

Refining Remodeling & Reshaping the *future*



Arpico Insurance PLC
Interim Financial Statements - Quarter 4 - 2024

Income Statement

For the period ended 31 Decemeber	Note	Un-Audited 2024 LKR	Audited 2023 LKR
Gross Written Premium	4	1,968,762,571	2,236,604,711
Premium ceded to reinsurers	5	(87,487,647)	(95,541,262)
Net written premium		1,881,274,924	2,141,063,449
Other revenue			
Fees and commission income		30,467,426	29,250,346
Investment income	6	532,020,291	581,234,628
Fair value gains		14,012,635	28,455,896
Other operating revenue		6,010,235	8,320,843
Total Other revenue		582,510,587	647,261,713
Total net revenue		2,463,785,511	2,788,325,162
Benefits, claims and expenses			
Net Insurance Benefits and Claims Paid		(1,143,558,636)	(1,401,134,620)
Net change in insurance claims outstanding		(13,041,989)	(27,835,847)
Underwriting and net acquisition costs		(536,440,953)	(624,048,548)
Change in contract liabilities - life fund	11	171,114,535	(591,734,541)
Other operating, administrative and selling expenses		(687,551,223)	(702,909,591)
Depreciation and amortization		(142,472,208)	(124,493,940)
Total benefits, claims and expenses		(2,351,950,474)	(3,472,157,088)
Profit/(Loss) before Taxation		111,835,037	(683,831,925)
Income Tax Expense	7	90,000,000	-
Profit/(Loss) for the Period	8	201,835,037	(683,831,925)
Profit/(Loss) attributable to:			
Equity holders of the Company		201,835,037	(683,831,925)
Basic Earning per Share (LKR)		3.05	(10.33)
Diluted Earning per Share (LKR)		3.05	(10.33)

Statement of Other Comprehensive Income

	Un-Audited 2024 LKR	Audited 2023 LKR
For the period ended 31 Decemeber		
Profit/(Loss) for the Period	201,835,037	(683,831,925)
Other Comprehensive Income/(Loss)		
Net change in fair value of available-for-sale financial assets	202,040,275	181,155,947
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(91,532,414)	(52,270,837)
Net change in fair value of AFS reserve transferred to insurance Liabilities	91,532,414	52,270,837
Items that will never be reclassified to profit or loss		
Actuarial loss on defined benefit plan	660,193	(4,164,915)
Total Other comprehensive income, net of tax	202,700,468	176,991,032
Total comprehensive Income/(Loss) for the Period, Net of Tax	404,535,505	(506,840,894)

Arpico Insurance PLC
Interim Financial Statements - Quarter 4 - 2024

Income Statement

For three months ended 31 December	Un Audited 2024 LKR	Un Audited 2023 LKR
Gross Written Premium	574,622,868	487,609,157
Premium ceded to reinsurers	(20,875,673)	(16,524,488)
Net written premium	553,747,195	471,084,669
Other revenue		
Fees and commission income	12,686,917	4,070,720
Investment income	127,393,842	161,773,453
Fair value gains	3,242,593	4,724,251
Other operating revenue	4,459,621	478,561
Total Other revenue	147,782,973	171,046,985
Total net revenue	701,530,168	642,131,654
Benefits, claims and expenses		
Net Insurance Benefits and Claims Paid	(305,737,097)	(333,113,766)
Net change in insurance claims outstanding	(4,797,157)	(32,137,060)
Underwriting and net acquisition costs	(125,018,216)	(88,226,611)
Change in contract liabilities - life fund	(52,242,639)	105,194,149
Other operating, administrative and selling expenses	(181,098,353)	(170,059,968)
Depreciation and amortization	(50,718,932)	(47,653,121)
Total benefits, claims and expenses	(719,612,394)	(565,996,377)
Profit/(Loss) before Taxation	(18,082,226)	76,135,277
Income Tax Expense	135,688,515	(19,225,750)
Profit/(Loss) for the Period	117,606,289	56,909,527
Profit/(Loss) attributable to:		
Equity holders of the Company	117,606,289	56,909,527
Basic Earning per Share (LKR)	1.78	0.86
Diluted Earning per Share (LKR)	1.78	0.86

Statement of Other Comprehensive Income

	Un Audited 2024 LKR	Un Audited 2023 LKR
For three months ended 31 December		
Profit/(Loss) for the Period	117,606,289	56,909,527
Other Comprehensive Income/(Loss)		
Net change in fair value of available-for-sale financial assets	76,454,481	319,493,058
Net change in liabilities of insurance contracts arising from fair	(58,346,478)	
Net change in fair value of AFS reserve transferred to insurance Liabilities	58,346,478	2,455,025
Items that will never be reclassified to profit or loss		
Total Other comprehensive income, net of tax	76,454,481	321,948,083
Total comprehensive Income/(Loss) for the Period, Net of Tax	194,060,770	378,857,610

STATEMENT OF FINANCIAL POSITION

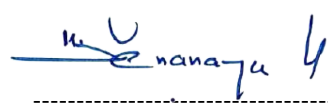
As at	Note	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Assets			
Intangible assets		7,252,280	767,227
Property, plant and equipment		41,808,802	60,343,336
Right of use assets	9	171,032,028	198,167,665
Deferred tax asset		145,227,786	-
Financial assets	10	4,262,900,980	3,949,884,217
Loans to life policyholders		199,044,249	241,246,301
Reinsurance receivables		-	11,108,850
Amounts due from related parties	12	5,936,183	30,985,542
Premium receivable		54,662,100	91,475,027
Other assets		107,296,829	175,300,704
Cash and cash equivalents		53,869,098	56,396,474
Total Assets		5,049,030,335	4,815,675,345
Equity and Liabilities			
Equity			
Stated capital	15	675,564,870	675,564,870
Retained earnings		972,944,110	770,448,880
Available for sale reserves		166,503,270	(35,537,005)
Total Equity		1,815,012,250	1,410,476,745
Liabilities			
Insurance contract liabilities	11	2,736,280,879	2,885,863,883
Employee benefit obligation		15,878,745	15,667,480
Reinsurance payables		8,696,647	37,579,204
Lease liabilities	9	208,113,822	221,777,381
Amounts due to related parties	12	7,114,065	49,590,990
Other financial liabilities		170,686,796	126,283,782
Other liabilities		87,247,131	68,435,879
Total Liabilities		3,234,018,085	3,405,198,600
Total Equity and Liabilities		5,049,030,335	4,815,675,345

These Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.




S.H.Dulanjith Kaweesha
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board.



Kelum Senanayake
Director / Chief Executive Officer
03, March 2025
Colombo.



Yudishtran Kanagasabai
Director

Arpico Insurance PLC
Interim Financial Statements - Quarter 4 - 2024

STATEMENT OF CHANGES IN EQUITY

	Stated Capital LKR	AFS Reserve LKR	Retained Earnings LKR	Total LKR
Audited Balance as at 01 January 2023	675,564,870	(216,693,055)	1,458,445,825	1,917,317,640
Profit for the period			132,928,435	132,928,435
Actuarial loss on defined benefit plan			-	-
Other Comprehensive Income / (Loss)				
Net change in fair value of available-for-sale financial assets		192,522,863		192,522,863
Total Comprehensive Income for the Period, Net of Tax				
Un-Audited Balance as at 30th September 2023	675,564,870	(24,170,192)	1,591,374,260	2,242,768,938
Profit/(Loss) for the period			(816,760,465)	(816,760,465)
Actuarial loss on defined benefit plan			(4,164,915)	(4,164,915)
Other Comprehensive Income / (Loss)				
Net change in fair value of available-for-sale financial assets		(11,366,813)		(11,366,813)
Total Comprehensive Income for the Period, Net of Tax				
Audited Balance as at 31th December 2023	675,564,870	(35,537,005)	770,448,880	1,410,476,745
Profit/(Loss) for the period			201,835,037	201,835,037
Actuarial loss on defined benefit plan			660,193	660,193
Other Comprehensive Income / (Loss)				
Net change in fair value of available-for-sale financial assets		202,040,275		202,040,275
Total Comprehensive Income for the Period, Net of Tax				
Unaudited Balance as at 31 December 2024	675,564,870	166,503,270	972,944,110	1,815,012,249

STATEMENT OF CASH FLOWS

For the period ended 31 Decemeber	Un-Audited 2024 LKR	Audited 2023 LKR
Cash flows from operating activities		
Insurance premium received	2,027,843,748	2,237,538,603
Reinsurance premium paid	(116,370,203)	(90,364,381)
Insurance benefits and claims paid	(1,132,162,843)	(1,478,459,067)
Reinsurance claim received	(3,840,876)	46,871,115
Other operating cash flows	(1,057,536,317)	(1,273,055,720)
Cash generated from operating activities	(282,066,491)	(530,615,440)
Tax Paid	(12,821,797)	-
Employee benefits paid	(4,068,271)	(11,498,151)
Net cash generated from operating activities	(298,956,559)	(568,967,602)
Cash flows from investing activities		
Acquisition of financial investments	(619,025,840)	(58,554,734)
Proceeds from sale/maturity of investment securities	508,050,334	-
Interest/Dividend received	532,020,290	661,800,488
Acquisition of property, plant and equipment	(130,422,727)	(10,494,261)
Net Cash Used in Investing Activities	290,622,057	592,751,493
Net Cash Flows Before Financing Activities	(8,334,502)	23,783,891
Cash flows from financing activities		
Rent Advance/ payments paid for Right of Use Assets	5,807,126	(137,187,098)
Net cash used in financing activities	5,807,126	(137,187,098)
Net increase / (Decrease) in cash and cash equivalents	(2,527,376)	(113,403,207)
Cash and cash equivalents at the beginning of the year	56,396,474	169,799,681
Cash and cash equivalents at the end of the period	53,869,098	56,396,474

Notes to the Financial Statements

1. Reporting Entity

Arpico Insurance PLC ("Company") is a Public limited liability company incorporated and domiciled in Sri Lanka and the ordinary shares of the company are listed on the stock exchange. The company is registered under the Insurance Industry Act No.43 of 2000 and amendments there to. The registered office of the company is located at 310, High level Road, Nawinna, Maharagama and the principal place of business is located at No. 55/20, Vauxhall Lane, Colombo 02.

2. Approval of Financial Statements

The Unaudited Condensed Consolidated Interim Financial Statements for the quarter ended 31 December 2024 were authorized for issue by the Board of Directors on 3rd March 2025.

3. Basis of Preparation

The Financial Statements of the Company have been prepared on an accrual basis under the historical cost convention and applied consistently with no adjustment being made for inflationary factors affecting the Financial Statements except for the financial assets available for sale and financial assets designated at fair value through profit or loss which are measured at fair value .

The Condensed Consolidated Interim Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard "LKAS 34 – Interim Financial Reporting". These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023. Furthermore, provisions of the Companies Act No. 07 of 2007 have been considered in preparing the Condensed Consolidated Interim Financial Statements of the Company.

The same accounting policies have been followed in preparation of these Interim Financial Statements as stated in the Audited Financial Statements for the year ended 31 December 2023.

4. Gross Written Premium

For the Period Ended 31 December	Un-Audited 2024 LKR	Audited 2023 LKR
First year premium	694,163,806	724,786,310
Renewal premium	1,000,978,872	1,022,212,144
Group premium	273,619,893	489,606,257
	1,968,762,571	2,236,604,711

5. Premium Ceded To Reinsurers On Insurance Contracts

For the Period Ended 31 December	Un-Audited 2024	Audited 2023
Conventional policies		
Total premium ceded to reinsurers	87,487,647	95,541,262
Total net written premium	1,881,274,924	2,141,063,449

Notes to the Financial Statements

6. Investment income

For the Period Ended 31 December	Un-Audited 2024 LKR	Audited 2023 LKR
Held to maturity financial assets		
Interest Income	175,981,110	181,797,921
Loans and receivables		
Interest Income	299,474,159	352,653,269
Available For Sale Financial Assets		
Interest Income	56,565,022	46,783,437
	<u>532,020,291</u>	<u>581,234,628</u>

7. Income Tax Expense

For the Period Ended 31 December	Un-Audited 2024 LKR	Un-Audited 2023 LKR
Current income tax		
Income tax on current period profit	55,227,786	-
Total current income tax	<u>55,227,786</u>	<u>-</u>
Deferred income tax		
Deferred tax Liabilities/(assets) (7.1)	(145,227,786)	-
Deferred taxation	<u>(145,227,786)</u>	<u>-</u>
Total income tax (reversal)/expense	<u>(90,000,000)</u>	<u>-</u>

7.1 Deferred tax assets

Tax loss analysis		
Balance as at 1 January	693,649,801	154,079,604
Tax losses utilised during the year	(110,899,859)	(154,079,604)
Balance as at 31 December	<u>582,749,942</u>	<u>-</u>
Deferred taxation		
Deferred tax asset	208,094,940	-
Derecognition due to revised projection	(62,867,154)	-
Deferred tax asset	<u>145,227,786</u>	<u>-</u>

In accordance with LKAS 12 – Income Taxes, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized.

The Company has recognized deferred tax assets amounting to Rs 208 million arising from tax losses carried forward from prior year.

Based on the management's latest projections of future taxable income, the Company has assessed that only Rs. 145 million of the deferred tax asset is recoverable within the tax loss claimable timeframe. Consequently, a provision has been made to derecognize the remaining LKR 62 million of deferred tax assets, reflecting a prudent approach in line with anticipated taxable profits.

8. Profit/(Loss) from life insurance

No surplus or deficit transfer has been made from the life insurance fund to the Income Statement for quarter ended 31st December 2024.

9. Right of Use Assets

As at	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Opening balance	198,167,665	163,439,549
Additions of right of use lease asset during the period	65,871,953	120,713,332
Depreciation for the period	(106,064,474)	(98,707,883)
Advance payment for leases	13,056,884	12,722,667
Closing balance	<u>171,032,028</u>	<u>198,167,665</u>
Lease liabilities		
As at	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Opening balance	221,777,381	175,394,254
Additions during the period	65,871,953	120,713,332
Finance cost recognized in profit and loss	41,059,179	41,208,804
Lease payments	(120,594,691)	(115,539,009)
Closing balance	<u>208,113,822</u>	<u>221,777,381</u>

Notes to the Financial Statements

10. Financial Assets

As at	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Loans and receivables (11.1)	2,232,423,517	2,193,341,372
Available-for-sale financial assets (11.2)	780,240,837	547,159,911
Held to Maturity (11.3)	1,117,884,979	1,091,046,901
Fair Value through profit & Loss (11.4)	132,351,647	118,336,033
	4,262,900,980	3,949,884,217

10.1 Loans and receivables

	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Amortized cost		
Debentures	469,121,594	653,557,573
Commercial Papers	151,442,308	
Fixed deposit	1,075,546,654	1,114,975,140
Reverse repurchase agreements	436,309,797	242,836,584
RPAF loan	100,003,164	100,000,000
Treasury bills	-	81,972,074
	2,232,423,517	2,193,341,372

Available-for-sale financial assets

	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
10.2 Treasury bonds	332,894,051	300,321,631
Quoted equities	447,346,786	246,838,280
	780,240,837	547,159,911

10.3 Held to Maturity

	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Treasury bonds	1,117,884,979	1,091,046,901
	1,117,884,979	1,091,046,901

10.4 Fair Value through profit & Loss

	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Unit trust	132,351,647	118,336,033
	132,351,647	118,336,033

11. Insurance Contract Liabilities

As at	Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Balance as at 1 January	2,885,863,000	2,241,859,388
Change in contract liabilities life fund		
Increase in life insurance fund before surplus transfer	(241,114,535)	(357,222,576)
Surplus transferred from / (to) shareholders	-	948,956,234
Increase in life insurance fund	2,644,748,465	591,733,658
Movement in AFS reserve transferred to life fund	91,532,414	52,270,837
Life Insurance Fund balance as at period end	2,736,280,879	2,885,863,883

As per the requirement of SLFRS 4, the Liability Adequacy Test with respect to Life insurance provision was performed as at 31st December 2023.

12. Related Party Transactions

12.1 Amounts Due to Related Party

As at		Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Related Party	Relationship		
Richard Pieris & Company PLC	Ultimate Parent	7,114,065	11,696,838
Richard Pieris Distributors Limited	Fellow Subsidiary	-	37,894,152
Arpico Interiors (Pvt) Ltd	Fellow Subsidiary	-	-
Arpitech (pvt) Ltd	Fellow Subsidiary	-	-
		<u>7,114,065</u>	<u>49,590,990</u>

12.2 Amounts Due From Related Parties

As at		Un-Audited 31.12.2024 LKR	Audited 31.12.2023 LKR
Related Party	Relationship		
Richard Pieris & Company PLC	Ultimate Parent	-	30,985,542
Richard Pieris Distributors Limited	Fellow Subsidiary	5,936,183	-
		<u>5,936,183</u>	<u>30,985,542</u>

13. Contingent Liabilities

Contingent liabilities are not recognized in the Statement of Financial Position but disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated as at the date of Statement of Financial Position. As at the 31 December 2024, end of the interim period no material capital commitment and contingencies approved by the board and contracted for which no provision has been made in interim financial statements.

14. Events Occurring After The Reporting Date

The directors give due consideration to and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post Statement of financial position events as appropriate. There have been no material event occurring after the reporting date that require adjustments to or disclosure in the interim financial statements.

15. Stated Capital

As at 31 December	Un-Audited 2024 LKR	Audited 2023 LKR
Ordinary Shares	<u>675,564,870</u>	<u>675,564,870</u>
	<u>675,564,870</u>	<u>675,564,870</u>
No of Ordinary Shares	66,230,407	66,230,407

16. Share Information

16.1 Net Assets Per Share

As at 31 December	Un-Audited 2024 LKR	Audited 2023 LKR
Net Assets Per Share	27.40	21.30

16.2 Market Price Per Share

For the quarter ended 31 December	2024 LKR	2023 LKR
Highest Price	28.10	25.90
Lowest Price	21.00	20.50
Closing Price	26.50	22.50
Market Capitalization	1,755,105,786	1,688,875,379
Float Adjusted Market capitalization	175,705,706	169,056,425

17. Public Shareholding

For the quarter ended 31 December	2024		2023	
	No of Shares	%	No of Shares	%
Public Shareholding	6,630,404	10%	6,630,404	10%

18. Directors' Shareholding

As at 31 December	2024	2023
Mr.Ramal Jasinghe	Nil	Nil
Mr.Kelum Senanayake	Nil	Nil
Mr. Shiron Gooneratne	Nil	Nil
Mr.Yudhishtan Kanagasabai (Appointed w.e.f 18th July 2024)	Nil	NA
Mrs. Lasinee Serasinhe (Ceased to hold office w.e.f. 27th May 2024)	N/A	Nil
Mrs. Dilukshika Fernando (Ceased to hold office w.e.f. 30th November 2024)	Ni'	Nil

19. Twenty Largest Shareholders as at 31 December 2024

Name of Shareholder	No of Shares	%
1 KEGALLE PLANTATIONS LIMITED	26,685,001	40.29%
2 RICHARD PIERIS DISTRIBUTORS LIMITED	17,790,001	26.86%
3 RICHARD PIERIS AND CO LTD - ACCOUNT NO. 01	15,125,001	22.84%
4 MR.D.G.WIJEMANNA	1,757,970	2.65%
5 MRS.T.T.A.DE SILVA WEERASOORIA	1,101,076	1.66%
6 MR.C.S.N.SILVAPULLE	654,195	0.99%
7 MR.B.T.DE S WEERASOORIA	257,678	0.39%
8 T R L HOLDINGS (PVT) LIMITED	253,372	0.38%
9 MR.J.P.PAUL	239,085	0.36%
10 MR.R.P.WEERASOORIYA	196,980	0.30%
11 MR.A.P.ARUMUGAMPILLA	191,350	0.29%
12 MR.D.P.NAVARATNAM	154,500	0.23%
13 MR.S.A.OBEYESEKERE	103,300	0.16%
14 TRADING PARTNERS (PVT) LTD	100,000	0.15%
15 FLYBRUNEI SDN BHD	99,700	0.15%
16 MR.T.A.N.GOMIS	98,825	0.15%
17 SANDWAVE LIMITED	94,500	0.14%
18 MR.M.L.A.BENEDICT	92,214	0.14%
19 MR.H.A.S.MADANAYAKE	78,300	0.12%
20 MRS.K.ELANKAINESAN	70,000	0.11%
	65,143,048	98.36%
Others	1,087,359	1.64%
Total	66,230,407	100.00%