are identified, evaluated and managed within an acceptable risk profile and this process includes enhancing the system of internal control as and when there are changes to the business environment or regulatory guidelines. The process is in place and reviewed by the Board through the Board Audit Committee, assisted by the Internal Auditors. With the view of improving

the Internal Control Environment, the Board has reviewed the internal control deficiencies identified and relevant recommendations reported by the Board Audit Committee and other subcommittees and directed the management to take appropriate actions to strengthen the control activity. The Management assists the Board in the implementation of the policies and procedures on risk and control by identifying and assessing the risks faced in the design, operation and monitoring of deviations to mitigate and control these risks.

SYSTEM OF INTERNAL CONTROL

The board has implemented the following in order to obtain reasonable assurance that the propersystem of internal controls are in place:

- Several Board Sub-committees are established by the Board including those mandatory as required in line with the revised listing rules of CSE Sri Lanka, to assist the Board in ensuring the effectiveness of the Company's operations and that those are in accordance with the corporate objectives, strategies, annual budgets and business direction.
- Policies are developed covering most of the functional areas of the Company and these are approved by the Board or Board approved sub-committees. Such policies are reviewed for apturing emerging risks, aligning with latest regulatory requirements and industry best practices and approved periodically. During the year Board reviewed all key functions and initiatives were taken to strengthen the corporate governance and information security policy framework of the Company in addition to the technical and operational areas. Consequently Company implemented a range of corporate governance and risk management policies, aligning with the requirements stipulated under Sec 9.2 of the listing rules issued by CSE Sri Lanka.
- The internal audit department reviews for compliance with policies and procedures and the effectiveness of the internal control systems on an on-going basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance. Audits are carried out on significant processes
- in accordance with the audit plan which is developed on risk based approach and approved by the Board Audit Committee. Findings of the internal audits are submitted to the Board Audit Committee for review at periodic meetings.
- The Board Audit Committee of the Company reviews the outcome of the audits carried out on internal control systems, by internal auditors, external auditors and regulatory authorities, and evaluates the adequacy and effectiveness of the risk management processes and the internal control systems as well as follow-up on remedial measures adopted on reported key audit findings.
- The Audit Committee also reviews the internal audit function with particular emphasis on the scope and quality and risk management framework of the Company. Key Risk Indicators have been identified for all major operations of the Company and a summary of the Key Risk Indicators are included in the Risk Dashboard and presented to the Audit Committee and the Board on quarterly basis. The proceedings of the Audit Committee are tabled at the Board Meetings of the Company. Further, details of the activities carried out by the Board Audit Committee are presented in the Board Audit Committee Report on pages 120 to 122.
- In assessing the internal control system, the Company continued to review and update procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Company. The internal audit department continues to verify the suitability of design and effectiveness of these procedures and controls on an on-going basis.
- A compliance checklist covering all applicable laws and regulations is signed-off by relevant heads of department, based on which the Risk and Compliance officer presents the Compliance Statement at monthly Board meetings.

CONFIRMATION STATEMENT

The Board having implemented the internal control processes as mentioned above, confirms that the financial reporting system of People's Insurance PLC has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes has been done in accordance with the applicable Sri Lanka Accounting Standards (SLFRS / LKAS) issued by The Institute of Chartered Accountants of Sri Lanka, Companies Act, No. 07 of 2007, regulatory requirements of the Insurance Regulatory Commission of Sri Lanka and the Colombo Stock Exchange.

By order of the Board



Lalith Waragoda
Chairperson of the Board Audit and Risk Committee

30th April 2026

Colombo

Independent Auditor's Report

Russell Bedford
taking you further

Jayasinghe & Co.
CHARTERED ACCOUNTANTS
94/12, Kirulapone Avenue, Colombo 05, Sri Lanka.
Tel./Fax: +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, 2025, 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, 2025, 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 our audit opinion on the accompanying financial statements.

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L.D.A.Jayasinghe FCA, FCMA, FMAAT
G.D.N.Mendis FCA, B.Sc.(B.Adm.)Sp., FCIT, FCMA
A.K.Weerasinghe FCA, B.Sc.(Accounting)Sp., MBA, ACIT
D.M.Nirmala P.Deegalla ACA, B.Sc.(B.Adm.)Sp., FMAAT
I.S.Jayasinghe FCA, FCMA, MPA(Harvard)USA, PG Dip.(ISS)Netherlands
P.I.S.Jayathilaka FCA, MBA(Col.), B.Sc.(B.Adm.)Sp., FCMA
T.M.Salgado FCA, MBA(Col.), B.Sc.(B.Adm.)Sp.
Director/Consultant - S.I.D.Vithanage B.Sc.(Accounting)Sp., ACA, MAAT

Independent Auditor's Report Contd.

Key Audit Matters	How our Audit addressed the Key Audit Matters
1. Life Insurance Contract Liabilities	
Life Insurance Contract liabilities amounting to Rs. 5.24 Bn (Note 15) represent 40% of the total liabilities of the Group as at 31 December 2025. 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 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 specialised resources to assess the reasonableness of the assumptions used in the actuarial valuations of life insurance contracts with reference to the market data and policy holder 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 4.39 Bn (Note 15) represent 34% of the total liabilities of the Group as at 31 December 2025. 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 specialised 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 Auditor's Report Contd.

Key Audit Matters	How our Audit addressed the Key Audit Matters
3. Investments in Financial Instruments Financial instruments amounting to Rs.13.87 Bn (Note 6) representing 71% of the total assets of the Group. Financial instruments include financial instruments measured at amortised cost amounting to Rs. 13.85 Bn and financial instruments measured at fair value amounting to Rs. 26.53 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 specialised 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 is 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.
30th April 2026

AJ/IJ/SD/1418/1404/1409

Statement of Financial Position

As At 31st December 2025		Group		Company	
		2025	2024	2025	2024
(All amounts are in Sri Lanka Rupees)	Note	Rs.	Rs.	Rs.	Rs.
Assets					
Property, plant & equipment	04	1,498,640,226	1,429,791,548	1,149,116,808	1,116,182,937
Work in progress (WIP) - Building	04.01	12,100,588	12,012,088	12,100,588	12,012,088
Right of use assets	04.02	360,734,205	336,370,962	290,020,429	264,148,227
Intangible assets	05	25,425,602	26,204,475	15,550,892	19,975,556
Financial investments	06	13,871,856,631	12,685,850,160	7,321,309,982	6,692,802,195
Investments in subsidiaries	07	-	-	544,260,050	544,260,050
Loans to life policy holders	08	65,110,612	105,103,118	-	-
Reinsurance receivables	09	1,940,697,190	1,224,980,733	1,929,237,242	1,217,562,334
Premiums receivable	10	1,180,719,737	1,109,396,290	1,163,075,166	1,086,754,021
Related party receivables	35	-	-	7,147,570	17,700,070
Other assets	11	284,311,803	225,260,710	242,728,487	154,859,011
Cash & cash equivalents	12	175,040,364	127,373,973	123,721,600	98,252,723
Total Assets		19,414,636,959	17,282,344,059	12,798,268,814	11,224,509,211
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		1,513,234,131	1,314,590,754	1,249,308,622	1,090,041,186
Available for sales reserve		(61,132,091)	(72,200,124)	4,441,759	(6,626,274)
Retained earnings		2,723,664,664	2,449,273,229	1,873,162,775	1,693,438,456
		6,374,082,219	5,889,979,374	5,325,228,670	4,975,168,883
Non-controlling interest	16	-	-	-	-
Total Equity		6,374,082,219	5,889,979,374	5,325,228,670	4,975,168,883
Liabilities					
Preference shares	17	11,000,000	11,000,000	11,000,000	11,000,000
Retirement benefit obligations	18	153,577,893	124,834,359	125,902,705	104,276,220
Lease liability	14	432,290,724	409,019,322	349,443,848	323,962,598
Insurance liabilities	15	9,634,886,289	8,328,290,712	4,392,491,111	3,429,578,736
Reinsurance creditors	19	1,200,652,079	1,081,152,566	1,200,492,430	1,081,152,566
Deferred tax liability	21	160,399,550	61,458,195	93,389,896	46,963,905
Other liabilities	20	1,288,349,383	1,085,588,185	1,140,921,331	961,384,958
Bank overdrafts	12	159,398,822	291,021,345	159,398,822	291,021,345
Total liabilities		13,040,554,740	11,392,364,684	7,473,040,143	6,249,340,328
Total Equity & Liabilities		19,414,636,959	17,282,344,059	12,798,268,814	11,224,509,211
Net Assets per Share		3.86	3.56	3.22	3.01

Notes on pages 141 to 221 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
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 2026

Statement of Profit or Loss and other Comprehensive Income

As at 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Gross written premium	22	6,220,452,496	5,628,997,359	5,007,263,601	4,525,673,733
Less: premium ceded to reinsurers	23	(1,519,518,629)	(1,409,450,169)	(1,474,070,437)	(1,363,127,492)
Net written premium		4,700,933,867	4,219,547,190	3,533,193,164	3,162,546,241
Net change in reserves for unearned premium	24	(274,186,172)	391,081,276	(274,186,172)	391,081,276
Net earned premium		4,426,747,695	4,610,628,466	3,259,006,992	3,553,627,517
Other revenue					
Investment income	25	1,694,229,527	1,763,088,012	841,511,891	891,938,066
Unrealised changes in losses of financial instruments		-	666,770	-	-
Net realised gain in financial investments		983,371	-	-	-
Policy administration fees	26	323,991,445	336,402,476	323,991,445	336,402,477
Other income	27	16,174,976	38,875,050	14,745,365	8,783,593
		2,035,379,319	2,139,032,308	1,180,248,701	1,237,124,136
Total net revenue		6,462,127,014	6,749,660,774	4,439,255,693	4,790,751,653
Net benefits & claims					
Gross benefits & claims incurred	28	4,351,644,537	3,526,516,256	3,419,658,234	3,233,300,642
Claims ceded to reinsurers		(1,042,649,211)	(404,230,637)	(1,030,967,517)	(394,698,572)
Change in life contract liabilities		379,252,263	941,803,078	-	-
		3,688,247,589	4,064,088,697	2,388,690,717	2,838,602,070
Other expenses					
Underwriting & policy acquisition cost	29	177,059,878	285,356,529	36,375,815	152,539,533
Other operating & administrative expenses	30	2,032,126,185	2,023,676,056	1,648,761,748	1,599,804,736
Finance cost	31	52,049,476	57,918,542	41,401,565	46,750,517
		2,261,235,539	2,366,951,127	1,726,539,128	1,799,094,786
Profit / (loss) before income tax	32	512,643,886	318,620,950	324,025,848	153,054,797
Income tax expenses	33	(233,574,375)	(44,974,353)	(136,115,613)	(39,663,025)
Profit / (loss) for the year		279,069,511	273,646,598	187,910,235	113,391,772
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss;					
Revaluation of property, plant & equipment		229,885,859	61,444,893	176,688,840	78,085,615
De-recognition of revaluation reserve		-	-	-	-
Actuarial gain / (loss) on defined benefit plan		(21,986,690)	13,380,843	(17,155,377)	11,342,824
Items that may be reclassified subsequently to profit or loss;					
Net change in fair value of available-for-sale financial assets		7,124,581	3,976,116	7,124,581	3,976,116
Tax on other comprehensive income		(26,142,254)	13,001,773	(12,321,177)	1,906,286
		188,881,496	91,803,626	154,336,868	95,310,843
Total comprehensive income for the year, net of tax		467,951,008	365,450,223	342,247,102	208,702,614
Profit attributable to:					
Equity holders of the Company		279,069,511	273,646,598	187,910,235	113,391,772
Non controlling interest		-	-	-	-
		279,069,511	273,646,598	187,910,235	113,391,772
Total comprehensive attributable to:					
Equity holders of the Company		467,951,008	365,450,223	342,247,102	208,702,614
Non controlling interest		-	-	-	-
		467,951,008	365,450,223	342,247,102	208,702,614
Earnings per share					
Basic earnings per share	34	0.17	0.17	0.11	0.07

Notes on pages 141 to 221 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees) Group	Stated Capital (Note 13) Rs.	Revaluation Reserve Rs.	Available for Sales Reserve Rs.	Retained Earnings Rs.	Total Rs.
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
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 of Cooplife Insurance Ltd	-	-	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)	(165,217,760.00)
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
Balance as at 01st January 2025	2,198,315,515	1,314,590,754	(72,200,124)	2,449,273,229	5,889,979,374
	2,198,315,515	1,314,590,754	(72,200,124)	2,449,273,229	5,889,979,374
Total comprehensive income					
Profit for the year	-	-	-	-	-
Other comprehensive income for the year					
Net change in revaluation of property, plant & equipment	-	229,885,859	-	-	229,885,859
Net change in fair value of available for sale financial assets	-	-	7,124,581	-	7,124,581
Amortisation of available for sales reserve to profit or loss due to re-classification of financial instruments	-	-	7,812,685	8,339,155	16,151,840
Actuarial gain / (loss) on defined benefit plan	-	-	-	(21,986,690)	(21,986,690)
De-recognition of revaluation reserve	-	(420,000)	-	420,000	-
Tax on other comprehensive income	-	(30,822,482)	(3,869,233)	8,549,461	(26,142,254)
	-	198,643,377	11,068,033	(4,678,074)	205,033,337
Total comprehensive income for the year	-	198,643,377	11,068,033	274,391,434	484,102,845
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-	-	-
Balance as at 31st December 2025	2,198,315,515	1,513,234,131	(61,132,091)	2,723,664,664	6,374,082,219

Notes on pages 141 to 221 form an integral part of these Financial Statements.

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees) Company	Stated Capital (Note 13) Rs.	Revaluation Reserve Rs.	Available for Sales Reserve Rs.	Retained Earnings Rs.	Total Rs.
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
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
Balance as at 01st January 2025	2,198,315,515	1,090,041,186	(6,626,274)	1,693,438,456	4,975,168,883
	2,198,315,515	1,090,041,186	(6,626,274)	1,693,438,456	4,975,168,883
Total comprehensive income					
Profit for the year	-	-	-	187,910,235	187,910,235
Other comprehensive income for the year					
Net change in revaluation of property, plant & equipment	-	176,688,840	-	-	176,688,840
Net change in fair value of available for sale financial assets	-	-	7,124,581	-	7,124,581
Amortisation of available for sales reserve to profit or loss due to re-classification of financial instruments	-	-	7,812,685	-	7,812,685
Actuarial gain / (loss) on defined benefit plan	-	-	-	(17,155,377)	(17,155,377)
De-recognition of revaluation reserve	-	(420,000)	-	420,000	-
Tax on other comprehensive income	-	(17,001,404)	(3,869,233)	8,549,461	(12,321,177)
	-	159,267,436	11,068,033	(8,185,916)	162,149,552
Total comprehensive income for the year	-	159,267,436	11,068,033	179,724,318	350,059,787
Issue of shares	-	-	-	-	-
Ordinary dividends	-	-	-	-	-
Balance as at 31st December 2025	2,198,315,515	1,249,308,622	4,441,759	1,873,162,775	5,325,228,670

Notes on pages 141 to 221 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31st December 2025		Group		Company	
		2025	2024	2025	2024
(All amounts are in Sri Lanka Rupees)	Note	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Net profit / (loss) before taxation		512,643,884	318,620,950	324,025,848	153,054,797
Adjustments for:		-			
Interest income		(1,694,229,526)	(1,763,088,012)	(841,511,891)	(891,938,066)
Interest expense		51,059,476	54,948,541	40,411,565	43,780,517
Depreciation on property, plant & equipment		167,780,491	190,582,574	147,035,459	150,938,097
Depreciation on right of use asset		99,425,311	94,999,988	74,736,049	70,893,602
Impairment loss on premiums receivable		(111,688,995)	(93,865,218)	(111,688,995)	(90,574,971)
Amortisation of intangible assets		4,775,447	11,172,828	4,424,664	10,937,211
Fair value gain or loss		(983,372)	-	-	-
Increase in deferred tax liability		34,104,815	-	34,104,815	-
(Profit) / loss on sale of tangible assets		87,000	(5,043,700)	87,000	(4,883,700)
Script Divident		(14,087)	-	-	-
Reinsurance Premium provision		33,766,499	-	-	-
Provision for preference dividend		990,000	-	990,000	-
Policy Loan Interest		3,532,143	-	-	-
Provision for employee benefits		28,925,642	29,413,362	24,316,526	24,647,474
Gain or loss on lease modification		-	(1,025,131)	-	(1,025,131)
Operating profit before working capital changes		(869,825,271)	(1,163,283,817)	(303,068,961)	(534,170,169)
Changes in operating assets		(772,034,582)	(27,961,243)	(753,624,034)	4,235,584
Changes in operating liabilities		192,125,998	201,933,601	168,887,066	187,464,459
Changes in general insurance reserves		962,912,375	(145,184,365)	962,912,375	(145,184,365)
Increase in long term insurance provision		343,683,203	974,420,526	-	-
Cash flows from operating activities		(143,138,276)	(160,075,298)	75,106,447	(487,654,491)
Gratuity paid		(22,168,798)	(14,789,560)	(19,845,417)	(12,269,372)
Taxation paid		(7,147,507)	(5,293,417)	(7,116,442)	(5,293,417)
Rent & advances paid		(148,696,678)	(152,033,083)	(115,538,567)	(114,304,524)
Cash flows from / (used in) operating activities		(321,151,260)	(332,191,358)	(67,393,979)	(619,521,803)
Cash flows from investing activities					
Purchase of investments net of sales proceeds		(1,124,444,710)	(1,367,634,102)	(613,570,521)	(218,498,372)
Interest received		1,642,700,462	1,761,561,798	840,928,852	890,495,495
Dividends received		670,178	1,526,214	583,039	1,442,571
Net Policy loan granted and repyemnt		36,460,363	-	-	-
Net Reinsurance paid		(30,519,806)	-	-	-
Proceeds on sale of tangible assets		453,000	11,290,999	453,000	10,890,999
Advance paid for WIP intangible asset		(3,996,575)	-	-	-
Purchase of intangible assets		(2,968,500)	(14,343,728)	(88,500)	(8,114,808)
Purchase of tangible assets		(7,368,309)	(91,034,932)	(3,820,490)	(86,357,231)
Net cash flows from / (used in) investing activities		510,986,103	301,366,249	224,485,380	589,858,654
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		189,834,843	(195,922,970)	157,091,400	(194,761,011)
Cash & cash equivalents at the beginning of the year		(163,647,372)	32,275,592	(192,768,622)	1,992,391
Transfer to cooperative		(10,545,928)	-	-	-
Cash & cash equivalents at the end of the year	12	15,641,542	(163,647,372)	(35,677,222)	(192,768,622)
Note A					
Cash & cash equivalents at the end of the year					
Cash at banks		166,453,662	111,888,488	121,453,228	95,405,052
Cash in hand		8,283,739	15,485,485	2,268,372	2,847,671
Cash in transit		302,963	-	-	-
Bank overdrafts		(159,398,822)	(291,021,345)	(159,398,822)	(291,021,345)
		15,641,542	(163,647,372)	(35,677,222)	(192,768,622)

Notes on pages 141 to 221 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 2025 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 2025, of the Company was 883 (2024 – 1068) and for the Group was 1109 (2024 – 1342).

1.5 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements for the period ended 31st December 2025 were authorised for issue by the Board of Directors on 30th April 2026.

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.

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	136
Consolidated statement of profit or loss and other comprehensive income	137
Consolidated statement of changes in equity	138/139
Statement of cash flows	140
Notes to the financial statements	141-221

Notes to the Financial Statements (Contd...)

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	Measurement Basis	Note No.
Land and buildings	Fair value	5
Motor vehicles	Fair value	5
Held to maturity instruments	Amortised cost	6.1
Loans and receivables	Amortised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis or to realise 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 recognised 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 recognised 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 2025, 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.

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 2025 are set out below.

Name of Entity	Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
Cooplife Insurance Limited	Colombo / Sri Lanka	100%	100%	Life Insurance
Coopinsu Training Academy (Pvt) Ltd	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 unrealised income and expenses arising from intra-group transactions, are eliminated.

Loss of Control

Upon the loss of control of a Subsidiary, the Group de-recognises 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 recognised 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 recognised in the profit or loss; except for the difference arising on the retranslation of available for sale equity instruments, which are recognised 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 (FVTPL)
- Held-to-maturity financial assets (HTM)
- 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 recognises 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 recognised 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-recognises 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-recognised financial assets that is created or retained by the Company is recognised 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 realise the asset and settle the liability simultaneously.

Impairment of Non-Derivative Financial Assets
The Group assesses, at each Reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 recognised in other comprehensive income and accumulated in the available-for-sale reserve. When these assets are derecognised, 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 recognised in profit or loss as 'Dividend Income' when the right of the payment has been established. When the asset is de-recognised, the cumulative gain or loss is recycled to profit or loss as 'realised 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 recognised 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 recognised 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 recognised 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 recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, held to maturity financial assets are measured at amortised 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 recognised in profit or loss when the investments are de-recognised or impaired, as well as through the amortization process.

(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 recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortised 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 recognised in profit or loss when the investments are de-recognised or impaired, as well as through the amortization process.

REINSURANCE RECEIVABLES
Group cedes insurance risk in the normal course of business to recognised 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 derecognised when the contractual rights are extinguished, expired or when the contract is transferred to another party.

PREMIUMS RECEIVABLE
Insurance receivables are recognised 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 Regulatory Commissiono of Sri Lanka (IRCSL), 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 recognised in profit or loss.

Notes to the Financial Statements (Contd...)

OTHER RECEIVABLES AND DUES FROM RELATED PARTIES
Other receivables and dues from related parties are recognised 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 recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised 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 categorised.
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 maximises the use of relevant observable inputs and minimises 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 recognised 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 AMORTISED COST MEASUREMENT

The amortised 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 recognised 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.
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 recognised in shareholder's equity prior to the date of reclassification are amortised 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 Amortised 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 recognised 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 recognised 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 recognised, 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 recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised 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 recognised.

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.

Notes to the Financial Statements (Contd...)

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 recognised 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 recognised in the statement of profit or loss and other comprehensive income, in which case the increase is recognised 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 recognised 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 capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised 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.

The estimated useful lives for the current and comparative periods are as follows:

	2025	2024
Buildings	40 years- 60 years	40 years- 60 years
Building improvements	20 years	20 years
Office equipment	8 years	8 years
Computers	6 years	6 years
Motor vehicles	5 years	5 years

	2025	2024
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-recognised 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-recognised.

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 recognised 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 recognises 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 recognised 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 recognised 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.

Notes to the Financial Statements (Contd...)

3.6 INTANGIBLE ASSETS – SOFTWARE

3.6.1 BASIS OF RECOGNITION

An intangible asset is recognised 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 capitalised 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 recognised 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-recognised 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-recognised.

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 recognised based on the salvage value on the claim reporting date supported by realizable values from independent sources or at a value realised 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 effected. 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.

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 recognised as a deduction from equity, net of any tax effects.

3.10.2 DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognised 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 NSURANCE PROVISION – LIFE INSURANCE

Life insurance liabilities are recognised 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 recognised 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 recognised as premium income.

The provision is recognised 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 recognised 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 recognised. The liabilities are derecognised 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 recognised 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 recognised 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.

Notes to the Financial Statements (Contd...)

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-recognised 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 recognised 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 recognised 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.

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 recognises 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 recognised 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 policies 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 recognised 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 and accounted an accrual basis.

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 recognised as an expense when incurred.

3.17.7 REINSURANCE COMMISSION INCOME

Reinsurance commission income on outward reinsurance contracts are recognised as revenue when receivable. Subsequent to initial recognition, reinsurance commission income on outward reinsurance contracts is deferred and amortised 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 recognised 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 recognised when the related gross insurance claim is recognised 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 recognised 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 recognised on the date on which the policy is effective.

3.18.2 REINSURANCE PREMIUM

Gross reinsurance premium on insurance contracts are recognised as an expense on the earlier of the date when premium are payable or when the policy becomes effective. Reinsurance premium are decided based on rates agreed with reinsurers.

3.18.3 ACQUISITION COSTS

All acquisition costs are recognised as an expense when incurred.

3.18.4 REINSURANCE COMMISSION INCOME

Gross reinsurance premiums on insurance contracts are recognised 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.

Notes to the Financial Statements (Contd...)

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 recognised when the related gross insurance claim is recognised 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 recognised 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 recognised as an adjustment to the effective interest rate of the instrument.

3.19.2 DIVIDENDS

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

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 recognised on accrual basis.

3.19.4 REALISED GAINS AND LOSSES

Realised 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 amortised 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 recognised on a net basis.

3.20 EXPENSES RECOGNITION

Other expenses are recognised 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 recognised 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 EXPENSES

Tax expenses comprise of current and deferred tax. Current tax and deferred tax are recognised in items recognised 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 recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised 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 recognised 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 recognised 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 realised / settled simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is not recognised 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 realised.

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 (Contd...)

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 1stJanuary 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:

- Amortised 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 recognised 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 amortised 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 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.

SLFRS 17 Insurance Contracts

SCOPE

SLFRS 17 applies to all types of insurance contracts—including life, non life, direct insurance, and reinsurance - regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features. However, a limited number of scope exceptions apply.

KEY REQUIREMENTS

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

The core of SLFRS 17 is the general measurement model, supported by:

- The variable fee approach (VFA): an adaptation for contracts with direct participation features.
- The premium allocation approach (PAA): a simplified method primarily intended for short-duration contracts.

The key features of SLFRS 17's insurance contract accounting model include:

- Fulfilment cash flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.
- Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.
- CSM adjustments: Certain changes in expected future cash flows are offset against the CSM and recognised in profit or loss over the remaining coverage period.
- Discount rate effects: Changes in discount rates are recognised either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice.
- Revenue and expense presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period.
- Non-distinct investment components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.
- Separate Presentation of Results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense.
- Reinsurance Loss Recovery Component: A loss recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.
- Balance Sheet Presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- Enhanced Disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 01 January 2026, with comparative figures required.

Estimated impact of the adoption of SLFRS 17

The Company has assessed the estimated impact of the initial application of SLFRS 17 on its financial statements, and the results are summarised in below. Based on work performed to date, the Company expects the most significant financial statement impact to arise from the discounting of incurred claims liabilities and the introduction of explicit risk adjustments. The quantitative impact of initial application, including the. effect on retained earnings at the date of transition, is currently being finalised and will be disclosed in the 2026 financial statements in accordance with LKAS 8.

Statement of Alternative Treatment (SoAT) on the figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting.

The SoAT provides temporary conditional reliefs for the first, second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements. We will apply the provisions in the Statement of Alternative Treatment when preparing interim financial statements under LKAS 34 in 2026.

SLFRS 18 - Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organised and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance

Notes to the Financial Statements (Contd...)

measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 01 January 2027. Early application is permitted.
The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 & SLFRS 7
The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 01 January 2026. Early application is permitted.

SLFRS 19 – Subsidiaries without Public Accountability: Disclosures
SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users. SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 01 January 2027. Early application is permitted.

Annual improvements to Sri Lanka Accounting Standards
Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

Note 04 - Property, plant and equipment - Group

As At 31st December 2025 (All amounts are in Sri Lanka Rupees)	Land Rs.	Buildings Rs.	Building improvements Rs.	Partitions Rs.	Computers Rs.	Office Equipment Rs.	Furniture & Fittings Rs.	Motor Vehicles Rs.	Total Rs.
Cost / valuation									
Balance as at 01st January 2024	347,135,150	603,860,002	127,179,000	51,433,776	309,366,915	212,109,646	321,294,855	241,556,002	2,213,935,346
Additions during the year	442,400	-	-	1,720,362	82,979,400	2,480,061	3,412,709	-	91,034,932
Disposals during the year	-	-	-	-	(4,084,650)	(85,000)	-	(10,300,000)	(14,469,650)
Revaluation	19,991,150	(61,959,051)	(1,117,273)	-	-	-	-	104,530,066	61,444,892
Depreciation reversal on revaluation	-	(12,898,451)	(11,561,727)	-	-	-	-	(103,306,066)	(127,766,244)
Balance as at 31st December 2024	367,568,700	529,002,500	114,500,000	53,154,138	388,261,665	214,504,707	324,707,564	232,480,002	2,224,179,276
Balance as at 01st January 2025	367,568,700	529,002,500	114,500,000	53,154,138	388,261,665	214,504,709	324,707,564	232,480,002	2,224,179,278
Additions during the year	396,500	-	-	540,500	2,016,714	2,178,341	2,236,254	-	7,368,309
Disposals during the year	-	-	-	-	(85,000)	-	-	(755,000)	(840,000)
Revaluation	59,634,800	47,885,966	16,950,000	-	-	-	-	105,415,092	229,885,858
Depreciation reversal on revaluation	-	(11,488,467)	(11,450,000)	-	-	-	-	(91,160,092)	(114,098,559)
Balance as at 31st December 2025	427,600,000	565,399,999	120,000,000	53,694,638	390,193,379	216,683,050	326,943,818	245,980,002	2,346,494,886
Depreciation					-	-	-	-	
Balance as at 01st January 2024	-	-	-	24,935,040	275,805,243	165,090,099	273,963,359	-	739,793,741
Depreciation for the year	-	12,898,451	11,561,727	6,493,496	20,471,348	15,657,105	15,794,381	107,706,065	190,582,573
Depreciation on disposals	-	-	-	-	(3,737,351)	(85,000)	-	(4,400,000)	(8,222,351)
Depreciation on revaluation	-	(12,898,451)	(11,561,727)	-	-	-	-	(103,306,066)	(127,766,244)
Balance as at 31st December 2024	-	-	-	31,428,536	292,539,240	180,662,204	289,757,740	-	794,387,719
Balance as at 01st January 2025	-	-	-	31,428,536	292,539,239	180,662,204	289,757,748	-	794,387,727
Depreciation for the year	-	11,488,466	11,450,000	6,148,327	22,561,095	13,055,378	11,741,140	91,375,093	167,819,499
Depreciation on disposals	-	-	-	-	(39,007)	-	-	(215,000)	(254,007)
Derecognition	-	-	-	-	-	-	-	-	-
Depreciation on revaluation	-	(11,488,466)	(11,450,000)	-	-	-	-	(91,160,092)	(114,098,558)
Balance as at 31st December 2025	-	-	-	37,576,863	315,061,327	193,717,582	301,498,888	-	847,854,661
Carrying amounts									
As at 31st December 2024	367,568,700	529,002,500	114,500,000	21,725,602	95,722,425	33,842,503	34,949,818	232,480,002	1,429,791,550
As at 31st December 2025	427,600,000	565,399,999	120,000,000	16,117,775	75,132,052	22,965,468	25,444,930	245,980,002	1,498,640,226

Notes to the Financial Statements (Contd...)

Note 04 - Property, plant and equipment - Company

As At 31st December 2025 (All amounts are in Sri Lanka Rupees)	Land Rs.	Buildings Rs.	Building improvements Rs.	Partitions Rs.	Computers Rs.	Office Equipment Rs.	Furniture & Fittings Rs.	Motor Vehicles Rs.	Total Rs.
Cost / valuation									
Balance as at 01st January 2024	308,520,150	358,475,000	127,179,000	51,433,776	276,185,814	169,894,006	217,076,363	195,311,000	1,704,075,110
Additions during the year	442,400		-	1,720,360	80,253,950	2,216,663	1,723,859		86,357,231
Disposals during the year	-	-	-	-	(3,544,650)	(85,000)		(10,300,000)	(13,929,650)
Revaluation	18,006,150	(22,989,095)	(1,117,273)	-	-	-	-	84,185,833	78,085,615
Depreciation reversal on revaluation	-	(6,883,406)	(11,561,727)	-	-	-	-	(83,231,833)	(101,676,966)
Balance as at 31st December 2024	326,968,700	328,602,500	114,500,000	53,154,136	352,895,114	172,025,669	218,800,221	185,965,000	1,752,911,341
Balance as at 01st January 2025	326,968,700	328,602,500	114,500,000	53,154,136	352,895,114	172,025,669	218,800,221	185,965,000	1,752,911,341
Additions during the year	396,500		-	540,500	1,700,000	-	1,183,490		3,820,490
Disposals during the year	-	-	-	-	-	-		(755,000)	(755,000)
Revaluation	39,634,800	21,815,707	16,950,000	-	-	-	-	98,288,333	176,688,840
Depreciation reversal on revaluation	-	(6,418,207)	(11,450,000)	-	-	-	-	(84,333,333)	(102,201,540)
Balance as at 31st December 2025	367,000,000	344,000,000	120,000,000	53,694,636	354,595,114	172,025,669	219,983,711	199,165,001	1,830,464,131
Depreciation									
Balance as at 01st January 2024	-	-	-	24,935,040	248,800,400	133,434,539	188,219,647	-	595,389,626
Depreciation for the year	-	6,883,406	11,561,727	6,493,496	17,943,158	11,691,617	8,732,859	87,631,833	150,938,097
Depreciation on disposals	-		-	-	(3,437,351)	(85,000)	-	(4,400,000)	(7,922,351)
Depreciation on revaluation	-	(6,883,406)	(11,561,727)	-	-	-	-	(83,231,833)	(101,676,966)
Balance as at 31st December 2024	-	-	-	31,428,536	263,306,207	145,041,155	196,952,506	-	636,728,405
Balance as at 01st January 2025	-	-	-	31,428,536	263,306,207	145,041,155	196,952,506	-	636,728,405
Depreciation for the year	-	6,418,207	11,450,000	6,148,327	20,555,753	10,304,964	7,609,875	84,548,334	147,035,459
Depreciation on disposals	-		-	-			-	(215,000)	(215,000)
Depreciation on revaluation	-	(6,418,207)	(11,450,000)	-	-	-	-	(84,333,333)	(102,201,540)
Balance as at 31st December 2025	-	-	-	37,576,863	283,861,960	155,346,119	204,562,381	-	681,347,323
Carrying amounts									
As at 31st December 2024	326,968,700	328,602,500	114,500,000	21,725,600	89,588,907	26,984,513	21,847,715	185,965,000	1,116,182,937
As at 31st December 2025	367,000,000	344,000,000	120,000,000	16,117,774	70,733,154	16,679,549	15,421,330	199,165,001	1,149,116,808

REVALUATION OF LAND AND BUILDINGS AND MOTOR VEHICLES

The land and buildings and freehold motor vehicles of the Group were valued by Mr W M Chandrasena (FIV SL) a professional valuer . The excess of Rs. 229.886 million over the net book value as at 31st December 2025 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 categorised 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	31.12.2025	749,000,000
Property at Ambalanthota	4.27 Perches	2,534 square feet	1	31.12.2025	38,000,000
Property at Nikaweratiya	39.7 Perches	17,775 square feet	1	31.12.2025	244,000,000
Property at Ja -Ela	991.29 Perches	10,300 square feet	1	31.12.2025	82,000,000
					1,113,000,000

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 2025	-	-	1,113,000,000	1,113,000,000
Year 2024	-	-	1,011,000,000	1,011,000,000

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. 9,000,000/-per perch & Rs. 22,000/- per square foot
Property at Ambalanthota	Contractors method	Price per perch and square foot	Rs. 3,200,000/-per perch & Rs. 12,000/- per square foot
Property at Nikaweratiya	Contractors method	Price per perch and square foot	Rs. 1,200,000/- per perch & Rs. 13,000/- per square foot
Property at Ja-Ela	Contractors method	Price per perch and square foot	Rs. 220,000/- per perch & Rs. 1,300/- per square foot

Notes to the Financial Statements (Contd...)

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 2025	205,000,000	1,120,415	8,217,758	60,126,470
Net book value as at 31st December 2024	205,000,000	1,120,415	8,217,758	60,126,470
Buildings				
Cost	340,000,000	10,423,590	88,712,132	5,346,693
Accumulated depreciation	41,552,830	6,218,273	28,089,730	310,546
Net book value as at 31st December 2025	298,447,170	4,205,317	60,622,402	5,036,147
Net book value as at 31st December 2024	304,113,836	5,290,005	65,912,759	5,125,258

FULLY DEPRECIATED ASSETS

The Company property, plant and equipment include fully depreciated assets having a gross carrying amount of Rs. 463,504,136/- (2024 - Rs. 409,791,289/-) and Cooplife Insurance Ltd property plant and equipment include fully depreciated assets having a gross carrying amount of Rs. 137,916,809/- (2024 - Rs.88,374,195/-).

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 & EQUIPMENT ARE AS FOLLOWS

	2025	2024
Buildings		
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

ASSESSMENT OF IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT (PPE)

The Board of Directors have assessed the potential impairment indicators of PPE as at 31st December 2025. 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. (2024 – Nil)

TEMPORARILY IDLE PROPERTY, PLANT & EQUIPMENT

There were no temporarily idle property at the year ended 31st December 2025. (2024 – Nil)

NOTE 04.01 - WORK IN PROGRESS IN BUILDING

As of December 31, 2025, 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 capitalised 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

	2025 Rs.	2024 Rs.
Direct cost incurred	12,100,588	12,012,088
	12,100,588	12,012,088

NOTE 04.02 - RIGHT OF USE ASSETS

	Group Rs.	Company Rs.
Cost		
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
Balance as at 01st January 2025	835,347,169	646,815,999
Additions during the year	123,944,071	100,763,769
Disposals during the year	(155,517)	(155,517)
Balance as at 31st December 2025	959,135,723	747,424,251
Depreciation		
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 01st January 2025	498,976,207	382,667,773
Depreciation for the year	99,441,646	74,752,384
Depreciation on disposals	(16,335)	(16,335)
Balance as at 31st December 2025	598,401,518	457,403,823
Balance as at 31st December 2024	336,370,962	264,148,227
Balance as at 31st December 2025	360,734,205	290,020,429

Notes to the Financial Statements (Contd...)

NOTE 04.02 - RIGHT OF USE ASSETS (CONTD...)

	Group		Company	
	2025	2024	2025	2024
Amount recognised in profit or loss				
Depreciation on right-of-use assets	99,425,311	94,999,988	74,736,049	70,893,602
Finance cost on lease liability	51,059,476	54,948,542	40,411,565	43,780,517
Amount recognised in statement of cash flows				
Total cash outflow for leases including for rent advances	(145,975,169)	(144,741,126)	(115,538,567)	(114,304,524)

NOTE 05 - INTANGIBLE ASSETS

	Computer Software		Development Costs		WIP Intangible Asset		Total	
	Group Rs.	Company Rs.	Group Rs.	Company Rs.	Group Rs.	Company Rs.	Group Rs.	Company Rs.
Cost/ valuation								
Balance as at 01st January 2024	59,924,785	42,781,794	-	-	-	-	59,924,785	42,781,794
Acquisitions - internally developed	1,753,920	-	5,562,093	5,562,093	7,027,715	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	-	-	7,027,715	2,552,715	74,268,513	50,896,602
Balance as at 01st January 2025	67,240,798	48,343,887	-	-	7,027,715	2,552,715	74,268,513	50,896,602
Acquisitions - internally developed	-	-	7,993,069	7,993,069	3,996,575	-	11,989,644	7,993,069
Transfers	6,794,109	6,794,109	(6,794,109)	(6,794,109)	-	-	-	-
Balance as at 31st December 2025	74,034,907	55,137,996	1,198,960	1,198,960	11,024,290	2,552,715	86,258,157	58,889,671
Amortization								
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
Balance as at 01st January 2025	48,064,040	30,921,047	-	-	-	-	48,064,038	30,921,047
Amortization for the year	12,768,516	12,417,732	-	-	-	-	12,768,516	12,417,732
Balance as at 31st December 2025	60,832,558	43,338,779	-	-	-	-	60,832,555	43,338,779
Carrying amounts								
Balance as at 31st December 2024							26,204,475	19,975,556
Balance as at 31st December 2025							25,425,602	15,550,892

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.

WIP Intangible Asset

The Company is in the process of implementing SLFRS 17, which involves system development and process enhancements. Advance payment of Rs. 2,552,715.00 for this poject is shown under working in progress

Coolife Insurance Limited

The work-in-progress (WIP) balance under intangible assets comprises costs relating to the SLFRS 17 implementation project (Rs. 7,850,000/-), the claims module (Rs. 331,119/-), and the sanction list screening module (Rs. 290,455/-).

NOTE 05 - INTANGIBLE ASSETS (CONTD...)

The SLFRS 17 implementation project includes professional support consultation and the development of modified Excel result sheets for the implementation of SLFRS 17 - Insurance Contracts, as outlined by the Institute of Chartered Accountants of Sri Lanka. A formal agreement has been executed with Actsure Lab (Pvt) Ltd, and the project is scheduled to go live on 31st May 2026. 10% of the total payment will be withheld as a retention amount, to be released on April 30, 2027.

The claim module is being developed to integrate the claims payment process within the finance function with the claims processing operations of the claims department. As at the reporting date, 30% of the total project cost has been paid to Informatics International (Pvt) Ltd. The project is currently in progress, not yet been brought into use.

The sanction list screening module is a project developed with Informatics International (Pvt) Ltd for the automated screening of Central Bank–published sanction lists during the initial proposal stage of insurance policies. As at the reporting date, 50% of the total project cost has been paid.

Amortization
The amortization of software and development costs is included in the operating expenses.

NOTE 06 - FINANCIAL INVESTMENTS

As at 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Held to maturity financial assets (HTM)	06.01	8,662,840,043	7,576,921,368	2,984,852,335	2,835,156,877
Loans & receivables (L&R)	06.02	5,182,483,549	5,087,365,114	4,309,924,609	3,838,236,861
Available for sale financial assets (AFS)	06.03	26,533,038	19,408,457	26,533,038	19,408,457
Financial assets at fair value through profit or loss (FVTPL)	06.04	-	2,155,221	-	-
Total		13,871,856,631	12,685,850,160	7,321,309,982	6,692,802,195

NOTE 06.01 - HELD TO MATURITY FINANCIAL ASSETS (HTM)

As at 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Amortised cost					
Treasury bonds	06.01 (a)	5,066,629,846	4,419,846,543	1,303,878,427	1,360,525,590
Quoted debentures	06.01 (b)	3,596,210,197	3,157,074,826	1,680,973,907	1,474,631,288
Asset backed securities	06.01 (c)	-	-	-	-
		8,662,840,043	7,576,921,368	2,984,852,335	2,835,156,877

Note 06.01 (a) -Treasury bonds

2025	Group		Company	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Maturity date	Rs.	Rs.	Rs.	Rs.
2024	-	-		
2025				
2026	840,000,000	877,301,947	450,000,000	480,383,886
2027	385,476,730	396,367,594	-	-
2028	934,000,000	944,866,764	650,000,000	674,712,440
2029	228,247,782	237,543,782	144,511,428	148,782,102
2030	642,000,000	649,192,436	-	-
2031	1,000,000,000	1,032,150,357		
2032	543,185,500	462,211,544	-	-
2033	500,923,000	466,995,423		
	5,073,833,012	5,066,629,846	1,244,511,428	1,303,878,427

Notes to the Financial Statements (Contd...)

NOTE 06.01 - HELD TO MATURITY FINANCIAL ASSETS (HTM) (CONTD...)

2024	Group		Company	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Maturity date	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

Note 06.01 (b) - Quoted debentures - Group

As at 31st December 2025		2025		
			Carrying Value	
(All amounts are in Sri Lanka Rupees)	Maturity Date	No. of Debentures	Amortised Cost Rs.	Interest Rate
Issuer				
Seylan BankPLC	18-Jul-30	605,500	63,721,488	11.25%
Commercial Bank PLC	18-Aug-30	1,853,000	193,279,055	10.85%
Seylan Bank PLC	12-Apr-26	1,500,000	160,405,097	9.75%
Sampath Bank PLC	12-Apr-28	1,500,000	159,611,958	9.00%
National Development Bank PLC	23-Nov-26	746,800	75,569,991	11.90%
Sampath Bank PLC	9-Feb-28	436,000	54,348,730	28.00%
First Capital Treasuries LTD	26-May-30	3,310,000	352,940,149	11.25%
First Capital Treasuries LTD	25-Apr-30	1,789,600	191,110,395	12.00%
First Capital Holdings PLC	7-Feb-26	1,500,000	163,330,107	10.00%
Commercial Credit PLC	4-Mar-26	500,000	53,683,627	9.00%
Singer Finance (Lanka) PLC	25-Jun-26	1,020,000	106,786,704	9.25%
Merchant Bank of Sri Lanka	9-Apr-28	1,000,000	106,186,606	28.00%
First Capital Holdings PLC	8-Feb-26	1,061,200	115,489,757	10.00%
Seylan Bank PLC	12-Apr-26	1,500,000	160,082,697	9.75%
Siyapatha Finance PLC	1-Sep-26	500,000	51,186,799	9.46%
Commercial Bank PLC	21-Sep-26	500,000	50,713,428	9.00%
National Development Bank PLC	24-Nov-26	536,500	54,899,807	11.90%
DFCC Bank PLC	23-Oct-27	1,000,000	98,890,424	9.25%
Sampath Bank PLC	12-Apr-28	1,500,000	153,701,861	9.00%
Hatton National Bank PLC	28-Jul-31	1,046,700	100,299,327	9.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	80,000	9,652,338	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	390,000	47,055,147	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	60,000	7,239,253	29.50%
Merchant Bank of Sri Lanka & Finance PLC	10-Apr-28	240,000	28,957,013	29.50%
BOC	27-Dec-28	100,000	10,016,515	15.00%
BOC	27-Dec-28	550,000	55,090,835	15.00%
BOC	27-Dec-28	470,000	47,077,623	15.00%
BOC	27-Dec-28	600,000	60,099,093	13.50%
Commercial Bank PLC	20-Dec-28	251,500	25,259,074	13.50%
Commercial Bank PLC	10-Jul-34	180,600	19,181,868	13.50%
Commercial Bank PLC	10-Jul-34	194,400	20,647,592	13.50%
HNB Bank PLC	27-Aug-34	1,500,000	156,687,974	13.50%

NOTE 06.01 (B) - QUOTED DEBENTURES - GROUP (CONTD...)

As at 31st December 2025		2025		
(All amounts are in Sri Lanka Rupees)	Maturity Date	No. of Debentures	Carrying Value Amortised Cost Rs.	Interest Rate
HNB Bank PLC	27-Aug-34	180,000	18,802,557	13.50%
HNB Bank PLC	27-Aug-34	60,000	6,267,519	13.50%
HNB Bank PLC	27-Aug-29	1,310,000	136,633,400	13.00%
BOC	20-Sep-29	700,000	72,515,326	13.50%
BOC	20-Sep-29	300,000	31,077,997	13.50%
Sampath Bank PLC	26-Mar-30	136,200	14,831,019	11.75%
Sampath Bank PLC	26-Mar-30	136,200	14,831,019	11.75%
Seylan Bank PLC	18-Jul-30	456,800	47,948,259	11.25%
Seylan Bank PLC	18-Jul-30	37,000	3,883,725	11.25%
Seylan Bank PLC	18-Jul-35	2,816,300	296,217,043	11.75%
		34,154,300	3,596,210,197	

Note 06.01 (b) - Company

As at 31st December 2025		2024		
(All amounts are in Sri Lanka Rupees)	Maturity Date	No. of Debentures	Carrying Value Amortised Cost Rs.	Interest Rate
Issuer				
Seylan BankPLC	12-Apr-26	150,000,000	160,405,097	9.75%
Sampath Bank PLC	12-Apr-28	150,000,000	159,611,958	9.00%
National Development Bank PLC	23-Nov-26	74,680,000	75,569,991	11.90%
Sampath Bank PLC	9-Feb-28	43,600,000	54,348,730	28.00%
Bank of Ceylon	26-May-30	331,000,000	352,940,149	11.25%
Seylan BankPLC	18-Jul-30	60,550,000	63,721,488	11.25%
Commercial Bank of Ceylon PLC	11-Aug-30	185,300,000	193,279,055	10.85%
First Capital Holdings PLC	7-Feb-26	150,000,000	163,330,107	10.00%
Commercial Credit PLC	4-Mar-26	50,000,000	53,683,627	9.00%
Singer Finance (Lanka) PLC	25-Jun-26	102,000,000	106,786,704	9.25%
Mechant Bank of Sri Lanka	9-Apr-28	100,000,000	106,186,606	28.00%
First Capital Treasuries LTD	25-Apr-30	178,960,000	191,110,395	12.00%
		1,576,090,000	1,680,973,907	

Note 06.01 (b) - Quoted Debentures - Group

As at 31st December 2025		2024		
(All amounts are in Sri Lanka Rupees)	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%

Notes to the Financial Statements (Contd...)

NOTE 06.01 (B) - QUOTED DEBENTURES - GROUP (CONTD...)

As at 31st December 2025		2024		
(All amounts are in Sri Lanka Rupees)	Maturity Date	No. of Debentures	Carrying Value Amortised Cost Rs.	Interest Rate
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	

As at 31st December 2025		2025		
(All amounts are in Sri Lanka Rupees)	Maturity Date	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%

NOTE 06.01 (B) - QUOTED DEBENTURES - GROUP (CONTD...)

As at 31st December 2025		2025		
(All amounts are in Sri Lanka Rupees)	Maturity Date	No. of Debentures	Carrying Value Amortised Cost Rs.	Interest Rate
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 06.02 - LOANS & RECEIVABLES (L&R)

	Group		Company	
	2025	2024	2025	2024
Amortised cost				
Fixed deposits	3,539,126,760	2,306,666,726	3,343,930,285	2,045,283,131
Investments in repos	54,833,463	1,339,718,154	54,833,463	1,339,718,154
Commercial paper	1,317,735,807	814,847,598	886,662,241	431,312,330
Money market	246,288,897	604,209,390	-	-
Savings accounts	478,570	451,866	478,570	451,866
Assets backed securities	24,020,052	21,471,380	24,020,052	21,471,380
	5,182,483,549	5,087,365,114	4,309,924,609	3,838,236,861

NOTE 06.03 - AVAILABLE FOR SALE (AFS)

	Group					
	2025			2024		
	Cost/face Value	Amortised Cost	Fair Value	Cost/face Value	Amortised Cost	Fair Value
Unquoted equity instruments - Co-operative Leasing Company Ltd	4,115,420	-	5,173,888	4,115,420	-	5,248,936
Quoted equity instruments - People's Leasing & Finance Company PLC	11,590,979	-	21,359,150	11,590,979	-	14,159,521
	15,706,399	-	26,533,038	15,706,399	-	19,408,457

Notes to the Financial Statements (Contd...)

NOTE 06.03 - AVAILABLE FOR SALE (AFS) (CONTD...)

	Company					
	2025			2024		
	Cost/face Value	Amortised Cost	Fair Value	Cost/face Value	Amortised Cost	Fair Value
Unquoted Equity Instruments -						
Co-operative Leasing Company Ltd	4,115,420	-	5,173,888	4,115,420	-	5,248,936
Quoted Equity Instruments -						
People's Leasing & Finance Company PLC	11,590,979	-	21,359,150	11,590,979	-	14,159,521
	15,706,399	-	26,533,038	15,706,399	-	19,408,457

NOTE 06.04 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group		Company	
		2025	2024	2025	2024
	No of Shares	Fair Value		Fair Value	
Description					
Colombo Dockyard PLC	2,000	-	131,800	-	-
Commercial Bank PLC(N)	4,099	-	593,330	-	-
Commercial Bank PLC(X)	2,031	-	234,581	-	-
Galadari Hotels (Lanka) PLC	20,000	-	364,000	-	-
Hemas Holdings PLC	1,265	-	130,611	-	-
Lanka Tiles PLC	5,000	-	292,000	-	-
Nations Trust Bank PLC	1,356	-	252,894	-	-
Singer Sri Lanka PLC	6,000	-	156,000	-	-
Total		-	2,155,221	-	-

NOTE 07 - INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	Fair Value	
Coop Life Insurance Ltd - Ordinary Shares	544,260,040	544,260,040
Coopinsu Training Academy (Pvt) Ltd	10	10
Total	544,260,050	544,260,050

NOTE 08 - LOANS TO LIFE POLICYHOLDERS

	Group		Company	
	2025	2024	2025	2024
Loans	48,503,117	84,963,480	-	-
Interest receivable	16,607,495	20,139,638	-	-
Total	65,110,612	105,103,118	-	-

NOTE 09 - REINSURANCE RECEIVABLES

	2025	2024	2025	2024
On claims	1,865,222,206	1,083,636,039	1,853,762,258	1,076,217,640
On IBNR	75,474,984	141,344,694	75,474,984	141,344,694
Balance at the end of the year	1,940,697,190	1,224,980,733	1,929,237,242	1,217,562,334

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 defaults by reinsurance counter parties.

NOTE 10 - PREMIUMS RECEIVABLE

	Group		Company	
	2025	2024	2025	2024
Premiums receivable – non life insurance	1,185,492,107	1,220,859,958	1,185,492,107	1,220,859,958
Premiums receivable – life insurance	19,713,952	22,884,558	-	-
Impairment allowance on premiums receivable	(24,486,322)	(134,348,226)	(22,416,942)	(134,105,937)
	1,180,719,737	1,109,396,290	1,163,075,166	1,086,754,021
Movement in the allowance for doubtful debts;				
Balance at beginning of the year	134,348,226	229,135,462	134,105,937	225,602,925
Impairment allowance recognised during the year	(109,861,904)	(94,787,236)	(111,688,995)	(91,496,989)
Amounts written off during the year as uncollectible	-	-	-	-
Amounts recovered during the year	-	-	-	-
Foreign exchange gain / (loss)	-	-	-	-
Balance at end of the year	(24,486,322)	134,348,226	22,416,942	134,105,937

Fair value of premiums receivable
The carrying amount disclosed above approximates the fair value at the reporting date.

Impairment of premiums receivable
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 defaults by policy holders or intermediaries

Notes to the Financial Statements (Contd...)

NOTE 11 - OTHER AASSETS

As at 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	**Note**	**2025**	**2024**	**2025**	**2024**
Deposits, advances & prepayments		39,335,976	37,006,651	39,335,976	37,006,651
Withholding tax receivables	11.1	88,392,057	122,842,604	67,350,371	72,411,966
Staff loans		9,150,077	12,408,753	5,252,748	5,538,329
Salvage inventory		70,250,000	17,475,000	70,250,000	17,475,000
Inventory - complimentary items		7,223,773	9,715,646	1,022,335	1,367,650
Inventory - stationery items		7,636,447	13,629,782	7,636,447	13,629,782
Co-Insurance receivables	38	51,873,117	6,888,150	51,873,117	6,888,150
Other receivables	38	10,450,356	5,294,126	7,493	541,483
(-) Impairment - other assets		-	-	-	-
Total		284,311,803	225,260,712	242,728,487	154,859,011

Fair value

The fair value of staff loans are based on the cash flow discounting rate. The discount rate is equal to AWPLR plus appropriate risk margin.

NOTE - 11.1 WITHHOLDING TAX RECEIVABLES - SUBSIDIARY

Taxes recoverable from the Commissioner General of Inland Revenue

	2025	2024
Withholding tax receivables	21,041,686	50,430,638
	21,041,686	50,430,638

NOTE 12 - CASH & CASH EQUIVALENTS

	Note	2025	2024	2025	2024
Cash at banks		166,453,662	111,888,488	121,453,228	95,405,052
Cash in hand		8,283,739	15,485,485	2,268,372	2,847,671
Cash in transit		302,963	-	-	-
Cash & cash equivalents		175,040,364	127,373,973	123,721,600	98,252,723
Bank overdrafts		(159,398,822)	(291,021,345)	(159,398,822)	(291,021,345)
Cash & cash equivalents (net) in the statement of cashflows		15,641,542	(163,647,372)	(35,677,222)	(192,768,622)

NOTE 13 - STATED CAPITAL

	Note	2025	2024	2025	2024
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

	2025	2024	2025	2024
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

	2025	2024	2025	2024
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

As at 31st December 2025	Group		Company	
(All amounts are in Sri Lanka Rupees)	**2025**	**2024**	**2025**	**2024**
Lease creditors	432,290,724	409,019,322	349,443,848	323,962,598
Total	432,290,724	409,019,322	349,443,848	323,962,598

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 31/12/2025 are as follows.

Balance as at 31st December 2025	**Within 1 Year**	**1-3 Years**	**Above 3 Years**	**Total Operating Lease Rentals Payable**
Co-operative Insurance Company PLC	57,479,059	120,893,628	171,071,161	349,443,848
Cooplife Insurance Ltd	9,668,885	18,578,432	54,599,559	82,846,876
	67,147,944	139,472,060	225,670,720	432,290,724

Balance as at 31st December 2024	**Within 1 Year**	**1-3 Years**	**Above 3 Years**	**Total Operating Lease Rentals Payable**
Co-operative Insurance Company PLC	64,495,904	96,545,631	162,921,063	323,962,598
Cooplife Insurance Ltd	3,530,378	31,525,616	50,000,073	85,056,067
	68,026,282	128,071,247	212,921,136	409,018,665

Notes to the Financial Statements (Contd...)

NOTE 15 - INSURANCE LIABILITIES

		2025	2024	2025	2024
Life insurance					
Long Term Insurance Fund	15.01	5,213,700,253	4,834,447,990	-	-
Terminal bonus		475,550	39,287,955	-	-
Unclaimed benefits		28,219,374	24,976,029	-	-
		5,242,395,177	4,898,711,974	-	-
Non life insurance					
Premium					
Unearned premium	15.02	1,804,577,287	1,530,391,116	1,804,577,287	1,530,391,115
Net deferred acquisition cost	15.03	(27,376,496)	(17,377,898)	(27,376,495)	(17,377,898)
Gross claims reserve					
Claims outstanding	15.04	1,816,824,881	988,317,382	1,816,824,880	988,317,382
Claims incurred but not reported (IBNR) - Net		798,465,440	928,248,138	798,465,439	928,248,137
		4,392,491,112	3,429,578,738	4,392,491,111	3,429,578,736
Total		9,634,886,289	8,328,290,712	4,392,491,111	3,429,578,736

NOTE 15.01 - LONG TERM INSURANCE FUND

The movement in the Life Insurance Fund is as follows:

	2025			2024		
	Gross Insurance Contract Liabilities	Reinsurance	Net Insurance Contract Liabilities	Gross Insurance Contract Liabilities	Reinsurance	Net Insurance Contract Liabilities
Balance as at 01st January	4,998,008,474	(163,560,481)	4,834,447,991	4,026,488,793	(133,843,878)	3,892,644,913
Premiums received/ reinsurance expenses	1,216,886,278	(45,448,192)	1,171,438,086	1,107,324,544	(46,322,677)	1,061,001,868
Liabilities released for payments on death, surrender and other terminations during the year	(931,986,303)	11,681,694	(920,304,609)	(293,215,614)	9,532,065	(283,683,549)
Net finance and other income	721,869,211	7,848,328	729,717,539	749,097,195	7,074,009	756,171,204
Expenses	(551,598,751)	-	(551,598,751)	(584,903,307)	-	(584,903,307)
Increase in Life Insurance Fund before surplus distribution	455,170,435	(25,918,171)	429,252,264	978,302,819	(29,716,603)	948,586,215
Surplus distributed to shareholders	(50,000,000)	-	(50,000,000)	(6,783,137)	-	(6,783,137)
Increase in Life Insurance Fund	405,170,435	(25,918,171)	379,252,264	971,519,681	(29,716,603)	941,803,078
Effect of tax on surplus / bonus transferred to policy holders	-	-	-	-	-	-
Balances as at 31st December	5,403,178,909	(189,478,652)	5,213,700,255	4,998,008,474	(163,560,481)	4,834,447,991

As at 31st December 2025 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. 5,214 million (2024- 4,834 million). In the opinion of the Actuary, this amount is adequate to cover the liabilities of the life insurance business.

NOTE 15.01 - LONG TERM INSURANCE FUND (CONTD...)

In the opinion of the Appointed Actuary, the Company as at 31st December 2025 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 2025 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 2025 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 stabilises alongside with the volatilities in the market. Therefore, no shareholder transfer is recommended this year from the non-participating fund.

Notes to the Financial Statements (Contd...)

NOTE 15.02 - UNEARNED PREMIUM

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1st January	1,530,391,115	1,921,472,392	1,530,391,115	1,921,472,392
Transferred to income statement during the year	274,186,172	(391,081,276)	274,186,172	(391,081,276)
Balance as at 31st December	1,804,577,287	1,530,391,116	1,804,577,287	1,530,391,115

NOTE 15.03 - NET DEFERRED ACQUISITION COST

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred acquisition cost				
Balance as at 1st January	207,162,318	210,771,430	207,162,318	210,771,430
Transfers during the year	23,861,593	(3,609,112)	23,861,593	(3,609,112)
Balance as at 31st December	231,023,911	207,162,318	231,023,911	207,162,318
Deferred reinsurance commission				
Balance as at 1st January	(189,784,420)	(63,793,621)	(189,784,420)	(63,793,621)
Transfers during the year	(13,862,995)	(125,990,799)	(13,862,995)	(125,990,799)
Balance as at 31st December	(203,647,415)	(189,784,420)	(203,647,415)	(189,784,420)
Net deferred acquisition cost	27,376,496	17,377,898	27,376,495	17,377,898

NOTE 15.04 - GROSS CLAIM RESERVE

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1st January	988,317,382	957,219,220	988,317,382	957,219,220
Increase / (decrease) in outstanding claims	828,507,499	31,098,162	828,507,499	31,098,162
Balance as at 31st December	1,816,824,881	988,317,382	1,816,824,880	988,317,382
IBNR/IBNER balance as at 1st January	928,248,137	843,049,298	928,248,137	843,049,298
Increase / (decrease) in IBNR/IBNER	(129,782,698)	85,198,839	(129,782,698)	85,198,839
IBNR/IBNER balance as at 31st December	798,465,439	928,248,137	798,465,439	928,248,137
Total reserve for gross outstanding claims	2,615,290,320	1,916,565,519	2,615,290,319	1,916,565,519

NOTE 15.05 - RECONCILIATION BETWEEN INSURANCE PROVISION AND TECHNICAL RESERVE

	Company	
	2025 Rs.	2024 Rs.
Insurance provision - non life	4,392,491,111	3,429,578,736
Reinsurance on claims reserves	(1,853,762,258)	(1,076,217,640)
	6,246,253,369	4,505,796,376

NOTE 15.05 - RECONCILIATION BETWEEN INSURANCE PROVISION AND TECHNICAL RESERVE (CONTD...)

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. Rob Malattia appointed actuary of NMG Consulting The valuation is based on internationally accepted actuarial methods and is performed on an annual basis.

The non life insurance technical reserve of Rs. 3,323,261,003 as at 31st December 2025 includes the provision of IBNR claims of Rs. 798,465,439 that has been certified by the independent appointed actuaries, NMG Consulting

Liability Adequacy Test (LAT) - Non life
As per LAT test performed by Mr. Rob Malattia appointed actuary of NMG Consulting, 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	
		2025	2024	2025	2024	2025	2024
Cooplife Insurance Ltd.	Sri Lanka	0.00%	0.00%	-	-	-	-
			0.00%	-	-		-

NOTE 17 - PREFERENCE SHARES

	Group		Company	
	2025	2024	2025	2024
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

As at 31st December 2025	Group		Company	
(All amounts are in Sri Lanka Rupees)	2025	2024	2025	2024
Amounts recognised in the statement of financial position are made up of as follows;				
Balance as at 1st January	124,834,359	123,591,400	104,276,220	103,240,942
Past service cost	-	-	-	-
Interest cost	11,846,764	16,066,882	9,907,119	13,421,322
Current service cost	17,078,878	13,346,480	14,409,407	11,226,152
Actuarial (gain) / loss on obligation	21,986,690	(13,380,843)	17,155,377	(11,342,824)
Payments made during the year /payable for the year	(22,168,798)	(14,789,560)	(19,845,417)	(12,269,372)
Balance as at 31st December	153,577,893	124,834,359	125,902,705	104,276,220

Notes to the Financial Statements (Contd...)

NOTE 18 - RETIREMENT BENEFIT OBLIGATION (CONTD...)

As at 31st December 2025	Group		Company	
(All amounts are in Sri Lanka Rupees)	**2025**	**2024**	**2025**	**2024**
Expenses on retirement benefit obligation				
Recognised in profit or loss				
Interest cost	11,846,764	16,066,882	9,907,119	13,421,322
Current service cost	17,078,878	13,346,480	14,409,407	11,226,152
Past service cost	-	-	-	-
	28,925,642	29,413,362	24,316,526	24,647,474
Recognised in other comprehensive income				
Net actuarial (gain) / loss on obligation	21,986,690	(13,380,843)	17,155,377	(11,342,824)
	21,986,690	(13,380,843)	17,155,377	(11,342,824)

As at 31st December 2025, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by Mr. Priyanga Lanka Arachchi of UNITS Actuaries & Consultants (Pvt) Ltd, as required by LKAS 19 - Employee Benefits.

As at 31st December 2025 Cooplife Insurance Limited gratuity liability was actuarially valued by Mr. M Jayaraman based on the Projected Unit Credit (PUC) method as required by LKAS 19 - 'Employee Benefits'.

The liability is not externally funded. The valuation is performed on an annual basis.

During 2025, 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	2025	2024
Discount rate	9.0%	10.5%
Future salary increase	8.5%	10% annual
Retirement age (years)	60	60

Assumptions regarding future mortality are based on published statistics and mortality tables.

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.

NOTE 18 - RETIREMENT BENEFIT OBLIGATION (CONTD...)

Group 2025	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%)	3,650,998	(3,867,520)	(3,650,998)	3,867,520
Salary increment rate (change by 1%)	(4,146,235)	3,982,985	4,146,235	(3,982,985)

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)

Company 2025	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%)	3,067,737	(3,247,913)	(3,067,737)	3,247,913
Salary increment rate (change by 1%)	(3,484,687)	3,349,428	3,484,687	(3,349,428)

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)

NOTE 19 - REINSURANCE CREDITORS

		Group		Company	
	Note	2025	2024	2025	2024
Domestic	38	438,803,178	487,354,056	438,803,179	487,354,056
Foreign	38	761,848,901	593,798,510	761,689,251	593,798,510
Total		1,200,652,079	1,081,152,566	1,200,492,430	1,081,152,566

NOTE 20 - OTHER LIABILITIES

		Group		Company	
	Note	2025	2024	2025	2024
Commission payables		122,624,735	112,542,436	104,976,396	96,104,384
Government levies & taxes	20.01	203,391,208	99,166,259	202,560,924	98,300,587
Dividend - ordinary		2,192,319	1,749,546	2,192,319	1,749,546
Accrued expenses		109,819,829	84,999,564	67,528,400	50,410,694
Co-Insurance payable	38	20,200,714	20,478,640	20,200,714	20,478,640
Deposits & other funds	38	830,120,576	766,651,765	743,462,574	694,341,104
Total		1,288,349,381	1,085,588,210	1,140,921,327	961,384,955

Notes to the Financial Statements (Contd...)

NOTE 20.01 - GOVERNMENT LEVIES AND TAXES

	Group		Company	
	2025	2024	2025	2024
Income tax	94,824,140	32,247,975	94,824,140	32,247,975
Value Added Tax	85,281,109	49,920,060	85,281,109	49,920,060
Advance Personal Income Tax	1,339,851	1,791,315	700,038	1,410,157
Withholding Tax	190,471	219,496	-	-
Diesel tax	157,000	157,000	157,000	157,000
Social Security Contribution Levy	21,598,637	14,565,395	21,598,637	14,565,395
Total	203,391,208	98,901,241	202,560,924	98,300,587

NOTE 21 - DEFERRED TAX LIABILITY

The amount shown in the statement of financial position represents the following:

	Group		Company	
	2025	2024	2025	2024
Deferred tax comprises of				
Deferred tax assets- Subsidiary	-	-	-	-
Deferred tax liabilities-Parent	(160,399,550)	(61,458,195)	(93,389,896)	(46,963,905)
	(160,399,550)	(61,458,195)	(93,389,896)	(46,963,905)
Deferred tax liabilities	(309,706,085)	(272,702,627)	(242,696,431)	(219,514,050)
Deferred tax assets	149,306,534	211,244,430	149,306,534	172,550,146
	(160,399,550)	(61,458,197)	(93,389,896)	(46,963,905)

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;

	2025 Rs.	2024 Rs.
On tax losses	-	-
	-	-

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.

NOTE 21 - DEFERRED TAX LIABILITY (CONTD...)

The movement in the deferred tax account is as follows:

	Group		Company	
	2025	2024	2025	2024
Balance as at 1st January	(61,458,195)	(67,069,765)	(46,963,906)	(46,748,533)
Recognised in profit or loss	(72,799,101)	(7,390,204)	(34,104,815)	(2,121,659)
Recognised in other comprehensive income	(26,142,255)	13,001,773	(12,321,177)	1,906,286
Balance as at 31st December	(160,399,551)	(61,458,197)	(93,389,896)	(46,963,905)

Deferred Tax Assets and Liabilities - Group	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property plant & equipment	104,833,154	97,188,779	(306,942,378)	(269,882,307)	(202,109,224)	(172,693,528)
Intangible assets	-	-	(2,763,707)	(2,820,319)	(2,763,707)	(2,820,319)
Available for sale financial assets	(22,514)	3,846,719	-	-	(22,514)	3,846,719
Employee benefits	37,770,812	31,282,866	-	-	37,770,812	31,282,866
Carried forward tax losses	6,725,083	40,231,781	-	-	6,725,083	40,231,781
Provisions	-	38,694,284	-	-	-	38,694,284
Net tax assets (liabilities)	149,306,534	211,244,430	(309,706,085)	(272,702,627)	(160,399,550)	(61,458,197)

Movement in deferred tax balances during the year - Group

	Balance as at 1st January 2024	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31st December 2024	Balance as at 1st January 2025	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31st December 2025
Property plant & equipment	(192,503,786)	1,637,367	18,172,892	(172,693,526)	(172,693,526)	(6,237,589)	(30,822,482)	(209,753,597)
Intangible assets	(4,147,021)	1,326,701	-	(2,820,319)	(2,820,319)	56,613	-	(2,763,707)
Available for sale financial assets	6,390,612	-	(2,543,894)	3,846,718	3,846,718	-	(3,869,233)	(22,515)
Employee benefits	30,972,280	2,937,809	(2,627,225)	31,282,864	31,282,864	(2,061,515)	8,549,461	37,770,810
Carried forward tax loss	24,537,270	(27,449,097)	-	(2,911,826)	38,694,286	(25,862,324)	-	12,831,962
Provisions	67,680,878	14,157,016	-	81,837,894	40,231,781	(38,694,286)	-	1,537,495
	(67,069,766)	(7,390,204)	13,001,773	(61,458,195)	(61,458,196)	(72,799,101)	(26,142,255)	(160,399,551)

Deferred Tax Asset and Liability - Company	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property plant & equipment	104,833,154	97,188,779	(239,932,724)	(216,693,731)	(135,099,570)	(119,504,952)
Intangible assets	-	-	(2,763,707)	(2,820,319)	(2,763,707)	(2,820,319)
Available for sale financial assets	(22,514)	3,846,719	-	-	(22,514)	3,846,719
Employee benefits	37,770,812	31,282,866	-	-	37,770,812	31,282,866
Provisions	6,725,083	40,231,781	-	-	6,725,083	40,231,781
Carried forward tax losses	-	-	-	-	-	-
Net tax assets / (liabilities)	149,306,534	172,550,146	(242,696,431)	(219,514,050)	(93,389,896)	(46,963,905)

Notes to the Financial Statements (Contd...)

NOTE 21 - DEFERRED TAX LIABILITY (CONTD...)

Movement in deferred tax balances during the year - Company

	Balance as at 1st January 2024	Recognised in profit or loss	Recognised in Other Comprehensive Income	Balance as at 31st December 2024	Balance as at 1st January 2025	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised in Other Comprehensive Income
Property plant & Equipment with right of use assets	(128,219,722)	1,637,367	7,077,405	(119,504,950)	(119,504,950)	(6,237,589)	(17,001,404)	(142,743,943)
Intangible assets	(4,147,020)	1,326,701	-	(2,820,319)	(2,820,319)	56,613	-	(2,763,706)
Available for sale financial assets	6,390,612	-	(2,543,894)	3,846,718	3,846,718	-	(3,869,233)	(22,515)
Employee benefits	30,972,280	2,937,809	(2,627,225)	31,282,864	31,282,864	(2,061,515)	8,549,461	37,770,810
Provisions	67,680,878	(27,449,097)	-	40,231,781	40,231,781	(25,862,324)	-	14,369,458
Carried forward tax losses	(19,425,561)	19,425,561	-	-	-	-	-	-
	(46,748,533)	(2,121,659)	1,906,286	(46,963,905)	(46,963,906)	(34,104,815)	(12,321,177)	(93,389,896)

The Company has applied 30% tax rate for deferred tax computation for year 2025. (2024-30%)

NOTE 22 - GROSS WRITTEN PREMIUM

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Life insurance		1,213,342,866	1,103,537,521	-	-
Non life insurance					
Motor		3,655,967,809	3,503,403,186	3,655,990,920	3,503,414,254
Fire and engineering		467,303,044	283,543,845	467,303,044	283,615,812
Marine		51,899,649	45,993,089	51,899,649	45,993,089
Miscellaneous		831,939,128	692,519,718	832,069,988	692,650,578
Total		6,220,452,496	5,628,997,359	5,007,263,601	4,525,673,733

NOTE 23 - PREMIUM CEDED TO REINSURERS

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Life		45,448,192	46,322,677	-	-
Non life insurance					
Motor		63,493,449	181,272,418	63,493,449	181,272,418
Fire and engineering		261,595,219	149,901,373	261,595,219	149,901,373
Marine		28,356,726	30,474,481	28,356,726	30,474,481
Miscellaneous		188,187,102	156,487,518	188,187,102	156,487,518
Riots & strikes					
Motor		783,529,454	738,375,489	783,529,454	738,375,489
Fire and engineering		127,812,292	92,983,346	127,812,292	92,983,346
Marine		3,990,977	3,209,113	3,990,977	3,209,113
Miscellaneous		17,105,218	10,423,754	17,105,218	10,423,754
Total		1,519,518,629	1,409,450,169	1,474,070,437	1,363,127,492

NOTE 24 - NET CHANGE IN RESERVES FOR UNEARNED PREMIUM

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Unearned premium					
Motor		161,976,860	(395,279,049)	161,976,860	(395,279,049)
Fire and engineering		28,623,468	4,738,397	28,623,468	4,738,397
Marine		984,234	(3,159,645)	984,234	(3,159,645)
Miscellaneous		82,601,610	2,619,021	82,601,610	2,619,021
Total		274,186,172	(391,081,276)	274,186,172	(391,081,276)

NOTE 25 - INVESTMENT INCOME

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Held to maturity					
Treasury bonds		793,781,468	755,331,187	277,260,868	219,048,834
Debentures		398,563,612	396,991,600	182,790,078	207,359,319
Asset backed securities		-	3,874,364	-	-
Loans & receivables					
Fixed deposits		258,529,983	347,211,572	227,584,564	310,599,930
Repos		59,353,473	30,718,153	59,353,473	30,718,153
Overnight deposits		10,277,941	1,484,305	10,277,941	1,484,305
Commercial paper		117,003,278	147,438,413	69,464,979	93,093,448
Money market		29,144,735	38,156,882	-	-
Treasury bills		-	-	-	-
Asset backed securities		2,548,672	9,745,919	2,548,672	9,745,919

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Fair value through profit or loss					
Quoted shares - dividend		87,139	83,643	-	-
Available for sales financial assets					
Quoted shares - dividend		583,039	1,052,745	583,039	1,052,745
Unquoted shares - dividend		-	389,826	-	389,826
Interest income on					
Savings deposits		11,343,826	17,856,819	11,343,826	17,856,819
Policy loans		12,455,697	11,782,232	-	-
Staff loans		556,664	970,352	304,451	588,768
Total finance income		1,694,229,527	1,763,088,012	841,511,891	891,938,066
Dividend from subsidiary - ordinary shares		-	-		
Dividend from subsidiary - preference shares		-	-	-	-
Net finance income		1,694,229,527	1,763,088,012	841,511,891	891,938,066

Notes to the Financial Statements (Contd...)

NOTE 26 - POLICY ADMINISTRATION FEES

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Motor		299,247,532	311,773,411	299,247,532	311,773,411
Fire and engineering		9,442,925	6,196,675	9,442,925	6,196,675
Marine		4,402,892	4,217,113	4,402,892	4,217,113
Miscellaneous		10,898,096	14,215,277	10,898,096	14,215,277
Total		323,991,445	336,402,476	323,991,445	336,402,477

NOTE 27 - OTHER INCOME

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Gain / (loss) on foreign currency transactions		4,561,740	(4,999,603)	4,561,740	(4,999,603)
Gain / (loss) on sale of property, plant & equipment		73,000	5,043,700	73,000	4,883,700
Miscellaneous income	27.01	11,547,901	38,830,953	10,118,290	8,899,496
Total		16,182,641	38,875,050	14,753,030	8,783,593

NOTE 27.01 - MISCELLANEOUS INCOME

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Fees and commission Income		3,920,655	1,444,468	3,920,655	1,444,468
Policy renewal charges		3,852,840	3,056,809	3,852,840	3,056,809
Sundry income		3,043,842	33,307,609	1,614,231	3,376,152
Policy fee charges		468,700	504,118	468,700	504,118
Non refundable tender fees		261,864	517,949	261,864	517,949
		11,547,901	38,830,953	10,118,290	8,899,496

NOTE 28 - GROSS BENEFITS AND CLAIMS INCURRED

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Note	Group 2025	Group 2024	Company 2025	Company 2024
Life insurance contracts					
Death, disability and hospitalization		44,240,598	38,052,246	-	-
Survival benefits		22,058,523	15,781,429	-	-
Policy surrenders		83,923,592	41,118,683	-	-
Pension benefits		5,224,249	3,985,389	-	-
Policy maturity		776,539,341	154,989,912	-	-
Terminal bonus		-	39,287,955		
		931,986,303	293,215,614	-	-

NOTE 28 - GROSS BENEFITS AND CLAIMS INCURRED (CONTD...)

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Motor		2,214,902,037	2,569,021,098	2,214,902,037	2,569,021,098
Fire and engineering		815,744,273	175,349,379	815,744,273	175,349,379
Marine		20,473,634	19,947,404	20,473,634	19,947,404
Miscellaneous		444,736,871	542,135,801	444,736,871	542,135,801
		3,495,856,815	3,306,453,682	3,495,856,815	3,306,453,682
Less: salvage income		(23,423,581)	(83,908,040)	(23,423,581.00)	(83,908,040)
Movement in salvage stock		(52,775,000)	10,755,000	(52,775,000.00)	10,755,000
		3,419,658,234	3,233,300,642	3,419,658,234	3,233,300,642
Total		4,351,644,537	3,526,516,256	3,419,658,234	3,233,300,642

NOTE 29 - UNDERWRITING & POLICY ACQUISITION COST

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Net underwriting & policy acquisition cost		605,233,812	547,672,586	456,701,421	407,781,581
Increase / (decrease) in deferred acquisition cost		(23,861,593)	3,609,111	(23,861,593)	3,609,111
Reinsurance commission		(404,312,341)	(265,925,168)	(396,464,013)	(258,851,159)
Total		177,059,878	285,356,529	36,375,815	152,539,533

NOTE 30 - OTHER OPERATING & ADMINISTRATIVE EXPENSES

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Staff expenses	30.01	852,031,154	814,445,537	653,759,154	620,869,037
Administrative & establishment expenses		427,389,195	447,325,689	341,367,335	331,188,990
Selling expenses		472,692,510	465,149,442	419,446,019	414,977,800
Depreciation		267,244,810	285,818,177	221,771,508	221,831,698
Amortization of intangible assets		12,768,516	10,937,211	12,417,732	10,937,211
Total		2,032,126,185	2,023,676,056	1,648,761,748	1,599,804,736

NOTE 30.01 - STAFF EXPENSES

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Salaries & wages		665,663,919	636,104,580	505,359,626	477,541,384
Contributions to defined contribution plan		88,612,447	80,244,308	71,424,816	64,600,980
Contributions to defined benefit plan		28,925,642	29,413,362	24,316,526	24,647,474
Contribution for staff group term assurance		573,762	473,400	3,543,412	3,787,024
Staff welfare		14,311,368	12,837,856	11,661,414	10,683,033
Staff bonus		40,191,705	37,729,601	28,757,097	28,015,202
Staff training & development		2,297,366	1,877,256	1,589,980	1,514,552
Other staff expenses		11,454,946	15,765,175	7,106,283	10,079,388
Total		852,031,155	814,445,538	653,759,154	620,869,037

Notes to the Financial Statements (Contd...)

NOTE 31 - FINANCE COST

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Preference dividends		990,000	2,970,000	990,000	2,970,000
Finance cost - right to use assets		51,059,476	54,948,542	40,411,565	43,780,517
Total finance cost		52,049,476	57,918,542	41,401,565	46,750,517

NOTE 32 - PROFIT BEFORE INCOME TAX

The profit from operations for the year is stated after charging the following expenses.

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Directors remuneration		51,776,670	49,845,289	27,855,514	26,219,802
Auditor's remuneration		4,038,300	3,562,207	3,131,175	2,913,207
Impairment loss on premiums receivable		109,861,904	(94,787,236)	(111,688,995)	(91,496,989)
Depreciation		167,819,499	190,582,573	147,035,459	150,938,097
Amortization of intangible assets		12,768,516	11,172,828	12,417,732	10,937,211

NOTE 33 - INCOME TAX EXPENSES

For the year ended 31st December 2025		Group		Company	
(All amounts are in Sri Lanka Rupees)	Note	2025	2024	2025	2024
Current tax expense					
Current year		152,290,033	37,584,149	100,053,025	37,541,367
(Over) / under provision for the year 2021/2022		1,957,773	-	1,957,773	-
(Over) / under provision for the year 2015/2016		6,527,468	-	-	-
		160,775,274	37,584,149	102,010,798	37,541,367
Deferred tax expense					
(Origination) / reversal of deferred tax asset		72,799,101	7,390,204	34,104,815	2,121,659
		72,799,101	7,390,204	34,104,815	2,121,659
Income tax expense		233,574,375	44,974,353	136,115,613	39,663,025

NOTE 33.01 - RECONCILIATION OF ACCOUNTING PROFIT & TAXABLE INCOME

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	Group		Company	
	2025	2024	2025	2024
Profit for the year	279,069,511	273,646,598	187,910,235	113,391,772
Current tax expense	160,775,274	37,584,149	102,010,798	37,541,367
(Origination) / reversal of deferred tax asset	72,799,101	7,390,204	34,104,815	2,121,659
Origination / (reversal) of deferred tax liability	-	-	-	-
Profit before tax- before consolidation adjustments	512,643,886	318,620,950	324,025,848	153,054,797
Consolidation adjustments			-	-
Profit before tax	512,643,886	318,620,950	324,025,848	153,054,797
Less: Income excluded/exempt	-	-	-	-
Tax deductible expenses	(182,301,194)	(186,615,275)	(178,643,833)	(176,470,439)
Other sources & exempt amounts	(846,298,858)	(897,120,384)	(846,146,630)	(896,821,766)
Add: Disallowed expenses	191,065,136	211,901,547	191,065,136	211,681,647
Assessable charge on disposal of depreciable assets	613,000	10,991,331	613,000	10,807,331
Bonus declared to policyholders	17,414,908	21,760,283	-	-
Taxable profit from business	(335,115,348)	(536,023,506)	(509,086,480)	(697,748,429)
Deductions under section 19 of the IR Act No. 24 of 2017	(158,158,787)	(183,481,217)	-	-
Add: Income from other sources	507,633,444	125,276,507	333,510,084	125,137,889
Less: tax loss claimed during the year	-	-	-	-
qualifying payments	-	-	-	-
Total taxable income	172,518,096	(410,746,999)	(175,576,397)	(572,610,540)
Tax on taxable income @14%	-	-	-	-
@ 24%	-	-	-	-
@ 30%	152,307,284	37,584,149	100,053,025	37,541,367
Gross income tax liability	152,307,284	37,584,149	100,053,025	37,541,367
Tax credits				
Withholding Tax	(109,109,594)	(33,880,409)	(67,261,382)	(33,874,047)
Income tax paid on self assessment Basis	(5,158,669)	-	(5,158,669)	-
The balance due	38,039,021	3,703,740	27,632,975	3,667,320

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%.

Notes to the Financial Statements (Contd...)

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	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit attributable to ordinary shareholders (Rs.)		279,069,511	273,646,598	187,910,235	113,391,772
Weighted average number of ordinary shares in issue applicable to basic earnings per share (Rs.)	34.01	1,652,177,600	1,652,177,600	1,652,177,600	1,652,177,600
Earnings per share (Rs.)		0.17	0.17	0.11	0.07
Net assets per share (Rs.)		3.86	3.56	3.22	3.01

NOTE 34.01 - WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
No of shares at the beginning of the period	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 TRANSACTIONS

The Board of Directors of the Company have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly, they have been identified as the KMP of the Company.

The emoluments paid to KMP of the Group are disclosed as follows;

	2025	2024
	Rs.'000	Rs.'000
Board expenses	18,471,181	18,001,838
Board remuneration	9,384,333	8,217,964
Board remuneration of Cooplife Insurance Limited	23,921,156	23,625,487
	51,776,670	49,845,289

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 not granted any loans for the directors of the Company during the year ended 31st December 2025.

Loans obtained from directors

The Company has not obtained any loans from the directors of the Company during the year ended 31st December 2025.

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	Director
Mr. A. B. Senadira	New Thalawakale MPCS Ltd	Vice Chairman
	Cooperative District Council Nuwaraeliya	Chairman
	Senadi Sewwandi transport & contarct agent	Chairman
	Co-op Life Insurance Company Ltd	Director
Mr. M. Widanagamage	N/A	
Mr. L. Waragoda	N/A	
Mr. H. H. D. E. Priyantha Herath	Panduwasnuwara Multi Purpose Cooperative Society Ltd	Chairman
	Kuliyapitiya District Co-operative Council	Director
	Wayamba Co-operative Rural Bank Union Ltd	Director
Mr. S. Wickramasinghe	Post and Telecom Employees Co-operative Bank Society Limited	Chairman
Mr. Ganaka Amarasinghe	Raigam Group Of Companies	Senior Director
Ms. W. P. M. Chathurani	N/A	
Mr. Lal Kumara	Education Employees Co-operative Thrift & Credit Society Limited	Chairman
Mr. Mohan De Silva	Department of Co-operative Development	Assistant Commissioner

NOTE 35.03 - TRANSACTIONS & BALANCES WITH RELATED PARTIES

The Multi-Purpose Co-operative Societies represented are considered as related parties due to the joint shareholdings and representation on the Board. Related party balances and transactions are listed below ;

Entity	Nature of Transaction	Transactions with Parent Company		Transactions with Group Companies	
		2025	2024	2025	2024
Coop Life Insurance Ltd	Shared Service Expenses	24,562,224	25,213,603	-	-
	Insurance Premium	153,971	213,895	-	-
	Life Gta	3,543,412	3,787,024	-	-
	Vehicle Rent - Income	510,000	1,200,000	-	-
	Vehicle Rent - Expense		(1,200,000)	-	-
	Building Rent	(4,670,820)	(5,284,895)	-	-
	Security, Water And Electricity	(309,016)	(1,431,536)	-	-
	Other	(473,637)	(106,244)	-	-
	Commission	2,582	3,905	-	-
	Claims	475,280	-	-	-

Notes to the Financial Statements (Contd...)

NOTE 35.03 - TRANSACTIONS & BALANCES WITH RELATED PARTIES (CONTD...)

Entity	Nature of Transaction	Transactions with Parent Company		Transactions with Group Companies	
		2025	2024	2025	2024
CoopInsu Training Academy	Expenses incurred	3,188			
MPCS Wennappuwa	Office rent	1,399,200	1,378,000	1,993,200	1,956,250
	Commission	591,793	517,017	619,916	540,931
	Claims	235,700	143,000	-	-
	Sales promotion	-	150,000	-	-
	Fuel Charges	-	6,300	-	-
Sri Lanka Consumer Cooperative Socities Federation Ltd	Commission	3,937	-	-	-
Health Department Co-operative Thrift & Credit Society Ltd	Printing charges	-	-	-	3,291,060
	Insurance Premium	163,700,044	-	-	-
Beliatta MPCS	Sponsorship	-	30,000	-	-
	Commission	197,587	326,361	-	-
	Dividend	-	6,543,123	-	-
	Sales promotion	35,000	-	-	-
	Claim	103,475	-	-	-
Colombo South Coop Society Ltd	Staff welfare items	-	-	1,127,480	648,815
New Thalawakale MPCS Ltd	Commission	923	-	-	-
	Other	-	24,839	-	-
Putlam Salt Limited	Commission	146,701	11,994	-	-
	Claim	7,552,577	220,925	-	-
Kammal Pattu Coconut Producers Co-operative Society Ltd	Dividend	-	3,742	-	-
Nochchiyagama MPCS Ltd	Dividend	-	75,906	-	-
Post & Telecom Employees Co-operative Bank Society Limited	Commission	27,669	14,734	-	-
	Sponsorship	-	75,000	-	-
	Claim	-	454,275	-	-
	Other	75,000	-	-	-
Panduwasnuwara MPCS	Commissions	793,365		-	-
Hambanthota District Co-operative Rural Bank Union Ltd	Dividend		2,520,625		
Wayamba Co-operative Rural Bank Union Ltd	Claim	276,000		-	-
	Other	50,000			
Raigam Group of Companies	Claim	7,948,442	5,416,838	-	-
	Other		10,742	-	-

Entity	Nature of Transaction	Balances with CICPLC		Balances with Group Companies	
		2025	2024	2025	2024
Cooplife Insurance Ltd	Equity investment	544,260,050	544,260,040	-	-
	Receivable for shared service expenses	1,305,290	11,851,228	-	-
Coopinsu Training Academy (Pvt) Ltd	Equity investment	10	10	-	-
	Payment of reimbursements	5,842,280	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 Commissioner General of Inland Revenue

The Company received Notices of Assessment from the Inland Revenue Department in respect of Value Added Tax (VAT) on Financial Services for the taxable periods from 01 January 2018 to 31 December 2018, 01 January 2021 to 31 December 2021, and 01 January 2022 to 31 December 2022. These assessments assert that the Company is liable for VAT on financial services.The Company has formally appealed against these assessments on the basis that it operates in the insurance business and, therefore, is not liable for VAT on financial services. The Company has also received a favourable decision from the Tax Appeals Commission supporting its position. It is noted that several other insurance companies have received similar assessments and have likewise lodged appeals.The total tax exposure amounted to Rs. 190.56 million, comprising:VAT on Financial Services: Rs. 81.66 million,Income Tax: Rs. 38.76 million (relating to the year of assessment 2019/2020) The Company has appealed against the income tax assessment, and the matter is currently pending before the Tax Appeals Commission for determination.The remaining balance of Rs. 70.14 million relates to disputed VAT and Social Security Contribution Levy (SSCL) liabilities. The Company has submitted valid appeals in respect of these assessments, and the matters remain under review.Accordingly, no provision has been made in the financial statements for the disputed taxes and any related penalties.

(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 Chief Executive Officer (CEO) have been proceeded with, and the Contempt of Court Inquiry has been completed. The parties have also filed their respective written submissions, and the Court has fixed the matter for Judgment on 13th January 2026. 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.

Case No: Writ Application bearing No: CA/Writ/415/2024 In the Court of Appeal
In the above captioned case, former Chief Executive Officer (CEO) M.G.U.P. Kumara has filed the Application seeking administrative reliefs against the Insurance Regulatory Commission of Sri Lanka (IRCSL). Cooperative Insurance Company PLC has filed their Statement of Objections, and the Hon. Attorney General (representing the IRCSL) is yet to file their Statement of Objections. The matter will be mentioned on 12th January 2026 for this purpose, after which the Court will fix the matter for Counter Objections by the Petitioner and / or for Argument as appropriate. In the said matter Cooperative Insurance Company PLC is the 2nd Respondent.

(ii) Some shareholders of Co-operative Insurance Company PLC have filed a case against Co-operative Insurance Company PLC and some of its directors making them respondents of the case, in order to get an interim order to stop the EGM held in 10.11.2022 for Cooplife Insurance Ltd.

Notes to the Financial Statements (Contd...)

NOTE 36.01 - COMPANY (CONTD...)

(iii) Legal case has been filled by Co-operative Insurance Company PLC in Commercial High Court against Cooplife Insurance Limited and obtained interim order to suspend four Directors of the Cooplife Insurance Ltd as per the decision taken at purported EGM held on 10th November 2022 by the former Chairman Mr. Weerasekara as the major shareholder of Cooplife Insurance Ltd.

(iv) Some shareholders of Co-operative Insurance Company PLC have filed a case for the purpose of obtaining an interim order suspending the directorships of majority directors who have not supported to former Chairman Mr. Weerasekara and to take authority to few other directors to take actions to remove suspensions imposed by IRCSL and CSE..

(v) Few applications in relation to seeking writs from the Court of Appeal to validate certain purported appointments to be board of directors of Co-operative Insurance Company PLC and Cooplife Insurance Company Limited were filled. At the first instance, the Court decided to take up the matters together .

(vi) An application was preferred by some shareholders of Co operative Insurance Company PLC seeking, inter alia , a writ on the Regulator IRCSL to lift the suspension of the license to carry out insurance business. This application was never supported.

Furthermore, no relief has been sought against Cooperative Insurance Company PLC in the above Application, and thus it has no bearing on Cooperative Insurance Company PLC.

Case bearing No.: CA/Writ/1070/2025 in the Court of Appeal
This Application was filed by Cooperative Insurance Company PLC, its Chairman, its Vice Chairman and its Chief Executive Officer as the Petitioners. The Respondent parties are the Wildlife Conservation Officer of Ja-Ela, Director General of the Department of Wildlife Conservation and the Hon. Attorney General.

Case bearing No.: B-1259/25 in the Magistrate's Court of Negombo
The matter was mentioned before the Hon. Additional Magistrate of Negombo on 14th November 2025. The Court took note of the motion filed and submissions made for and on behalf of Cooperative Insurance PLC, its Chairman, its Vice Chairman and its Chief Executive Officer. The matter is to be called on 18th February 2026.

NOTE 36.02 - SUBSIDIARY (COOPLIFE INSURANCE LIMITED)

(A) The Commissioner General of Inland Revenue has issued determinations on the appeals 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 appeals against the said assessments with the Tax Appeals Commission (TAC). The bank guarantees valued at Rs.6.5 million and Rs.5.7 million in favor of TAC , taken from Peoples' Bank and NDB Bank against Rs.9.7 million and 8.6 million fixed deposit have been provided with the appeal.

During the year 2025, the Tax Appeals Commission dismissed the appeal relating to the year of assessment 2015/16. Accordingly, the Inland Revenue Department invoked and realised the related bank guarantee amounting to Rs. 6.5 million through People's Bank. The Company is continuing with the appeal process for the remaining assessment.

(B) The Commissioner General of Inland Revenue has issued a determination on the appeal filed by the Company for the year of assessment 2017/18, amounting to 30.8 million rupees together with a 15.4 million rupees penalty, in favour of CGIR . The Company has furnished a appeal to the Tax Appeals Commission with a bank guarantee valued at 11.5 million rupees taken from Peoples' Bank against the fixed deposit of 12 million rupees.

The Board of Directors and tax consultants of the Company are of the view that the Company has followed the due process and has acted in accordance with prevailing laws in its tax submissions. Therefore, the probability of the Company having to settle any of these tax assessments is remote.

NOTE 36.02 - SUBSIDIARY (COOPLIFE INSURANCE LIMITED) (CONTD...)

(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 - RECLASSIFICATION - GROUP

The Group has reclassified the following comparative amounts in the current year for better presentation

Description	Before Reclassification	After Reclassification	Net Effect
Other Assets			
Co-Insurance receivables	-	6,888,150	6,888,150
Other receivables	12,182,276	5,294,126	(6,888,150)
Other payables			
Co-Insurance payable	-	20,478,640	20,478,640
Deposits & other funds	787,130,405	766,651,765	(20,478,640)
Reinsurance creditors			
Domestic	-	487,354,056	487,354,056
Foreign	1,081,152,566	593,798,510	(487,354,056)

NOTE 38 - RECLASSIFICATION - COMPANY

The Company has reclassified the following comparative amounts in the current year for better presentation

Description	Before Reclassification	After Reclassification	Net Effect
Other Assets			
Co-Insurance receivables	-	6,888,150	6,888,150
Other receivables	7,429,633	541,483	(6,888,150)
Other payables			
Co-Insurance payable	-	20,478,640	20,478,640
Deposits & other funds	714,819,744	694,341,104	(20,478,640)
Reinsurance creditors			
Domestic	-	487,354,056	487,354,056
Foreign	1,081,152,566	593,798,510	(487,354,056)

NOTE 39 – 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

Notes to the Financial Statements (Contd...)

NOTE 39 – FINANCIAL RISK MANAGEMENT (CONTD...)

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 approximations of fair value.

Group As at 31st December 2025	Note	FVTPL Rs.'000	Held to Maturity Rs.'000	Loans & receivables & Other Financial Assets Rs.'000	Available for Sale Rs.'000	Other Financial Liabilities Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets measured at fair value/amortised cost											
Treasury bonds	6.01 (a)	-	5,066,630	-	-	-	5,066,630	-	-	-	-
Unquoted equity instruments	6.3	-	-	-	5,174	-	5,174	-	-	5,174	5,174
Quoted equity instruments	6.3	-	-	-	21,359	-	21,359	21,359	-	-	21,359
Quoted debentures	6.01 (b)	-	3,596,210	-	-	-	3,596,210		-	-	-
Unit trusts	6.3	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value		-	-	-	-	-	-				
Fixed deposits	6.2	-	-	3,539,127	-	-	3,539,127	-	-	-	-
Unquoted debentures	6.2	-	-	-	-	-	-	-	-	-	-
Investments in repo	6.2	-	-	54,833	-	-	54,833	-	-	-	-
Commercial paper	6.2	-	-	1,317,736	-	-	1,317,736	-	-	-	-
Money market	6.2	-	-	246,289	-	-	246,289	-	-	-	-
Treasury bills		-	-	-	-	-	-				
Reinsurance receivables	9	-	-	1,940,697	-	-	1,940,697	-	-	-	-
Premiums receivable	10	-	-	1,180,720	-	-	1,180,720	-	-	-	-
Asset back securities	6.01(d)	-	-	24,020	-	-	24,020				
Cash & cash equivalents	12	-	-	175,040	-	-	175,040	-	-	-	-
Total assets		-	8,662,840	8,478,462	26,533	-	17,167,835	21,359	-	5,174	26,533

NOTE 39 – FINANCIAL RISK MANAGEMENT (CONTD...)

Group As at 31st December 2025	Note	FVTPL Rs.	Held to Maturity Rs.	Loans & receivables & Other Financial Assets Rs.	Available for Sale Rs.	Other Financial Liabilities Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial liabilities not measured at fair value											
Financial leases	14	-						-	-	-	-
Lease creditors	14	-				432,290,724	432,290,724				-
Re-insurance creditors	19	-				1,200,652,080	1,200,652,080	-	-	-	-
Bank overdrafts	12	-				159,398,822	159,398,822	-	-	-	-
Total liabilities		-	-	-	-	1,792,341,626	1,792,341,626	-	-	-	-

Company As at 31st December 2024	Note	FVTPL Rs.'000	Held to Maturity Rs.'000	Loans & receivables & Other Financial Assets Rs.'000	Available for Sale Rs.'000	Other Financial Liabilities Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets measured at fair value											
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											
Lease creditors	14	-				409,019	409,019	-	-	-	
Re-insurance creditors	14	-				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 (Contd...)

NOTE 39 – FINANCIAL RISK MANAGEMENT (CONTD...)

Company As at 31st December 2025	Note	FVTPL Rs.'000	Held to Maturity Rs.'000	Loans & receivables & Other Financial Assets Rs.'000	Available for Sale Rs.'000	Other Financial Liabilities Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets measured at fair value/amortised cost											
Treasury bonds	6.1 (a)	-	1,303,878	-	-	-	1,303,878	-	-	-	-
Unquoted equity instruments	6.3	-	-	-	5,174	-	5,174	-	-	5,174	5,174
Quoted equity instruments	6.3	-	-	-	21,359	-	21,359	21,359	-	-	21,359
Quoted debentures	6.1(b)	-	1,680,974	-	-		1,680,974		-	-	-
Financial assets not measured at fair value											
Fixed deposits	6.2	-	-	3,343,930	-	-	3,343,930	-	-	-	-
Unquoted debentures	6.3	-	-	-	-	-	-	-	-	-	-
Investments in repo	6.2	-	-	54,833	-	-	54,833	-	-	-	-
Commercial paper	6.2	-	-	886,662	-	-	886,662	-	-	-	-
Money market	6.2	-	-		-	-	-	-	-	-	-
Saving accounts	6.2	-	-	479	-	-	479	-	-	-	-
Reinsurance receivables	9	-	-	1,929,237	-	-	1,929,237	-	-	-	-
Premium receivables	10	-	-	1,163,075	-	-	1,163,075	-	-	-	-
Asset back securities	6.2	-	-	24,020	-	-	24,020				
Cash & cash equivalents	12	-	-	123,722	-		123,722	-	-	-	-
Total assets		-	2,984,852	7,525,959	26,533	-	10,537,344	21,359	-	5,174	26,533
Financial liabilities not measured at fair value											
Lease creditors	14	-	-	-	-	349,444	349,444	-	-	-	-
Reinsurance creditors	19	-	-	-	-	1,200,492	1,200,492	-	-	-	-
Bank overdrafts	12	-	-	-	-	159,399	159,399	-	-	-	-
Total liabilities		-	-	-	-	1,709,335	1,709,335	-	-	-	-

Company As at 31st December 2024	Note	FVTPL Rs.'000	Held to Maturity Rs.'000	Loans & receivables & Other Financial Assets Rs.'000	Available for Sale Rs.'000	Other Financial Liabilities Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets measured at fair value/amortised cost											
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							-				
Saving accounts				452			452				
Reinsurance receivables	9	-	-	1,217,562	-	-	1,217,562	-	-	-	-
Premiums receivable	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

NOTE 39 – FINANCIAL RISK MANAGEMENT (CONTD...)

Company As at 31st December 2024	Note	FVTPL Rs.'000	Held to Maturity Rs.'000	Loans & receivables & Other Financial Assets Rs.'000	Available for Sale Rs.'000	Other Financial Liabilities Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
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	-	-	-	-

B. Measurement of fair value

i. Valuation techniques and significant unobservable inputs

The following table show 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 2024	6,125,993
Total gains or losses recognised in other comprehensive income	(877,057)
Closing balance as at 31st December 2024	5,248,936
Balance as at 1st January 2025	5,248,936
Total gains or losses recognised in other comprehensive income	(75,047)
Closing balance as at 31st December 2025	5,173,888

Notes to the Financial Statements (Contd...)

NOTE 39.1 - 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 recognises 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



Note 39.01.01 – 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 recognises 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 2025 and 2024 are as follows.

NOTE 39.01.01 – RISK & CAPITAL MANAGEMENT (CONTD...)

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 2025				31st December 2024			
	Total Available Capital (TAC) (Rs.'000)	Minimum Capital Requirement (Rs.'000)	Risk-based Capital Adequacy Ratio (CAR)	Regulatory Minimum CAR	Total Available Capital (TAC) (Rs.'000)	Minimum Capital Requirement (Rs.'000)	Risk-based Capital Adequacy Ratio (CAR)	Regulatory Minimum CAR
Co-operative Insurance Company PLC	3,108,850	500,000	207%	120%	3,163,023	500,000	312%	120%
Cooplife Insurance Limited	2,907,905	500,000	500%	120%	2,500,165	500,000	415%	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 minimise 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 maximise 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.

Notes to the Financial Statements (Contd...)

NOTE 39.01.01 – RISK & CAPITAL MANAGEMENT (CONTD...)

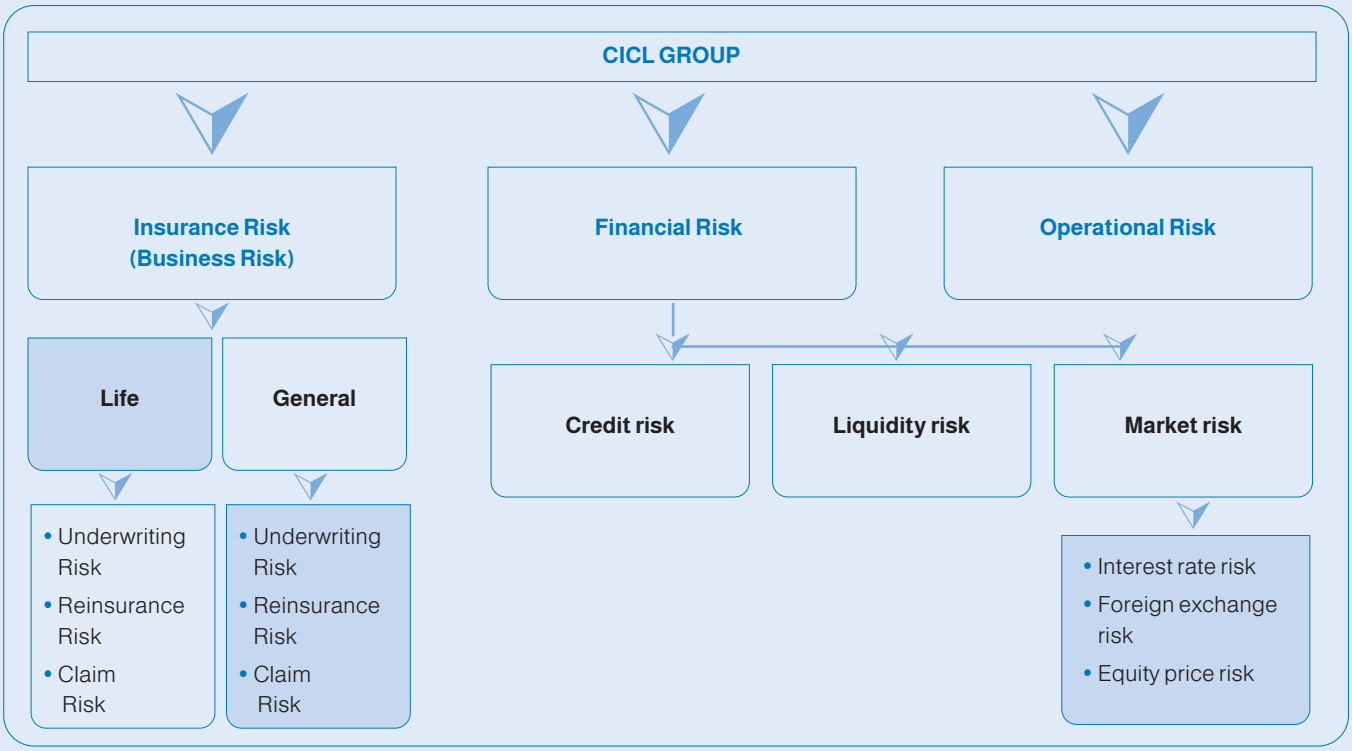
(D) Asset & Liability Management (ALM) Framework

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 39.02 – 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;



NOTE 39.02.01 - 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

NOTE 39.02.01 - INSURANCE RISK (BUSINESS RISK) (CONTD...)

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 39.02.01.01 - 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.

Notes to the Financial Statements (Contd...)

NOTE 39.02.01 - INSURANCE RISK (BUSINESS RISK)

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 illustrate the strategies followed by the Group to mitigates risk associated with life insurance.

Strategies associated with life insurance	* Focused training is provided to insurance advisors on proper selling in Sinhala, Tamil and English.
Undertaking	* 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 are reserved immediately at the intimation or on the availability of information of the death or injury of an insured.
Claims to manage within expected level	* The support of the reinsurers is obtained on reserving such claim liability and the share of reinsurers.
Reinsurance strategies associated	* A very close and professional relationship is maintained with all reinsurers and reinsurance brokers
With life insurance undertaking	* Frequent review of the outstanding reinsurance receivables.

(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 2025 Rs.('000)	Insurance Contract Liabilities as at 31st December 2024 Rs.('000)
Participating	2,813,243	2,555,219
Non-participating	2,400,457	2,279,229
Liability in respect of bonuses declared in the current year- for participating policyholders	17,415	21,760
Total	5,231,115	4,856,208

NOTE 39.02.01 - INSURANCE RISK (BUSINESS RISK)

(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 the 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 2025
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. 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 2025 or 2024, 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 2025 and 2024, 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 in Mn. 2025	2024
Mortality	10%	4,075	3,891
	-10%	4,052	3,865
Discount rate	5%	4,025	3,855
	-5%	4,105	3,903
Expenses	10%	4,178	3,973
	-10%	3,950	3,786

Notes to the Financial Statements (Contd...)

NOTE 39.02.01.02 – 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 optimise 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.

Following table illustrate the strategies followed by the Company to mitigates risk associates with general insurance.

Strategies associated with general insurance	• Limits are set on underwriting capacity, and authority granted to individuals based on their specific expertise.
Undertaking	• 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 are assessed immediately upon intimation and reserved accordingly..
Claims to manage within expected level	• As we reserved the previous claim estimation upon intimation, after finalizing the actual claim liability company adjust the actual claim amount accordingly.
	• 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.
Reinsurance strategies associated	• There are strict controls to ensure that no insurance cover is issued without a proper reinsurance arrangement backing the cover.
With general insurance undertaking	• 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.

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

(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	
		2025	2024
	Change in Assumptions	Rs.'000	Rs.'000
Reported claims outstandings	10%	4,574,174	3,528,410
	-10%	4,210,809	3,330,747

(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 2025, 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.

Notes to the Financial Statements (Contd...)

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

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 (GIC Re)	India	A- (Excellent)	AM Best
African Reinsurance Corporation (Africa Re)	Africa	"A" (Excellent)	AM Best
Malaysian National Reinsurance Berhad	Malaysia	"A-" (Excellent)	AM Best
New India Assurance / Reinsurance arm	India	BBB+ (Good)	AM Best
Ocean International Reinsurance Company Ltd	Barbados	"A-"	AM Best
Santam Re	South Africa	"A-"	AM Best
Qatar Insurance Company	Qatar	A-	AM Best
Best Meridian Insurance Company	Cayman Islands	"A-"	AM Best
CICA Re	TOGO	BBB-	AM Best
Am First Insurance Company	USA	A- (Excellent)	AM Best
Asian Reinsurance Corporation	Thailand	"BBB-"	AM Best
World Wide Reinsurance Limited	Trindad and Tobago and the repupublic of Guyana	"BBB-" (Good)	AM Best
Oman Reinsurance Company (Oman Re)	Oman	BBB-	AM Best
HANNOVER RE	Germany	"AA" (Superior)	AM Best
SWISS RE	Switzerland	"AA" (Superior)	AM Best
AXA XI Reinsurance Ltd	Dubai	"AA" (Superior)	AM Best
ODESSEY RE	France	"AA-" (Superior)	AM Best
SWISS LIFE	France	A-	S&P Global
National Insurance Trust Fund	Sri Lanka	NO	AM Best

(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:

	2025				2024			
Class	Gross Written Premium Rs.'000	Re-insurance Rs.'000	Net Written Premium Rs.'000	%	Gross Written Premium Rs.'000	Re-insurance Rs.'000	Net Written Premium Rs.'000	%
Motor	3,655,991	847,023	2,808,968	73%	3,503,414	919,648	2,583,766	77%
Fire & engineering	467,303	389,408	77,896	9%	283,616	242,885	40,731	6%
Marine	51,900	32,348	19,552	1%	45,993	33,684	12,309	1%
Miscellaneous	832,070	205,292	626,778	17%	692,651	166,911	525,739	15%
Total	5,007,264	1,474,070	3,533,193	100%	4,525,674	1,363,127	3,162,546	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.

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

(G) Estimation of IBNR reserve

The IBNR claims reserve has been actuarially computed by NMG Consulting. 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 Consulting 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 (BF).

Generally, NMG Consulting 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 Consulting 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.

+1% In claim ratio	2025 Rs.'000	2024 Rs.'000
Net impact to profit before tax	3,615	1,916
Impact to net assets	66,821	62,284

NOTE 39.02.02 - 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 categorised 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
- Premiums receivable
- 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.

Notes to the Financial Statements (Contd...)

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

(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.

		2025				2024			
	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	6.1	8,662,840	70%	2,984,852	46%	7,576,921	65%	2,835,157	42%
Debt securities - loans & receivables	6.2	54,833	0%	54,833	1%	1,339,718	11%	1,339,718	20%
Debt securities - available for sale	6.3	26,533	0%	26,533	0%	2,155	0%	-	0%
Total debt securities		8,744,207	70%	3,066,219	47%	8,918,795	76%	4,174,875	62%
Life policyholders loans	8	65,111	1%	-	0%	105,103	1%		0%
Reinsurance receivables	9	1,940,697	16%	1,929,237	30%	1,224,981	10%	1,217,562	18%
Premium receivables	10	1,180,720	9%	1,163,075	18%	1,109,396	9%	1,086,754	16%
Other assets	11	336,523	3%	242,728	4%	225,261	2%	154,859	2%
Cash & cash equivalents	12	175,040	1%	123,722	2%	127,374	1%	98,253	1%
Total credit risk exposure		12,442,298	100%	6,524,981	100%	11,710,910	100.00%	6,732,303	100%

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 categorised 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 amortised cost and subsequently, HTM assets are measured at amortised 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 amortised to profit or loss over the remaining life of the asset using the EIR (Effective Interest Rate). Such amortization has been recognised under interest income line in the profit or loss.

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

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 amounts as at 31st December 2025						
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-	1,809,607	862,923	-	-	-	2,672,530	19%
A+ to A-	1,626,133	3,496,880	-	-	-	5,123,013	37%
BBB+ to BBB-	160,470	724,999	-	-	-	885,470	6%
BB+ to BB-	-	-	-	-	-	-	0%
Government guaranteed	5,066,630	54,833	-	-	-	5,121,463	37%
Not rated	-	-	26,533	-	175,040	201,573	1%
Total	8,662,840	5,139,636	26,533	-	175,040	14,004,049	100%
Allowance for impairment		-	-	-	-	-	0%
As at 31st December 2024	8,662,840	5,139,636	26,533	-	175,040	14,004,049	100%

	Carrying amounts 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 2023	7,576,921	5,087,365	19,408	2,155	127,374	12,813,224	100%

Notes to the Financial Statements (Contd...)

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

	Carrying amounts as at 31st December 2025						
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-	760,973	798,479	-	-	-	1,559,452	21%
A+ to A-	759,531	2,904,229	-	-	-	3,663,760	49%
BBB+ to BBB-	160,470	552,383	-	-	-	712,854	10%
BB+ to BB-	-		-	-	-	-	0%
Government guaranteed	1,303,878	54,833	-	-	-	1,358,712	18%
Not rated	-	-	26,533	-	123,722	150,255	2%
Total	2,984,852	4,309,925	26,533	-	123,722	7,445,032	100%
Allowance for impairment	-	-	-	-	-	-	0%
As at 31st December 2024	2,984,852	4,309,925	26,533	-	123,722	7,445,032	100%

	Carrying amounts 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 2023	2,835,157	3,838,237	19,408	-	98,253	6,791,055	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.

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

(B) Credit risk exposure (Contd...)

The following table provides information relating to credit risk exposure of other financial assets:

	Reinsurance receivables		Premiums receivable	
	2025	2024	2025	2024
Group	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Maximum exposure to credit risk				
Neither past dues nor impaired	834,235	121,164	1,050,804	1,001,299
Past dues but not impaired				
61-90 days	31,456	45,830	129,084	107,603
91-365 days	220,732	369,470	3,366	19,439
365 days +	778,799	547,172	21,951	115,403
Total	1,865,222	1,083,636	1,205,205	1,243,745
Impaired			(24,486)	(134,348)
IBNR	75,475	141,345	-	-
Total	1,940,697	1,224,980	1,180,719	1,109,397

	Reinsurance receivables		Premiums receivable	
	2025	2024	2025	2024
Company	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Maximum exposure to credit risk				
Neither past dues nor impaired	831,538	120,896	1,033,160	978,657
Past dues but not impaired	-			
61-90 days	31,202	43,103	129,084	107,369
91-365 days	215,931	368,411	1,297	19,430
365 days +	775,091	543,808	21,951	115,403
Total	1,853,762	1,076,218	1,185,492	1,220,860
Impaired	-	-	(22,417)	(134,106)
IBNR	75,475	141,345	-	-
Total	1,929,237	1,217,562	1,163,075	1,086,754

(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 recoverable 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.

Notes to the Financial Statements (Contd...)

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

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.

	2025				2024			
Ratings - non life	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	
A+	-	-	-	0%	-	-	-	0%
A	-	-	-	0%	-	-	-	0%
A-	609,973,999	174,930,403	784,904,402	42%	235,750	104,149	339,899	28%
BB+	-	-	-	0%	-	-	-	0%
BB	-		-	0%	-		-	0%
B++	-	-	-	0%	-	-	-	0%
B+	-	-	-	0%	-	-	-	0%
BBB+	28,409,722	45,004,132	73,413,855	4%	224,480	26,240	250,721	21%
BBB-	68,039,298	438,795,575	506,834,873	27%	-	1,405	1,405	0%
NITF	197,264,541	291,344,539	488,609,080	26%	269,932	71,968	341,900	28%
Unrated	-	-	-	0%	-	-	-	0%
Total	903,687,560	950,074,650	1,853,762,210	100%	850,858	225,359	1,076,218	88%
IBNR	-	-	141,345	0%	-	-	141,345	12%
Total reinsurance receivables	903,687,560	950,074,650	1,853,903,554	100%	850,858	225,359	1,217,562	100%

	2025				2024			
Ratings - life	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-	2,695	8,764	11,459	100%	2,374	5,044	7,418	100%
Total reinsurance receivables	2,695	8,764	11,459	100%	2,374	5,044	7,418	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 2025 (Rs.'000)	206,821	627,414	1,022,225	1,865,222
As at 31st December 2024 (Rs.'000)	56,254	65,193	962,189	1,083,636

Company	Up to 30 Days	31-60 Days	Above 60 Days	Total Receivables
As at 31st December 2025 (Rs.'000)	204,184	627,354	1,022,225	1,853,762
As at 31st December 2024 (Rs.'000)	55,986	64,910	955,322	1,076,218

NOTE 39.02.01.02 – GENERAL INSURANCE CONTRACTS (CONTD...)

(E) Credit risk relating to loans

The following table illustrates how the loans have been segregated amongst different categories.

	Group		Company	
Loan categories	**2025 Rs.'000**	**2024 Rs.'000**	**2025 Rs.'000**	**2024 Rs.'000**
Staff loans	6,819	8,190	5,253	5,538
Loans to policyholders	65,111	105,103	-	-
Loans to field staff	2,332	4,218	-	-
Total	74,261	117,511	5,253	5,538

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. 175 million at 31 December 2025 (2024 - 127 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. 8.57 million (2024 - 15.4 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	**2025**	**2024**	**2025**	**2024**
Government securities & related institutions	37%	45%	19%	40%
Corporate debt securities.	36%	31%	35%	29%
Equity instruments	0%	0%	0%	0%
Others	27%	23%	46%	31%
Total	100%	100%	100%	100%

NOTE 39.02.03 - 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.
- Reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments (should claim events exceed a certain sise.)

Notes to the Financial Statements (Contd...)

NOTE 39.02.03 - LIQUIDITY RISK (CONTD...)

(A) Maturity analysis

Following table summarises 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 recognised insurance liabilities.

(B) Maturity profile- Group

	As at 31st December 2025					As at 31st December 2024				
	Total	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years	Total	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years
Group	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Assets										
Financial investments	13,871,857	4,126,602	4,094,864	3,070,928	2,579,463	12,685,850	5,667,307	4,058,847	1,533,278	1,426,417
Loans to policyholders	65,111	12,329	9,145	9,662	33,974	105,103	21,585	30,754	29,111	23,653
Reinsurance receivables	1,940,697	1,940,697				1,224,980	1,224,980			
Premium receivables	1,180,720	1,180,720				1,109,396	1,109,396			
Cash and cash equivalents	175,040	175,040				127,374	127,374			
Total assets	17,233,425	7,435,388	4,104,009	3,080,590	2,613,437	15,252,703	8,150,642	4,089,601	1,562,389	1,450,070
Liabilities										
Insurance contract liabilities-non life	4,392,491	-	-	-	-	3,429,579	2,796,504	277,262	166,420	189,391
Lease creditors	432,291	67,148	139,472	117,862	107,809	409,020	68,026	128,072	104,668	108,254
Reinsurance payables	1,200,652	1,200,652				1,081,153	1,081,153			
Other financial liabilities	1,288,349	1,288,349				1,085,588	1,085,588			
Bank overdrafts	159,399	159,399				291,021	291,021			
Total liabilities	7,473,182	2,715,548	139,472	117,862	107,809	6,296,360	5,322,292	405,334	271,088	297,646

	As at 31st December 2025					As at 31st December 2024				
	Total	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years	Total	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years
Company	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Assets										
Financial investments	7,321,310	2,598,512	2,711,545	2,011,253	-	6,692,802	4,000,948	2,192,362	499,492	-
Reinsurance receivables	1,929,237	1,929,237	-	-	-	1,217,562	1,217,562	-	-	-
Premium receivables	1,163,075	1,163,075	-	-	-	1,086,754	1,086,754	-	-	-
Cash and cash equivalents	123,722	123,722	-	-	-	98,253	98,253	-	-	-
Total assets	10,537,344	5,814,546	2,711,545	2,011,253	-	9,095,371	6,403,517	2,192,362	499,492	-
Liabilities										
Insurance contract liabilities-non life	4,392,491	-	-	-	-	3,429,579	2,796,504	277,262	166,419	189,391
Lease creditors	349,444	57,479.06	120,893.63	97,892.98	73,178.21	323,963	64,496	96,546	78,713	84,208
Reinsurance payables	1,200,492	1,200,492	-	-	-	1,081,153	1,081,153	-	-	-
Other financial liabilities	1,140,921	1,140,921	-	-	-	961,385	961,385	-	-	-
Bank overdrafts	159,399	159,399	-	-	-	291,021	291,021	-	-	-
Total liabilities	7,242,748	4,933,998	401,853	264,479	315,703	6,087,100	4,933,998	401,853	264,479	315,703

NOTE 39.02.03 - LIQUIDITY RISK (CONTD...)

FINANCIAL ASSETS PLEDGED AS COLLATERAL

Fixed deposits amounting to Rs. 200 Million have been pledged as collateral in respect of banking facilities obtained by the Company.

NOTE 39.02.04 - 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 39.02.04.01 - EQUITY PRICE RISK
NOTE 39.02.04.02 - FOREIGN EXCHANGE RISK
NOTE 39.02.04.03 - 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 39.02.04.01 - 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 2025 with the comparatives are as follows;

	Group		Company	
	2025	2024	2025	2024
Segment	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Listed equity investments	21,359	16,315	21,359	14,160

Following table shows the sector diversity of quoted equity investments of the Group.

	Group				Company			
	2025		2024		2025		2024	
Sector	**Rs.'000**	**%**	**Rs.'000**	**%**	**Rs.'000**	**%**	**Rs.'000**	**%**
Construction & engineering	-	0%	-	0%	-	-	-	-
Manufacturing	-	0%	-	0%	-	-	-	-
Capital goods		0%	554	26%	-	-	-	-
Retail		0%	156	7%	-	-	-	-
Beverage food & tobacco		0%	-	0%	-	-	-	-
Banks finance & insurance	21,359	100%	1,081	50%	21,359	-	14,160	100%
Hotels & travels		0%	364	17%	-	-	-	-
Total	21,359	100%	2,155	100%	21,359	0%	14,160	100%

Notes to the Financial Statements (Contd...)

NOTE 39.02.04.03 - INTEREST RATE RISK (CONTD...)

The table below shows the estimated impact from a 10 percent decline in the stock market, on the net assets of the Company.

	Net impact on net assets			
	Group		Company	
	2025	2024	2025	2024
10% decline in stock market	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Investmenw vts	21,359	16,315	21,359	14,160
Net impact on net assets	(2,136)	(1,631)	(2,136)	(1,416)

NOTE 39.02.04.02 - 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			
	2025		2024		2025		2024	
	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	227,379.20	69,650,499	153,752	45,004,760	227,379.20	69,650,499	153,752	45,004,760
Net of reinsurance payable	(19,988)	(6,122,698)			(19,988)	(6,122,698)		

(B) Sensitivity analysis

The table below shows the estimated impact to the profitability when the foreign currency rate movements against the domestic currency.

	Impact to PBT			
	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
5% Strengthening of Rupee	(3,181,394)	(2,250,238)	(3,181,394)	(2,250,237)
5% Weakening of Rupee	3,170,860	2,250,238	3,170,860	2,250,237
+/- Impact on profit	0.619%	0.706%	0.979%	-0.667%

NOTE 39.02.04.03 - 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.

NOTE 39.02.04.03 - INTEREST RATE RISK (CONTD...)

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

	2025				2024			
	Variable Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total	Variable Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total
Financial Assets - Group	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Financial instruments - Held maturity	-	8,662,840	-	8,662,840	-	7,576,921	-	7,576,921
Financial instruments - Loans & receivables	246,289	4,936,195	-	5,182,484	604,209	4,483,156	-	5,087,365
Financial instruments - Available for sale	-	-	26,533	26,533	-	-	19,408	19,408
Financial instruments - FCTP	-	-	-	-	-	-	2,155	2,155
Loans to life policyholders	-	65,111	-	65,111	-	105,103	-	105,103
Staff & other loans	5,253	3,897	-	9,150	5,538	6,870	-	12,408
Cash & cash equivalents	-	166,454	8,587	175,040	-	100,509	26,865	127,374
Total assets - Group	251,542	13,834,496	35,120	14,121,158	609,748	12,272,559	48,428	12,930,735
Commission payable	-	122,625	-	122,625	-	96,104	16,438	112,542
Bank overdrafts	-	159,399	-	159,399	-	291,021	-	291,021
Total liabilities - Group	-	282,024	-	282,024	-	387,126	16,438	403,564

	2025				2024			
	Variable Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total	Variable Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total
Financial assets- Company	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Financial instruments - Held maturity	-	2,984,852	-	2,984,852	-	2,835,157	-	2,835,157
Financial instruments - Loans & receivables	-	4,309,925	-	4,309,925	-	3,838,237	-	3,838,237
Financial instruments - Available for sale	-	-	26,533	26,533	-	-	19,408	19,408
Staff & other loans	5,253	-	-	5,253	5,538	-	-	5,538
Cash & cash equivalents	-	121,453	2,268	123,722	-	95,405	2,848	98,253
Total assets - Company	5,253	7,416,230	28,801	7,450,284	5,538	6,768,799	22,256	6,796,593
Commission payable	-	104,976	-	104,976	-	96,104	-	96,104
Bank overdrafts	-	159,399	-	159,399	-	291,021	-	291,021
Total liabilities - Company	-	264,375	-	264,375	-	387,126	-	387,126

Notes to the Financial Statements (Contd...)

NOTE 39.02.04.03 - INTEREST RATE RISK (CONTD...)

(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.

	2025					2024				
	Impact on	Impact on equity change in variables				Impact on	Impact on equity change in variables			
Group	Profit Before Tax	Up To One Year	1-5 Years	Over 5 Years	Total	Profit Before Tax	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 39.02.05.- 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.

Segment Review - Statment of profit or loss and other comprehensive Income for the year ended 31 December 2025

For The Year Ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	2025 Company (Non Life) Rs.'000	2025 Subsidiary (Coop Life) Rs.'000	2025 Subsidiary (CITA) Rs.'000	2025 Consolidation Adjustments Rs.'000	2025 Total Rs.'000	2024 Company (Non Life) Rs.'000	2024 Subsidiary (Coop Life) Rs.'000	2024 Subsidiary (CITA) Rs.'000	2024 Total Rs.'000
Gross written premium	5,007,263,601	1,216,886,278	-	(3,697,383)	6,220,452,496	4,525,673,733	1,107,324,544	-	(4,000,919) 5,628,997,359
Less: premium ceded to reinsurers	(1,474,070,437)	(45,448,192)	-	-	(1,519,518,629)	(1,363,127,492)	(46,322,677)	-	- (1,409,450,169)
Net written premium	3,533,193,164	1,171,438,086	-	(3,697,383)	4,700,933,867	3,162,546,241	1,061,001,868	-	(4,000,919) 4,219,547,190
Net change in reserves for unearned premium	(274,186,172)	-	-	-	(274,186,172)	391,081,276	-	-	- 391,081,276
Net earned premium	3,259,006,992	1,171,438,086	-	(3,697,383)	4,426,747,695	3,553,627,517	1,061,001,868	-	(4,000,919) 4,610,628,466
Other income									
Investment income	841,511,891	852,565,407	152,228	-	1,694,229,527	891,938,066	871,011,327	138,618	- 1,763,088,012
Net realised gain in financial investments	-	983,371	-	-	983,371	-	-	-	- 666,770
Unrealised changes in losses of financial instruments	-	-	-	-	-	-	666,770	-	- -
Policy administration fees	323,991,445	-	-	-	323,991,445	336,402,477	-	-	- 336,402,476
Other income	14,745,365	6,853,366	100,872	(5,524,626)	16,174,976	8,783,593	36,303,407	164,000	(6,375,950) 38,875,050
	1,180,248,701	860,402,144	253,100	(5,524,626)	2,035,379,319	1,237,124,136	907,981,504	302,619	(6,375,950) 2,139,032,308
Total revenue	4,439,255,693	2,031,840,230	253,100	(9,222,009)	6,462,127,014	4,790,751,653	1,968,983,372	302,619	(10,376,869) 6,749,660,774
Net benefits & claims									
Gross benefits & claims incurred	3,419,658,234	931,986,303	-	-	4,351,644,537	3,233,300,642	293,215,614	-	- 3,526,516,256
Claims ceded to reinsurers	(1,030,967,517)	(11,681,694)	-	-	(1,042,649,211)	(394,698,572)	(9,532,065)	-	- (404,230,637)
Change in life contract liabilities	-	379,252,263	-	-	379,252,263	-	941,803,078	-	- 941,803,078
	2,388,690,717	1,299,556,872	-	-	3,688,247,589	2,838,602,070	1,225,486,626	-	- 4,064,088,697
	2,050,564,976	732,283,357	253,100	(9,222,009)	2,773,879,425	1,952,149,583	743,496,745	302,619	(10,376,869) 2,685,572,078
Other expenses									
Underwriting & policy acquisition cost	36,375,815	140,684,064	-	-	177,059,878	152,539,533	132,820,902	-	(3,905) 285,356,529
Other operating & administrative expenses	1,648,761,748	392,418,450	167,997	(9,222,009)	2,032,126,185	1,599,804,736	433,840,371	403,911	(10,372,963) 2,023,676,056
Finance cost	41,401,565	10,647,911	-	-	52,049,476	46,750,517	11,168,025	-	- 57,918,542
	1,726,539,128	543,750,424	167,997	(9,222,009)	2,261,235,539	1,799,094,786	577,829,299	403,911	(10,376,869) 2,366,951,127
Profit / (loss) before tax	324,025,848	188,532,933	85,103	-	512,643,886	153,054,797	165,667,447	(101,293)	- 318,620,950
Income tax expenses	(136,115,613)	(97,433,232)	(25,531)	-	(233,574,376)	(39,663,025)	(5,268,545)	(42,782)	- (44,974,353)
Profit / (loss) for the year	187,910,235	91,099,702	59,572	-	279,069,508	113,391,772	160,398,902	(144,075)	- 273,646,598

Segment Review - Statment of profit or loss and other comprehensive Income for the year ended 31 December 2025 Contd.

Other comprehensive income										
Items that will not be reclassified subsequently to profit or loss;										
Revaluation of land & buildings	176,688,840	53,197,019	-	-	229,885,859	78,085,615	(16,640,722)	-	-	61,444,893
Actuarial gain / (loss) on defined benefit plan	(17,155,377)	(4,831,313)	-	-	(21,986,690)	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	7,124,581	-	-	-	7,124,581	3,976,116	-	-	-	3,976,116
Tax on other comprehensive income	(12,321,177)	(13,821,078)	-	-	(26,142,254)	1,906,286	11,095,487	-	-	13,001,773
Total comprehensive income for the year	342,247,102	125,644,330	59,572	-	467,951,008	208,702,614	156,891,685	(144,075)	-	365,450,223

Segmental Review - Statment of financial position as at 31 December 2025

For the year ended 31st December 2025 (All amounts are in Sri Lanka Rupees)	2025 Company (Non Life) Rs.	Subsidiary (Coop Life) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustments Rs.	Total Rs.	2024 Company (Non Life) Rs.	Subsidiary (Coop Life) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustments Rs.	Total Rs.
Assets										
Property, plant & equipment	1,149,116,808	349,523,415	-	-	1,498,640,223	1,116,182,937	313,608,612	-	-	1,429,791,549
Work in progress (WIP) - Building	12,100,588	-	-	-	12,100,588	12,012,088	-	-	-	12,012,088
Right of use assets	290,020,429	70,713,776	-	-	360,734,205	264,148,227	72,222,735	-	-	336,370,962
Intangible assets	15,550,892	9,874,711	-	-	25,425,603	19,975,556	6,228,920	-	-	26,204,475
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Financial investments	7,321,309,982	6,549,046,648	1,500,000	-	13,871,856,630	6,692,802,195	5,991,547,965	1,500,000	-	12,685,850,160
Investments in subsidiaries	544,260,050	-	-	(544,260,050)	-	544,260,050	-	-	(544,260,050)	-
Loans to policy holders	-	65,110,612	-	-	65,110,612	-	105,103,118	-	-	105,103,118
Reinsurance receivables	1,929,237,242	11,459,948	-	-	1,940,697,190	1,217,562,334	7,418,399	-	-	1,224,980,733
Premiums receivable	1,163,075,166	17,644,572	-	-	1,180,719,738	1,086,754,021	22,642,269	-	-	1,109,396,290
Related party receivables	7,147,570	-	-	(7,147,570)	-	17,700,070	-	-	(17,700,070)	-
Other assets	242,728,487	41,509,848	73,468	-	284,311,802	154,859,011	70,328,959	72,740	-	225,260,710
Cash & cash equivalents	123,721,600	46,234,858	5,083,908	-	175,040,366	98,252,723	24,017,129	5,104,121	-	127,373,973
Total Assets	12,798,268,814	7,161,118,388	6,657,375	(551,407,620)	19,414,636,957	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	2,198,315,515	544,260,040	10	(544,260,050)	2,198,315,515
Revaluation reserve	1,249,308,622	282,154,449	-	(18,228,939)	1,513,234,133	1,090,041,186	242,778,508	-	(18,228,939)	1,314,590,754
Available for sales reserve	4,441,759	(26,097,208)	-	(31,137,497)	(52,792,946)	(6,626,274)	(34,436,363)	-	(31,137,497)	(72,200,124)
Retained earnings	1,873,162,775	792,154,865	641,434	49,366,436	2,715,325,510	1,693,438,456	705,886,476	581,862	49,366,436	2,449,273,229
Non controlling interest	-	-	-	-	-	-	-	-	-	-
Total equity	5,325,228,670	1,592,472,147	641,444	(544,260,050)	6,374,082,211	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	11,000,000	-	-	-	11,000,000
Retirement benefit obligations	125,902,705	27,675,187	-	-	153,577,892	104,276,220	20,558,140	-	-	124,834,359
Interest bearing borrowings	-	-	-	-	-	-	-	-	-	-
Lease liability under SLFRS 16	349,443,848	82,846,876	-	-	432,290,724	323,962,598	85,056,724	-	-	409,019,322
Insurance liabilities	4,392,491,111	5,242,395,177	-	-	9,634,886,288	3,429,578,736	4,898,711,974	-	-	8,328,290,712
Reinsurance creditors	1,200,492,430	159,650	-	-	1,200,652,080	1,081,152,566	-	-	-	1,081,152,566
Related party payables	-	1,305,294	5,842,280	(7,147,571)	-	-	11,851,221	5,839,093	(17,690,314)	-
Deferred tax liability	93,389,896	67,009,654	-	-	160,399,550	46,963,905	14,494,289	-	-	61,458,195
Other liabilities	1,140,921,331	147,254,403	173,651	-	1,288,349,390	961,384,958	123,957,098	255,896	(9,756)	1,085,588,185
Bank overdrafts	159,398,822	-	-	-	159,398,822	291,021,345	-	-	-	291,021,345
Total liabilities	7,473,040,143	5,568,646,241	6,015,931	(7,147,571)	13,040,554,747	6,249,340,328	5,154,629,447	6,094,989	(17,700,070)	11,392,364,684
Total Equity & Liabilities	12,798,268,814	7,161,118,388	6,657,376	(551,407,621)	19,414,636,958	11,224,509,211	6,613,118,107	6,676,861	(561,960,121)	17,282,344,059

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Segmental Review - Statement of Financial Position - 2025

For the year ended 31st december 2025 (All amounts are in Sri Lanka Rupees)	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustment Rs.	Total Rs.
Assets					
Property, plant & equipment	1,149,116,808	349,523,415	-		1,498,640,223
Work in progress (WIP) -Building	12,100,588				12,100,588
Right of use assets	290,020,429	70,713,776			360,734,205
Intangible assets	15,550,892	9,874,711			25,425,603
Financial investments	7,321,309,982	6,549,046,648	1,500,000		13,871,856,630
Investments in subsidiaries	544,260,050			(544,260,050)	-
Loans to life policy holders	-	65,110,612			65,110,612
Reinsurance receivables	1,929,237,242	11,459,948			1,940,697,190
Premiums receivable	1,163,075,166	17,644,572			1,180,719,738
Related party receivables	7,147,570			(7,147,570)	-
Other assets	242,728,487	41,509,848	73,468	-	284,311,802
Cash & cash equivalents	123,721,600	46,234,858	5,083,908	-	175,040,366
Total Assets	12,798,268,814	7,161,118,388	6,657,375	(551,407,620)	19,414,636,958
Equity & Liabilities					
Equity attributable to equity holders of the parent					
Stated capital	2,198,315,515	544,260,040	10	(544,260,050)	2,198,315,515
Revaluation reserve	1,249,308,622	282,154,449		(18,228,939)	1,513,234,133
Available for sales reserve	4,441,759	(26,097,208)		(31,137,497)	(52,792,946)
Retained earnings	1,873,162,775	792,154,865	641,434	49,366,436	2,715,325,510
	5,325,228,670	1,592,472,147	641,444	(544,260,050)	6,374,082,211
Non-controlling interest	-				-
Total Equity	5,325,228,670	1,592,472,147	641,444	(544,260,050)	6,374,082,211
Liabilities					
Preference shares	11,000,000				11,000,000
Retirement benefit obligations	125,902,705	27,675,187			153,577,892
Lease liability	349,443,848	82,846,876			432,290,724
Insurance liabilities	4,392,491,111	5,242,395,177			9,634,886,288
Reinsurance creditors	1,200,492,430	159,650			1,200,652,080
Deferred tax liability	93,389,896	67,009,654			160,399,550
Other liabilities	1,140,921,331	147,254,403	173,651	-	1,288,349,385
Bank overdrafts	159,398,822				159,398,822
Total liabilities	7,473,040,143	5,568,646,241	6,015,931	(7,147,571)	13,040,554,745
Total Equity & Liabilities	12,798,268,814	7,161,118,388	6,657,376	(551,407,621)	19,414,636,956

Segmental Review - Statement of Financial Position – 2024

For the year ended 31st december 2024 (All amounts are in Sri Lanka Rupees)	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustment 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

Segment Review - Statement of Profit or Loss and Other Comprehensive Income - 2025

For the year ended 31st december 2025 (All amounts are in Sri Lanka Rupees)	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustment Rs.	Total Rs.
Gross written premium	5,007,263,601	1,216,886,278		(3,697,383)	6,220,452,496
Less: premium ceded to reinsurers	(1,474,070,437)	(45,448,192)			(1,519,518,629)
Net written premium	3,533,193,164	1,171,438,086		(3,697,383)	4,700,933,867
Net change in reserves for unearned premium	(274,186,172)	-			(274,186,172)
Net earned premium	3,259,006,992	1,171,438,086		(3,697,383)	4,426,747,695
Other revenue					
Investment income	841,511,891	852,565,407	152,228	-	1,694,229,526
Unrealised changes in losses of financial instruments	-				
Net realised gain in financial investments	-	983,371			983,371
Net realised gain in financial investments	-				-
Policy administration fees	323,991,445				323,991,445
Other income	14,745,365	6,853,366	100,872	(5,524,626)	16,174,976
	1,180,248,701	860,402,144	253,100	(5,524,626)	2,035,379,318
Total net revenue	4,439,255,693	2,031,840,230	253,100	(9,222,009)	6,462,127,013
Net benefits & claims					
Gross benefits & claims incurred	3,419,658,234	931,986,303			4,351,644,537
Claims ceded to reinsurers	(1,030,967,517)	(11,681,694)			(1,042,649,211)
Change in life contract liabilities	-	379,252,263			379,252,263
	2,388,690,717	1,299,556,872		0	3,688,247,589
Other expenses					
Underwriting & policy acquisition cost	36,375,815	140,684,064		-	177,059,879
Other operating & administrative expenses	1,648,761,748	392,418,450	167,997	(9,222,009)	2,032,126,185
Finance cost	41,401,565	10,647,911		-	52,049,476
	1,726,539,128	543,750,424	167,997	(9,222,009)	2,261,235,540
Profit/ (loss) before income tax	324,025,848	188,532,933	85,103	-	512,643,884
Income tax expenses	(136,115,613)	(97,433,232)	(25,531)		(233,574,376)
Profit / (loss) for the year	187,910,235	91,099,702	59,572	-	279,069,508
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss ;					
Revaluation of property, plant & equipment	176,688,840	53,197,019		-	229,885,859
De-recognition of revaluation reserve	-	-			-
Actuarial gain/ (loss) on defined benefit plan	(17,155,377)	(4,831,313)		-	(21,986,690)
Items that may be reclassified subsequently to profit or loss ;					
Amortization of available for sales reserve to profit or loss due to re-classification of financial instruments					
Net change in fair value of available-for-sale financial assets	7,124,581			-	7,124,581
Tax on other comprehensive income	(12,321,177)	(13,821,078)		-	(26,142,255)
	154,336,868	34,544,628		-	188,881,495
Total comprehensive income for the year, net of tax	342,247,102	125,644,330	59,576	-	467,951,008

Segment Review - Statement of Profit or Loss and Other Comprehensive Income - 2024

For the year ended 31st december 2024 (All amounts are in Sri Lanka Rupees)	Company (Non Life) Rs.	Subsidiary (Cooplife) Rs.	Subsidiary (CITA) Rs.	Consolidation Adjustment 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
Net realised gain in financial investments	-	-	-	-	666,770
Unrealised changes in losses of financial instruments	-	666,770	-	-	-
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 / (loss) before 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 / (loss) 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 & buildings	78,085,615	(16,640,722)	-	-	61,444,893
Reversal of deferred tax on revaluation reserve					-
De-recognition of revaluation reserve	-	-	-	-	-
Actuarial gain / (loss) 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 net change in fair value of available-for-sale financial assets					-
Tax on actuarial gains/(losses) on defined benefit plans					-
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

Statement of Value Added - Group

	2025	%	2024	%
Net earned Prmium	4,426,747,695		4,610,628,466	
Investment Income and other Income	2,035,379,319		2,033,380,481	
	6,462,127,014		6,644,008,947	
Net Claims and benefits	(3,308,995,326)		(3,122,285,619)	
Cost of External Services	(609,524,862)		(649,466,043)	
Value Added	2,543,606,826		2,872,257,285	
To employess as salaries and other benefits	852,031,155	33.50%	823,274,065	28.66%
To Intermediaries as Commission	605,233,812	23.79%	547,672,586	19.07%
To the Government as Taxes	160,775,274	6.32%	42,782	0.00%
To life policyholders as increase in the life fund	379,252,264	14.91%	941,803,078	32.79%
Retained Within the Business				
- As Depreciation	267,244,810	10.51%	285,818,177	9.95%
- As Profit	279,069,511	10.97%	273,646,598	9.53%
	2,543,606,826		2,872,257,285	100.00%

Insurance Revenue Accounts

	2025	2024
Insurance Business - Non Life		
Gross written Premium	5,007,263,601	4,525,673,733
Less premium ceded to reinsurers	(1,474,070,437)	(1,363,127,492)
Net Written Premium	3,533,193,164	3,162,546,241
Net Change In Reserves for Unearned Premium	(274,186,172)	391,081,276
Net Earned Premium	3,259,006,992	3,553,627,517
Finance Income	841,511,891	891,938,066
Policy administration fee	323,991,445	336,402,477
Other operating revenue	14,745,365	8,783,593
Total Other Income	1,180,248,701	1,237,124,136
Total Revenue	4,439,255,693	4,790,751,653
Gross benefits and claims incurred	3,419,658,234	3,233,300,642
claims ceded to reinsurers	(1,030,967,517)	(394,698,572)
Underwriting and policy acquisition cost	36,375,815	152,539,533
Other operating and administration expense	1,648,761,748	1,599,804,736
Total Expense	4,073,828,280	4,590,946,339
Operating profit from non Life Business (Before Interest)	365,427,413	199,805,314
Insurance Business - Life		
Gross written premium	1,216,886,278	1,107,324,544
Less Premium ceded to reinsurers	(45,448,192)	(46,322,677)
Net written Premium	1,171,438,086	1,061,001,868
Finance Income	852,565,407	871,011,327
Realised gains/(losses)	983,371	666,770
Net fair value gains/(losses)		
Other operating revenue	6,853,366	36,303,407
Total Other Income	860,402,144	907,981,504
Total Revenue	2,031,840,230	1,968,983,372
Gross benefits and claims	931,986,303	293,215,614
Claim ceded to reinsurers	(11,681,694)	(9,532,065)
Change in contract liabilities - Life	379,252,263	941,803,078
Underwriting and policy acquisition cost	140,684,064	132,820,902
Other operaing and administration expense	392,418,450	433,840,371
Total other expenses	1,832,659,387	1,792,147,901
Operating profit from life business (before interest)	199,180,843	176,835,471
Reconciliation of statement of insurance revenue account		
Operating profit from non life Business	365,427,413	199,805,314
Surplus from life insurance Bisiness	199,180,843	176,835,471
Profit from operations	564,608,256	376,640,785
Interest expenses	(52,049,476)	(57,918,542)
Profit before tax (Life and Non Life)	512,558,780	318,722,243
Income tax	(233,574,375)	(44,974,353)
Net profit for the year (Life insurance and Non Life insurance)	278,984,405	273,747,890
Consolidation Entries net effect to profit		
Profit from Coopinsu Training Academy	85,106	(101,293)
	279,069,511	273,646,596

Ten Year Summary - Statement of Income

Rs.	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Non-Life Insurance (Company)										
Gross written premium	5,007,263,601	4,525,673,733	4,538,557,140	5,086,944,501	4,519,359,369	4,400,098,871	4,305,789,306	3,750,838,457	3,055,835,664	2,475,543,314
Net earned premium	3,259,006,992	3,553,627,517	4,106,470,284	4,161,237,927	3,760,133,804	3,633,778,687	3,426,597,330	2,844,440,066	2,351,320,143	1,936,570,424
Insurance claims and benefits (net)	(2,388,690,717)	(2,838,602,070)	(3,586,510,069)	(2,598,732,501)	(2,125,214,297)	(1,982,740,412)	(2,381,993,056)	(1,926,867,312)	(1,528,846,896)	(1,283,478,692)
Underwriting and policy acquisition cost	(36,375,815)	(152,539,533)	(322,268,438)	(324,022,548)	(293,817,293)	(244,837,049)	(214,255,963)	(140,612,881)	(93,500,473)	(153,697,752)
Income from investments and other income	1,180,248,701	1,237,124,136	1,296,977,312	1,018,048,587	753,253,872	728,716,496	656,357,875	531,260,412	403,773,308	294,491,336
Expenses	(1,690,163,313)	(1,646,555,253)	(1,831,893,353)	(1,693,183,604)	(1,355,013,859)	(1,264,839,582)	(1,089,451,974)	(902,443,863)	(733,634,684)	(604,743,561)
Profir/Losses before tax	324,025,848	153,054,796	(337,224,265)	563,347,860	739,342,226	870,078,140	397,254,212	405,776,422	399,111,399	189,141,754
Life Insurance										
Gross written premium	1,216,886,278	1,107,324,544	1,168,279,877	1,114,975,610	840,558,515	775,410,100	772,782,378	619,881,069	626,972,292	466,997,348
Net earned premium	1,171,438,086	1,061,001,868	1,122,458,218	1,068,239,389	794,464,871	728,425,643	720,805,954	574,047,900	587,044,481	425,981,838
Insurance claims and benefits (net)	(920,304,609)	(283,683,549)	(262,944,232)	(359,750,124)	(251,324,485)	(331,219,193)	(210,010,243)	(204,535,316)	(108,985,319)	(70,642,166)
Underwriting and policy acquisition cost (Including reinsurers)	(140,684,064)	(132,820,902)	(123,945,518)	(152,446,033)	(136,854,463)	(97,645,436)	(80,783,712)	(98,338,985)	(77,109,647)	(66,576,558)
Income from investments and other income	860,402,144	907,981,504	739,138,632	420,387,265	306,033,965	290,303,742	248,614,487	206,470,868	193,151,817	84,774,207
Other operating and administration expenses	(403,066,360)	(445,008,397)	(379,501,598)	(343,762,041)	(304,295,708)	(282,092,874)	(291,388,217)	(322,735,364)	(289,965,945)	(229,270,775)
Change in contract liabilities - Life fund	(379,252,263)	(941,803,078)	(1,132,109,991)	(433,141,538)	(191,271,608)	(237,966,209)	(328,131,183)	(110,736,893)	(249,255,888)	(151,532,183)
Profit before tax	188,532,933	165,667,447	(36,904,490)	199,526,918	216,752,572	69,805,673	831,889,463	43,736,883	54,879,499	(7,265,638)
Group										
Gross written premium	6,220,452,496	5,628,997,359	5,702,803,079	6,198,211,634	5,355,662,407	5,171,822,516	5,075,046,995	4,368,316,886	3,677,800,345	2,940,072,597
Net earned premium	4,426,747,695	4,610,628,466	5,224,894,563	5,225,768,839	4,550,343,197	4,358,517,875	4,143,878,595	3,763,543,438	2,933,357,013	2,360,084,198
Insurance claims and benefits (net)	(3,308,995,326)	(3,122,285,619)	(3,849,454,301)	(2,958,482,628)	(2,376,538,783)	(2,313,959,605)	(2,592,003,299)	(2,242,139,521)	(1,637,832,215)	(1,354,120,858)
Underwriting and policy acquisition cost (Including reinsurers)	(177,059,878)	(285,356,529)	(446,213,956)	(476,468,581)	(430,671,756)	(342,482,485)	(295,039,683)	(238,951,866)	170,610,120	(220,274,311)
Income from investments and other income	2,035,379,319	2,139,032,308	2,033,380,481	1,435,219,154	1,030,766,313	1,015,568,399	871,282,160	697,665,431	591,083,237	356,752,583
Other operating and administration expenses	(2,084,175,661)	(2,081,594,598)	(2,204,518,119)	(2,030,028,238)	(1,649,591,862)	(1,539,628,410)	(1,373,056,014)	(1,217,911,302)	(1,012,751,129)	(829,033,312)
Change in contract liabilities - Life fund	(379,252,263)	(941,803,078)	(1,132,109,991)	(433,141,538)	(191,271,608)	(237,966,209)	(328,131,183)	(110,736,893)	(249,255,888)	(151,532,183)
Profit before tax	512,643,886	318,620,950	(374,021,323)	762,867,008	933,035,501	940,049,565	426,930,575	414,748,068	453,990,898	161,876,118

Ten Year Summary - Financial Position

Rs.	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ASSETS										
Property, plant and equipment	1,149,116,808	1,116,182,937	1,108,685,485	1,071,181,539	978,949,984	924,285,766	915,227,525	856,627,241	827,891,117	782,372,876
Work in progress (WIP) -Building	12,100,588	12,012,088								
Right of Use Assets	290,020,429	264,148,227	326,506,466	329,708,172	328,836,556	276,751,236	284,133,939	-	-	-
Intangible Assets	15,550,892	19,975,556	22,797,959	27,378,598	22,145,481	16,229,209	9,260,615	2,861,955	2,136,027	3,073,679
Financial Investments	7,321,309,982	6,692,802,195	6,465,953,900	6,433,921,984	5,850,388,827	4,411,648,309	3,498,089,564	2,887,575,982	2,365,950,814	1,903,630,823
Investment in subsidiary	544,260,050	544,260,050	544,260,050	544,260,050	544,260,050	574,260,050	455,260,050	445,260,050	410,000,040	400,000,040
Deffered tax asset	-			-	-	-	-	-	30,250,575	39,207,757
Loans to life policyholders	-	-		-	-	-	-	-	-	-
Reinsurance receivables	1,929,237,242	1,217,562,334	971,307,802	514,122,730	655,095,061	364,005,542	394,409,744	331,971,907	245,140,054	82,931,657
Premium receivables	1,163,075,166	1,086,754,021	1,285,546,668	1,321,254,103	1,010,997,067	1,096,720,671	923,241,077	750,717,081	593,207,932	418,971,726
Related party receivables	7,147,570	17,700,070	8,830,924	6,479,613	10,635,220	15,650,469	16,676,075	11,535,904	7,956,943	11,998,559
Other assets	242,728,487	154,859,011	136,862,743	89,625,353	133,674,987	78,457,475	53,763,400	85,488,497	70,086,779	69,296,033
Cash and cash equivalents	123,721,600	98,252,723	133,580,333	71,918,536	267,833,246	177,828,759	119,168,796	120,708,829	114,938,091	75,831,464
TOTAL ASSETS	12,798,268,814	11,224,509,211	11,004,332,330	10,409,850,679	9,802,816,480	7,935,837,486	6,669,230,785	5,492,747,446	4,667,558,372	3,787,314,614
EQUITY AND LIABILITIES										
EQUITY										
Stated capital	2,198,315,515	2,198,315,515	2,198,315,515	2,198,315,515	2,198,315,515	1,515,756,670	1,515,756,670	1,430,194,585	1,260,251,770	1,115,367,950
Revaluation reserve	1,249,308,622	1,090,041,186	1,004,461,996	856,105,427	681,732,543	515,270,012	421,742,144	322,407,068	333,597,638	268,847,038
Available for sale reserves	4,441,759	(6,626,274)	(12,432,304)	(24,198,263)	(28,355,243)	(33,538,944)	(39,439,817)	(48,607,352)	(67,029,162)	(87,476,248)
Revenue reserves - Retained earnings	1,873,162,775	1,693,438,456	1,736,965,015	1,992,173,103	1,767,966,317	1,401,972,797	748,360,117	656,163,366	553,311,055	398,604,509
TOTAL EQUITY	5,325,228,670	4,975,168,883	4,927,310,223	5,022,395,782	4,619,659,132	3,399,460,535	2,646,419,114	2,360,157,667	2,080,131,301	1,695,343,249
LIABILITIES										
Interest bearing borrowings					-	-	-	1,763,819	8,414,249	17,625,419
Preference shares	11,000,000	11,000,000	11,000,000	11,000,000	50,500,000	50,500,000	-			
Insurance provision - Life	-	-	-	-	-	-	-		-	-
Lease liability under SLFRS 16	349,443,848	323,962,598	386,976,373	377,192,259	361,850,546	295,985,027	290,817,618			
Insurance provision - Non Life	4,392,491,111	3,429,578,736	3,574,763,101	3,249,134,939	3,126,799,940	2,956,779,172	2,735,576,692	2,229,943,843	1,900,064,983	1,653,884,388
Retirement benefit obligations	125,902,705	104,276,220	103,240,942	92,256,948	65,597,849	53,222,055	53,695,603	40,738,427	37,993,692	32,130,390
Reinsurance Creditors	1,200,492,430	1,081,152,566	830,449,668	513,045,287	622,122,585	212,724,701	309,664,298	291,709,148	196,593,172	100,183,584
Deferred tax liability	93,389,896	46,963,905	46,748,533	78,137,283	54,108,229	48,624,012	61,110,824	51,698,297		
Other liabilities	1,140,921,331	961,384,958	992,255,548	1,047,705,377	880,304,699	858,075,370	539,162,386	422,227,958	374,392,781	247,075,734
Bank Over draft	159,398,822	291,021,345	131,587,942	18,982,804	21,873,500	60,466,614	32,784,250	94,508,287	69,968,193	41,071,850
TOTAL LIABILITIES	7,473,040,143	6,249,340,328	6,077,022,107	5,387,454,897	5,183,157,348	4,536,376,951	4,022,811,671	3,132,589,779	2,587,427,071	2,091,971,365
TOTAL EQUITY AND LIABILITIES	12,798,268,814	11,224,509,211	11,004,332,330	10,409,850,679	9,802,816,480	7,935,837,486	6,669,230,785	5,492,747,446	4,667,558,372	3,787,314,614

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	2025	2024
Highest Price Per Share (Rs.)	6.00	3.30
Lowest Price Per Share (Rs.)	3.70	2.50
Last Traded Price Per Share as at 31st December	4.40	3.10
P/E Ratio (Times) - Group	26	18

SHARE PERFORMANCE - OTHER RATIOS

Description	2025	2024
Dividend per share (Rs.)	-	0.10
Dividend Payment (Rs. Mn)	-	165
Dividend Pay-out (%)	-	143
Basic Earnings per share (Rs.) – Group	0.17	0.17
Basic Earnings per share (Rs.) – Company	0.11	0.07
Net Asset Value per share (Rs.) – Group	3.86	3.56
Net asset per share – Company	3.22	3.01

SHAREHOLDING

ANALYSIS OF SHAREHOLDERS - RESIDENT/ NON-RESIDENT

	2025		2024	
Type	No. of Shares	%	No. of Shares	%
Resident	1,651,889,050	99.99%	1,652,052,036	99.99%
Non-Resident	288,550	0.01%	125,564	0.01%
Total	1,652,177,600	100%	1,652,177,600	100%

PUBLIC SHAREHOLDING

Description	2025	2024
Float Adjusted Market Capitalization (Rs.mn)	4,820	5,116
Percentage of Shares held by the Public	66.31%	99.9%
Number of Public Shareholders	6,255	4,621

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.

Glossary of Insurance Terms Contd.

EARNED PREMIUM

Written premium adjusted by the unearned premium reserve at the beginning and end of the accounting period.

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:

Net Expenses x 100
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:

Net claims incurred x 100
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

CO-OPERATIVE INSURANCE

	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	Dambulla	No.719 (717), Anuradhapura Road, Dambulla	066-2285624	066-2285625
19	Ganemulla	191/1, 1st Floor, Kirindiwita Road, Ganemulla		
20	Dankotuwa	Pannala Road, Dankotuwa	031-2265685	031-2265418
21	Deniyaya	No.98/02, Near the Bridge, Main Street, Deniyaya	041-2273353	041-2273519
22	Dehiwala	No.11, Galle Road, Mount Lavinia	011-2725265	011-2725261
23	Dehiattakandiya	No.01 Commercial Town, Dehiattakandiya	027-2250028	
24	Digana	No.04, New Town, Digana, Rajawella	081-2072394	
25	Divulapitiya	No.100, Kurunegala Road, Divulapitiya	031-2248080	031-2248105
26	Eheliyagoda	58/A, Main Street, Eheliyagoda	036-2260426	036-2260428
27	Elpitiya	No.05, Main Street, Elpitiya	091-2297019	091-2297095
28	Embilipitiya	68, Pallegama, Embilipitiya	047-2230177	047-2261394
29	Galle	36, Sri Dewamiththa Mw, China Garden, Galle	091-2227688	
			091-2232258	091-2227687
30	Galewela	No.45, Kalawewa Road, Galewela	066-2287282	066-2287283
31	Gampaha	No.114/1/1, Bauddaloka Mawatha, Gampaha	033-2248600	
			033-2231618	033-2231122
32	Gampola	No.110, Nuwara Eliya Road, Gampola	081-2077121	081-2077122
33	Galenbindunuwewa	Infront of Nenasala, Kannimaduwa Road, Galenbindunuwewa	025-2121022	025-2121023
34	Giriulla	No.105/B, 1st Floor, Negombo Road, Giriulla	037-2288710	037-2288711
35	Hatton	Co-op Building, Co-op Square, Hatton	051-2225146	051-2225175
36	Homagama	77, High Level Rd, Homagama	011-2895270-1	
			011-2748307	
			011-2098740	011-2855392
37	Ja-Ela	No.68, Negombo Road, Kandana	011-2234817	011-2234816
38	Horana	No.257, Rathnapura Road, Horana	034-2260310	034-2260444

	NAME	ADDRESS	TELE. NO.	FAX NO.
39	Jaffna	No.570, Hospital Road, Jaffna	021-2224561	021-2217495
40	Kadawatha	645/G/2, Bandarawaththa, Kandy Road, Kadawatha	011-2927501	011-2927502
41	Kalawana	1st Floor, No.76, Mathugama Road, Kalawana	045-2256033	045-2256088
42	Kaduwela	No.51, Avissawella Road, Kaduwela	011-2548544	011-2548666
43	Kaluthara	219/3, Galle Road, Kaluthara	034-2238131-2	034-2223450
44	Kandy	No.117, D S Senanayake Veediya, Kandy	081-2205661/3	081-2202055
45	Kanthale	Kanthale MPCS Bldg, Awanhala, Kanthale	026-2234302	
46	Katugastota	206, Katugastota Road, Kandy	081-2226687	081-2226688
47	Kalmunai	No.170, Batticaloa Road, Kalmunai	067-2059996	067-2059997
48	Kalpitiya Sub	No.146D, Main Street, Periyakudirippu	032-2260607	
49	Kamburupitiya Sub	No.17, Aluth Walauwa, Akuressa Road, Kamburupitiya	041-2294495	
50	Karapitiya	No.185 2/1, Hirimbura Road, Karapitiya, Galle	091-2228586	091-2228711
51	Kegalle	No.261/1, Kandy Road, Kegalle	035-2221461	035-2231911
52	Kekirawa	12, Dambulla Rd, Kekirawa	025-2265333	025-2265332
53	Kolonnawa	No.166, Kolonnawa Road, Kolonnawa	011-2533372	011-2533373
54	Kiribathgoda	67 D/3, Kandy Rd, Kiribathgoda	011-2907858	011-2907859
55	Kilinochchi	C/O Pillaiyar Arul Vanachcholai, A9 Road, Kilinochchi	021-2285790	021-2285791
56	Kuliyapitiya	No.286, Madampe Road, Kuliyapitiya	037-2282249	037-2282248
57	Kirindiwela	27/16/1, Nugahena Waththa, Kirindiwela	033-2253100	033-2253101
58	Kurunegala	13 1/1, Rajapihilla Road, Kurunegala	037-2233601-2	037-2221749
59	Kurunegala North	250/252, Negombo Road, Kurunegala	037-2050000	037-2050064
60	Maharagama	218A 1/1, High Level Rd, Maharagama	011-2845144	
			011-2089007	
			011-2089010	011-2843422
61	Mahiyanganaya	No.102/4, Padiyathalawa Road, Mahiyanganaya	055-2257451	055-2257497
62	Malabe	411, Athurugiriya Road, Malabe	011-2156045	
			011-2742501	
			011-2080159	011-2742058
63	Mathugama	No.203, Agalawaththa Rd, Mathugama	034-2240972	034-2240973
64	Mannar	No.45, Hospital Road, Mannar	023-2250833	023-2251682
65	Mawanella Sub	Mawanella-Hemmathagama MPCS Bldg, Mawanella	035-2246231	
66	Matale	No. 577, Trincomalee Street, Matale	066-2224498	066-2232222
67	Melsiripura	Near the Fuel Station, Dambulla Road, Melsiripura	037-2250183	037-2250648
68	Medawachchiya	Opposite the Hospital, A9 Road, Medawachchiya	025-2121013	025-2121014
69	Matara	320/15, Anagarika Dharmapala Mawatha, Nupe, Matara	041-2234701-2	
			041-2234707	041-2230649
70	Minuwangoda	No. 39 1/1, Airport Road, Minuwangoda	011-2299151	011-2288044
71	Monaragala	210, Wellawaya Rd, Monaragala	055-2277534	
			055-2277401	055-2276113
72	Moratuwa	490A, Galle Road, Rawathawatta, Moratuwa	011-2644891	
			011-2649054	011-2644893
73	Mullaitive	Manalkudiriyuupu, Mullaitivu	021-2061056	021-2061057
74	Negombo	No.160/A, Thaladuwa Road, Negombo	031-2222426	
			031-2121018	031-2228270
79	Narammala	No.60, Kuliyapitiya Road, Narammala	037-2249851	037-2249956

Branch Network Contd.

	NAME	ADDRESS	TELE. NO.	FAX NO.
80	Neluwa	Manuka Building, Dellawa Road, Neluwa	091-2285410	091-2285411
81	Nikaweratiya	No.79, Maho Road, Nikaweratiya	037-2260946	
			037-2260995	037-2260994
82	Nittambuwa	No.48/4, Kandy Road, Nittambuwa	033-2246294	033-2287748
83	Nochchiyagama	19/B, Puttalam Road, Nohchiyagama	025-2257108	025-2257113
84	Nugegoda	No.36, Nawala Road, Nugegoda	011-2890851	011-2890850
85	Nuwara Eliya	72, Park Rd, Nuwara Eliya	052-2235570	052-2222811
86	Padiyathalawa	Main Street, Padiyathalawa	063-2246057	
87	Pelmadulla	No.40/01/04, Chandara Building, Rakwana Road, Pelmadulla	045-2276216	045-2274732
88	Panadura	No.36A, Cyril Janz Mawatha, Panadura	038-2234133	038-2234933
89	Piliyandala	No.165, Moratuwa Road, Piliyandala	011-2615702	011-2615701
90	Polonnaruwa	No.292/1, Batticaloa Road, Polonnaruwa	027-2226880	027-2227310
91	Pottuvil	Main Street, Pottuvil	063-2248858	063-2248859
92	Puttalam	97/B, Cargills Food Citu Bldg, Kurunegala Road, Puttalam	032-2267211	032-2267336
93	Rikillagaskada	72/2, Kandy Road, Rikillagaskada	081-2071622	081-2071330
94	Rathnapura	Coop House, Bandaranayake Mw, Rathnapura	045-2222983-4	
			045-2221042	045-2225335
95	Trincomalee	No.316, Inner Harbor Road, Trincomalee	026-2226751	026-2221126
96	Siyambalanduwa Sub	No.38, Main Road, Siyambalanduwa	055-2279123	
97	Thambuttegama	No.141, Kurunegala Road, Business Town, Thambuttegama	025-2275689	025-2275688
98	Thissamaharama	Mathagasinghe Building, Palliyawaththa Road, Tissamaharama	047-2239820	047-2238596
99	Vauniya	99, Station Road, Vavuniya	024-2225536-7	024-2224122
100	Wariyapola	92/A, Puttalam Road, Wariyapola	037-2268206	037-2268205
101	Walasmulla	No.60, Beliatta Road, Walasmulla	047-2254490	047-2254491
102	Wellawaya	No.167, Tissa Road, Wellawaya	055-2274214	
103	Welimada	No.232, Nuwara Eliya Road, Welimada	057-2245627	057-2245628
104	Welligama Sub	Weligama MPCS Bldg, Anagarika Dharmapala Mw, Weligama	041-2254935	
105	Wennappuwa	Wenco Super Market, Chilaw Rd, Wennappuwa	031-2253541	
			031-2245000	031-2253363

COOPLIFE INSURANCE

	NAME	ADDRESS	TELE. NO.	FAX NO.
1	Akuressa	80, New Bangama Rd, Akuressa	041-2285564	041-2284878
2	Alawwa	11/1/1, Rajapihilla Rd, Kurunegala	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 Rd, 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	055-2231694
			055-2231693	
10	Balangoda	133A 1/1 Brans Rathwatta Mw, Balangoda	045-2289522	
11	Batticaloa	District Coop Council Building, Pioneer Rd, Batticaloa	065-2229896	065-2229875

	NAME	ADDRESS	TELE. NO.	FAX NO.
12	Bibila	102/4, Padiyathalawa Rd, Mahiyanganaya	055-2258491	
13	Chavakachcheri	570, 2nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
14	Chilaw	05, Bauddaloka Rd, Chilaw	032-2224252	032-2224263
15	Chunnakam	81, Raja Complex K.K.S.Rd, Chunnakam	021-2240530	
16	City	114/2/1, Bauddhaloka Mw, Gampaha	033-2238574	033-2231617
17	Dambulla	719, 2nd Floor, Anuradhapura Rd, Dambulla	066-2285377	066-2285377
18	Dankotuwa	194, Madampe Rd, Kuliyapitiya	037-2281633	037-2281630
19	Kandy 2	45/1/3, Katugasthota Rd,Kandy	081-2223440	081-2205662
20	Embilipitiya	66 1/1, Pallegama Rd, Embilipitiya	047-2262162	047-2262163
21	Eheliyagoda	79/1, High Level Rd, Homagama	011-2895424	011-2893916
22	Galenbidunuwewa	7 Lane, New bus stand, Anuradhapura	025-2227637	
23	Galewela	12, 3rd Floor, Dambulla Rd, Kekirawa	066-2285377	025-2264996
24	Galgamuwa	81, Maho Rd, Nikaweratiya	037-2260996 037-2260945	037-2260923
25	Galle	36,Sri Dewamiththa Mw,China Garden, Galle	091-2223155	091-2223295
26	Gampaha	114/2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617
27	Giriulla	Wenco Super Market,Chilaw Rd, Wennappuwa	037-2221915	031-2255910
28	Godakawela	22 ,Kiriella Building, Panadura Rd, Moragahayata, Rathnapura	045-2233238	045-2233238
29	Homagama	79/1, High Level Rd, Homagama	011-2895424	011-2893916
30	Horana	257/2, Rathnapura Rd, Horana	034-2265984	034-2265985
31	Jaffna	570, 2nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
32	Jaffna Metro	570, 2nd Floor, Hospital Rd, Jaffna	021-2228071	021-2217496
33	Kalmunai	District Coop Council Building, Pioneer Rd, Batticaloa	065-2229896	065-2229875
34	Kaluthara	358/A, Galle Rd, Kaluthara North, Kaluthara	034-2238252	
35	Kandy	45/1/3, Katugasthota Rd, Kandy	081-2223440	081-2205662
36	Katugasthota	45/1/3, Katugasthota Rd, Kandy	081-2223440	081-2205662
37	Kegalle	261/1,Main Street, Kegalle	035-2231912	035-2222215
38	Kegalle City	261/1,Main Street, Kegalle	035-2231912	035-2222215
39	Kekirawa	12, 3rd Floor, Dambulla Rd, Kekirawa	025-2264995	025-2264996
40	Kilinochchi	Pillaiyar, Vanar Solai , A9 Rd, Kilinochchi	021-2285792	
41	Kiribathgoda	67/D/3, Kandy Rd, Kiribathgoda	011-2907920	011-2987332
42	Kuliyapitiya	194, Madampe Rd, Kuliyapitiya	037-2281633	037-2281630
43	Kurunegala	11/1/1, Rajapihilla Rd, Kurunegala	037-2225463	037-2221915
44	Kurunegala 02	11/1/1, Rajapihilla Rd, Kurunegala	037-2225463	037-2221915
45	Kuruvita	22 ,Kiriella Building, Panadura Rd, Moragahayata, Rathnapura	045-2233238	045-2233238
46	Maharagama	218 A,1/2, High Level Rd, Maharagama	011-2088744	011-2089508
47	Mahawa	81, Maho Rd, Nikaweratiya	037-2260996	037-2260923
48	Mahiyanganaya	102/4, Padiyathalawa Rd, Mahiyanganaya	055-2258491	
49	Malabe	903/D, Udawaththa Rd, Malabe	011-2077454	011-2185841
50	Manipay	81, Raja Complex K.K.S.Rd, Chunnakam	021-2240530	021-2240550
51	Mannar	45, Hospital Rd, Mannar	023-2251336	023-2251681
52	Mannar City	45, Hospital Rd, Mannar.	023-2251336	023-2251681
53	Matale	45/1/3, Katugasthota Rd, Kandy	081-2205662	081-2205662
54	Matara	320/15/B,Prince Tower,Nupe Junction, Matara	041-2237765	
55	Medawachchiya	7 Lane, New bus stand, Anuradhapura	025-2221998	
56	Melsiripura	11/1/1, Rajapihilla Rd, Kurunegala	037-2225463	037-2221915
57	Minuwangoda	114/2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617

Branch Network Contd.

	NAME	ADDRESS	TELE. NO.	FAX NO.
58	Monaragala	72,Wallawaya Rd, Monaragala	055-2276155	055-2277533
59	Moratuwa	177 2/1, New Galle Rd, Moratuwa	011-2644841	
60	Morawaka	Coop Building, Deniyaya Road, Morawaka.	041-2282697	
61	Negombo	163 A, Thaladuwa Rd, Negombo	031-2228446	031-2230320
62	Nelliady	Point Pedro Rd, Malu Junction, Nelliady	021-2264945	021-2261351
63	Nikaweratiya North	81, Maho Rd, Nikaweratiya	037-2260996 037-2260945	037-2260923
64	Nikaweratiya South	81, Maho Rd, Nikaweratiya	037-2260996 037-2260945	037-2260923
65	Nittambuwa	114/2/1, Bauddhaloka Mw, Gampaha	033-2248601	033-2231617
66	Nugegoda	218 A1/2, High Level Rd, Maharagama	011-2088744	011-2089508
67	Nuwara Eliya	Tharanga Building,No 72,Park Rd, Nuwara Eliya	052-2235590	052-2235594
68	Panadura	177 2/1, New Galle Rd, Moratuwa	011-2644841	
69	Pelmadulla	22, Kiriella Building, Panadura Rd, Moragahayata, Rathnapura	045-2233238	045-2233238
70	Paduwasnuwara	81, Maho Rd, Nikaweratiya	037-2260996 037-2260945	037-2260923
71	Pilimathalawa	45/1/3, Katugasthota Rd,Kandy	081-2205662	081-2205662
72	Polonnaruwa	292/1, Batticaloa Rd, Polonnaruwa	027-2227311	
73	Pothuvil	316 , Inner Harbour Rd, Trincomalee	026-2062121	026-2062122
74	Puttalam	114/2, Kurunegala Rd, Puttalam	032-2265292	032-2267366
75	Rathnapura	22 ,Kiriella Building, Panadura Rd, Moragahayata, Rathnapura	045-2233238	045-2233238
76	Ruwanwella	79/1, High Level Rd, Homagama	011-2895424	011-2893916
77	Serunuwara	316 , Inner Harbour Rd, Trincomalee	026-2062121	026-2062122
78	Siyambalanduwa	72, Wallawaya Rd, Monaragala	055-2279123	055-2277533
79	Thambuththegama	141, Kurunegala Rd, Business Town, Thambuththegama	025-2275729	
80	Trincomalee	316, Inner Harbour Rd, Trincomalee	026-2062121	026-2062122
81	Vauniya	Sathya Building, 2nd Floor, 1st Cross Street, Vauniya	024-2227961 024-2228143	024-2227962
82	Welimada	81,Second Floor, Bank Rd, Badulla	055-2231692 055-2231693	055-2231694
83	Wariyapola	81, Maho Rd, Nikaweratiya	037-2260996	037-2260923
84	Walaichchenai	District Coop Council Building, Pioneer Rd, Batticaloa	065-2229896	065-2229875
85	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	071-7546287
East Region and North	No.316, Inner Harbor Road, Trincomalee	026-2226751	077-0343189
North Central Region - i	08, Maithreepala Senanayake Mw, Anuradhapura	025-2227429	071-4562992
North & Central Region - ii	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

CIRCULAR TO SHAREHOLDERS

Dear Shareholder,

The Board of Directors of Co-operative Insurance Company PLC wishes to inform Shareholders that the 28th Annual General Meeting ("AGM") of the Company will be conducted virtually through audio and/or audio-visual means at 10:30 AM on Saturday, 27th June 2026.

The decision to conduct the AGM through a virtual platform has been taken considering the prevailing economic conditions in the country, the importance of minimizing operational and travel-related expenditure, prevailing fuel usage limitations, and the need to facilitate broader shareholder participation in a safe, efficient, and convenient manner.

In addition to the ordinary business of the AGM, the Board of Directors has resolved to place before the Shareholders a Special Resolution seeking approval to amend Article No. 75 of the Articles of Association of the Company in line with recommendations made by the Insurance Regulatory Commission of Sri Lanka ("IRCSL").

The proposed amendments are intended to further strengthen the composition of the Board by facilitating the appointment of professionally qualified and experienced Independent Non-Executive Directors with expertise in areas such as Insurance, Finance, Marketing, Legal, Information Technology, and other relevant professional disciplines, thereby enhancing the overall governance and strategic oversight of the Company.

The proposed amendments will not result in an increase in the number of Directors on the Board, but are intended to strengthen the professional composition, independence, expertise, and overall effectiveness of the Board in line with evolving regulatory and governance expectations.

The proposed draft amendments to the Articles of Association have been submitted to the IRCSL and the same have been acknowledged by the regulator prior to being placed before Shareholders for approval at the AGM.

Shareholders may access the Notice of Meeting, Form of Proxy, and Meeting Registration Form through the QR Code placed on this Circular.

Accordingly, the following arrangements will apply in relation to the AGM:

1. The 28th AGM of Co-operative Insurance Company PLC ("the Company") will be convened as a virtual meeting on Saturday, 27th June 2026 at 10.30 a.m., originating from the Board Room of the Registered Office of the Company at No. 74/5, Grandpass Road, Colombo 14.
2. Necessary arrangements will be made for Shareholders who wish to participate in the AGM through the online meeting platform and login credentials together with participation guidelines will be forwarded to eligible Shareholders in advance of the Meeting.
3. The login credentials issued for participation at the AGM are strictly confidential and are authorized only for use by the relevant Shareholder, Proxy holder, or authorized representative, as applicable. The Company shall not be responsible or liable for any misuse or unauthorized use of such credentials.
4. Shareholders who wish to participate at the AGM through the online platform are requested to duly complete and forward the Registration Form attached to the Notice of Meeting by email to agm2026@coopinsu.com, by registered post, or by hand delivery to the Registered Office of the Company at No. 74/5, Grandpass Road, Colombo 14, or by uploading the same through the system using the QR Code provided in the Registration Form, not less than forty-eight (48) hours prior to the scheduled time of the Meeting.
5. Voting on the matters set out in the Agenda of the AGM will be conducted electronically through the online voting platform. The relevant procedures and instructions relating to voting will be explained to Shareholders prior to the commencement of the Meeting.
6. Shareholders are reminded that they are entitled to appoint a Proxy to attend and vote on their behalf and such Proxy need not be a Shareholder of the Company. Shareholders who wish to appoint a Director of the Company as their Proxy are requested to forward the duly completed Proxy Form clearly indicating their voting instructions in respect of each resolution set out therein to the Registered Office of the Company.
7. The Notice of Meeting, will be published in Sinhala and English newspapers and Form of Proxy, Registration Form, and related documents pertaining to the 28th AGM will also be made available on the website of the Colombo Stock Exchange and the Company's official website at https://ci.lk or through below QR code
8. Shareholders requiring any clarification or assistance in relation to this Circular or participation at the AGM may contact the Company through agm2026@coopinsu.com.

BY ORDER OF THE BOARD

Secretaries
Kalupahana & Thilakarathne Law Associates

02nd June, 2026

NOTICE OF MEETING

NOTICE is hereby given that the 28th Annual General Meeting of the Shareholders of Co-operative Insurance Company PLC will be centered from the Registered Office of the Company at 74/5, Grandpass Road, Colombo 14 as a virtual meeting, by audio or visual means on Saturday, 27th June, 2026 at 10.30 AM, for the following purposes:

1. To receive and adopt the Report of the Directors and the Audited Finanacial Statements of the Company for the year ended 31st December 2025 with the Report of the Auditor's thereon.
2. To re-appoint Mr A A J Amarasinghe in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.
3. To re-appoint Mr Suraj Wickramasinghe in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.
4. To re-appoint Mr M Widanagamage in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.
5. To re-appoint Mr A B Senadira in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.
6. To re-elect Mr M G P L Lal Kumara in terms of Article 89 of the Articles of Association, as a Director of the Company.
7. To re-elect Mr Haritha Karunanayake in terms of Article 89 of the Articles of Association, as a Director of the Company.
8. To re-appoint of Messrs. Jayasinghe and Company, Chartered Accountants, as the auditors of the company for the Financial Year 2026 and to authorize the Directors to determine their remuneration.
9. To Amend the Article No. 75 of the Articles of Association of the Company in the manner set out below, pursuant to the request and recommendation made by the Insurance Regulatory Commission of Sri Lanka. Accordingly, the following resolution to be past as a **special resolution** for this purpose in terms of Section 15 of the Companies Act No. 07 of 2007, if thought to fit.

IT IS HERE BY RESOLVED THAT the existing Article No. 75 of the Articles of Association of the Company be and is hereby deleted in its entirety and the following new Article No. 75 be substituted in place thereof;

"The Board of Directors of the Company shall not be less than three (03) nor more than fourteen (14) out of which Four (04) should be professional directors who should have academic or professional qualification in the fields of Insurance, Finance, Law, Marketing, Information Technology (IT) or Management who shall be appointed by the board and not subject to election at a general meeting. The said Four (4) directors shall hold office for a period of one year from the date of appointment but should be eligible to be re-appointed at the discretion of the board of directors. Subject to the provisions contained in the statutes, the Company may from time to time by Special Resolution, increase or reduce the number of Directors."

10. Any other business of which due notice has been given.

BY ORDER OF THE BOARD

Kalupahana and Thilakarathna Law Associates
Secretaries

02nd June, 2026

NOTES

Supplementary Information

FORM OF PROXY

I/We, ... of

.....

being a Shareholder/ Shareholders of the above Company hereby appoint .....of

.....whom failing;

Mr. A A J Amarasinghe	(whom failing)	Mr. B M A Mohan De Silva	(whom failing)
Mr.G G Dayasumana	(whom failing)	Mr. H H D E P Herath	(whom failing)
Mr. Lalith Waragoda	(whom failing)	Mr. Suraj Wickramasinghe	(whom failing)
Mr. A B Senadera	(whom failing)	Ms W P M Chathurani	(whom failing)
Mr. M Widanagamage	(whom failing)	Mr M G P L Lal Kumara	(whom failing)
Mr. Ganaka Amarasinghe	(whom failing)	Mr Haritha Karunanayake	(whom failing)

as my/our proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 27th June, 2026 at 10.30 AM and at any adjournment thereof and at every poll which may be taken in consequence thereof

I/We hereby authorize my/our proxy to vote for me / us and on my/our behalf in accordance with the preferences indicated below.

		For	Against
1.	To receive and adopt the Report of the Directors and the Audited Finanacial Statements of the Company for the year ended 31st December 2025 with the Report of the Auditor's thereon.		
2.	To re-appoint Mr A A J Amarasinghe in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.		
3.	To re-appoint Mr Suraj Wickramasinghe in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.		
4.	To re-appoint Mr M Widanagamage in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.		
5.	To re-appoint Mr A B Senadira in terms of Article 83 of the Company who retires in terms of Article 82 of the Articles of Association.		
6.	To re-elect Mr M G P L Lal Kumara in terms of Article 89 of the Articles of Association, as a Director of the Company.		
7.	To re-elect Mr Haritha Karunanayake in terms of Article 89 of the Articles of Association, as a Director of the Company.		
8.	To re-appoint of Messrs. Jayasinghe and Company, Chartered Accountants, as the auditors of the company for the Financial Year 2026 and to authorize the Directors to determine their remuneration		
9.	RESOLVED THAT the existing Article No. 75 of the Articles of Association of the Company be and is hereby deleted in its entirety and the following new Article No. 75 be substituted in place thereof;		

"The Board of Directors of the Company shall not be less than three (03) nor more than fourteen (14) out of which Four (04) should be professional directors who should have academic or professional qualification in the fields of Insurance, Finance, Law, Marketing, Information Technology (IT) or Management who shall be appointed by the board and not subject to election at a general meeting. The said Four (4) directors shall hold office for a period of one year from the date of appointment but should be eligible to be re-appointed at the discretion of the board of directors. Subject to the provisions contained in the statutes, the Company may from time to time by Special Resolution, increase or reduce the number of Directors."

As witness my/our hand this ..... day of June of Two Thousand Twenty Six (2026)

.....

Signature of Shareholder

Notes:

Please indicate with an "x" in the space provided how your Proxy is to vote. If there is in the view of the Proxy holder doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he thinks fit.

A Proxy holder need not be a member of the Company.

Duly completed Proxy Forms should be forwarded to the Registered Office of the Company at No. 74/5, Grandpass Road, Colombo 14, by registered post or by hand delivery, or emailed to agm2026@coopinsu.com, or uploaded through the system using the QR Code provided in this Form, not less than forty-eight (48) hours prior to the scheduled time of the Meeting.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy legibly, and by signing in the space provided
2. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney should accompany the Proxy Form, if such Power of Attorney has not already been registered with the Company
3. For a corporate shareholder, the Form of Proxy must be completed under the seal of the company which should be affixed and attested in the manner prescribed by the Articles of Association of such corporate body.
4. A Shareholder is entitled to appoint a Proxy to attend and vote and is entitled to appoint a Proxy to attend and vote online in his stead and a Form of Proxy is attached to this Report for that purpose. A Proxy need not be a Shareholder of the Company.
5. Only the registered Shareholders and registered proxy holders will be permitted to log in and participate in the Virtual Annual General Meeting.

Supplementary Information

Registration of Shareholder/ Proxy-holder for the 28th Annual General Meeting (Virtual Meeting)

1. Full name of Shareholder -.....

.....

2. Shareholders Address -.....

.....

3. CDS Account No of Shareholder -.....

.....

4. Shareholders NIC/ Passport No/ Company Registration No. -.....

.....

5. Shareholders Contact No. - Residence ..... Mobile.....

6. Name of the Proxy- holder -.....

.....

7. Proxy- holders NIC No. / Passport No. -.....

8. Proxy-holders contact No. - Mobile .....

9. Shareholders/ Proxy-holders email address -.....

....

Shareholder signature Date

Duly completed Registration Forms bearing the signature of the Shareholder should be forwarded to the Registered Office of the Company at No. 74/5, Grandpass Road, Colombo 14 by registered post or by hand delivery, or uploaded through the system using the QR Code provided below, or emailed to agm2026@coopinsu.com, not less than two (02) days (48 hours) prior to the scheduled time of the Meeting.

NOTES

FORM OF REQUEST

CO-OPERATIVE INSURANCE COMPANY PLC
Registration No: PQ 00255274
No. 74/5, Grandpass Road, Colombo 14

FORM OF REQUEST

To: Kalupahana & Thilakarathne Law Associates
Secretaries to Co-operative Insurance Company PLC
No. 11/1/1, Belmont Street, Colombo 12

REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2025

I, ... being a Shareholder of the Company, hereby request to receive a printed copy of the Annual Report 2025 of the Company.

My details are as follows:

Full Name: .....

.....

Address: .....

.....

Contact No. Mobile : .....

Email Address : .....

CDS Account No. : .....

NIC / Passport / BR No. : .....

.....
Signature of the Shareholder

Date : .....

NOTES

NOTES

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 been Listed in the Colombo Stock Exchange on 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

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. M Widanagamage
Mr. L Waragoda
Mr. H H D E Priyantha Herath
Mr. Suraj Wickramasinghe
Mr. Ganaka Amarasinghe
Ms. W P M Chathurani
Mr. M G P L Lal Kumara
Mr. B M A Mohan De Silva
Mr. Haritha Karunanayake – With effect from 13th March 2026

SECRETARIES

Kalupahana and Thilakerathne Law Associates
No. 11/1/1, Belmont Street, Colombo 12

CORPORATE MANAGEMENT

Mr. G G Dayasumana – Managing Director
Mr. D U P Rajapakshe - Chief Executive Officer
Ms. L U N C P Wijeyasuriya - General Manager - General Insurance
Mr. P G N D Gunathilaka - Chief Financial Officer
Mr. K M Jayasundara - General Manager - Sales
Mr. H Dinusha Thilanka - General Manager - Operations (With Effect from 02nd of April 2026)
Ms. Surangi Pathirana - Chief Risk and Compliance Officer
Mr. A M R A L Lakmal - Head of IT
Mr. Prasanna Colombage – Assistant General Manager – Motor Claims, HR and Administration
Ms. P Thamber – Assistant General Manager Non Motor Claims
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

NMG Consulting
109, North Bridge Road, #05-21, Singapore 179097

LIFE INSURANCE FUND

Actsure Lab (Pvt) Limited
No. 11/2, 1st Lane, Pagoda Road, Nugegoda


co
op
INSURANCE