CO-OPERATIVE INSURANCE COMPANY PLC

REG NO: PQ 00255274

22nd June 2026

Ms.Nilupa Perera

Chief Regulator Officer.

The Colombo Stock Exchange

No. 04-01, West Block

World Trade Centre

Echelon Square

Colombo 01

Dear Madam,

**Co-operative Insurance Company PLC – Annual Report 2025**

We refer to the Annual Report 2025 of Co-operative Insurance Company PLC, which was uploaded to the Colombo Stock Exchange website on 3 June 2026.

We have identified certain errors on pages 171, 183, 185, 188, 212, and 215 of the Annual Report. Accordingly, we enclose herewith an Errata Sheet detailing the corrections, together with the revised pages of the Annual Report.

The revised version of the Annual Report will also be uploaded to the portal accordingly.

Thank you.

G G Dayasumana

Vice Chairman/Managing Director

P G N D Gunathilaka

Chief Financial Officer

**ERRATA**

**Annual Report 2025 – Co-operative Insurance Company PLC**

**The Annual Report 2025 should be amended by replacing pages 171, 183, 185, 188, 212, and 215 with the attached revised pages.**

**The corrections are as follows:**

**Page 171 – Note 10: Premiums Receivable**

The Group balance at the end of the year 2025 should be corrected to Rs. 24,486,322, instead of the previously reported negative balance of Rs. (24,486,322).

**Page 183 – Note 25: Investment Income**

The heading appearing in the middle of the page as for the year ended 31st December 2025 has been removed.

**Page 185 – Note 28: Gross Benefits and Claims Incurred (Contd.)**

The sub-heading "Non-Life Insurance Contracts" has been included.

**Page 188 – Notes 34 and 35**

Notes 34 and 35 have been replaced in full with the updated values presented in Rupees instead of Thousands.

**Page 212 – Note 39.02.01.02: General Insurance Contracts (Contd.)**

The total reinsurance receivables (Ratings - non life) for the year 2025 have been corrected.

**Page 215 – Note 39.02.04.01: Equity Price Risk**

Corrections have been made to the sector information (Group) for the years 2024.

## 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

## 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 |
| 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 |

## 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** |
| Non-Life Insuarance Contract | | | | | |
| 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 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 Rs. | 2024 Rs. | 2025 Rs. | 2024 Rs. |
| 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

| | | | | |
|---|---|---|---|---|
| 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 Rs. | 2024 Rs. |
|---|---|---|
| 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.

# 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- | 609,974 | 174,930 | 784,904 | 41% | 235,750 | 104,149 | 339,899 | 28% |
| BB+ | - | - | - | 0% | - | - | - | 0% |
| BB | - | | - | 0% | - | | - | 0% |
| B++ | - | - | - | 0% | - | - | - | 0% |
| B+ | - | - | - | 0% | - | - | - | 0% |
| BBB+ | 28,410 | 45,004 | 73,414 | 4% | 224,480 | 26,240 | 250,721 | 21% |
| BBB- | 68,039 | 438,796 | 506,835 | 26% | - | 1,405 | 1,405 | 0% |
| NITF | 197,265 | 291,345 | 488,609 | 25% | 269,932 | 71,968 | 341,900 | 28% |
| Unrated | - | - | - | 0% | - | - | - | 0% |
| Total | 903,688 | 950,075 | 1,853,762 | 96% | 850,858 | 225,359 | 1,076,218 | 88% |
| IBNR | - | - | 75,475 | 4% | - | - | 141,345 | 12% |
| Total reinsurance receivables | 903,688 | 950,075 | 1,929,237 | 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 39.02.03 - 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 | 3% | - | - | - | - |
| Retail | | 0% | 156 | 1% | - | - | - | - |
| Beverage food & tobacco | | 0% | - | 0% | - | - | - | - |
| Banks finance & insurance | 21,359 | 100% | 15,240 | 94% | 21,359 | - | 14,160 | 100% |
| Hotels & travels | | 0% | 364 | 2% | - | - | - | - |
| Total | 21,359 | 100% | 16,315 | 100% | 21,359 | 0% | 14,160 | 100% |