Arpico Insurance PLC
Interim Financial Statements
For the period ended 30th June 2026

Growth at Every Turn



Arpico Insurance PLC
Interim Financial Statements - Quarter 2 - 2026

Income Statement

For the period ended 30 June	Note	Un-Audited 2026 LKR	Un-Audited 2025 LKR
Gross Written Premium	4	703,753,197	857,853,092
Premium ceded to reinsurers	5	(40,613,247)	(43,387,735)
Net written premium		663,139,950	814,465,357
Other revenue			
Fees and commission income		7,297,333	7,772,718
Investment income	6	236,336,677	265,950,414
Fair value gains		6,824,415	6,090,102
Net rrealized gains		-	-
Other operating revenue		1,123,514	1,943,470
Total Other revenue		251,581,939	281,756,704
Total net revenue		914,721,889	1,096,222,061
Benefits, claims and expenses			
Net Insurance Benefits and Claims Paid		(525,477,945)	(440,442,828)
Net change in insurance claims outstanding		1,612,832	7,449,880
Underwriting and net acquisition costs		(165,764,842)	(226,580,887)
Change in contract liabilities - life fund	7	145,663,624	(8,870,397)
Other operating, administrative and selling expenses		(275,898,910)	(290,298,126)
Depreciation and amortisation		(61,876,892)	(68,965,489)
Total benefits, claims and expenses		(881,742,133)	(1,027,707,847)
Profit before Taxation		32,979,756	68,514,214
Income Tax Expense	8	(10,090,172)	(19,340,371)
Profit for the Period	9	22,889,584	49,173,843
Profit attributable to:			
Equity holders of the Company		22,889,584	49,173,843
Basic Earning per Share (LKR)		0.35	0.74
Diluted Earning per Share (LKR)		0.35	0.74

Statament of Other Comprehensive Income

For the period ended 30 June	Un-Audited 2026 LKR	Un-Audited 2025 LKR
Profit for the Period	22,889,584	49,173,843
Other Comprehensive Income/(Loss)		
Net change in fair value of available-for-sale financial assets	-	28,321,481
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	11,151,549	(10,599,551)
Net change in fair value of AFS reserve transferred to insurance Liabilities	(11,151,549)	10,599,551
Items that will never be reclassified to profit or loss		
Acturial loss on defined benefit plan	-	
Total Other comprehensive income, net of tax	-	28,321,481
Total comprehensive Income for the Period, Net of Tax	22,889,584	77,495,324

Income Statement

For three months ended 30 June	Un Audited 2026 LKR	Un-Audited 2025 LKR
Gross Written Premium	319,585,620	410,369,213
Premium ceded to reinsurers	(19,380,354)	(21,830,562)
Net written premium	300,205,266	388,538,651
Other revenue		
Fees and commission income	4,466,824	3,304,493
Investment income	118,360,780	126,370,191
Fair value gains	3,537,510	2,960,337
Other operating revenue	635,241	1,262,188
Total Other revenue	127,000,355	133,897,209
Total net revenue	427,205,621	522,435,860
Benefits, claims and expenses		
Net Insurance Benefits and Claims Paid	(113,318,104)	(233,545,220)
Net change in insurance claims outstanding	(14,199,106)	35,614,051
Underwriting and net acquisition costs	(63,476,594)	(121,159,578)
Change in contract liabilities - life fund	(54,692,821)	35,825,936
Other operating, administrative and selling expenses	(135,603,538)	(155,566,817)
Depreciation and amortisation	(30,442,612)	(36,584,518)
Total benefits, claims and expenses	(411,732,775)	(475,416,146)
Profit before Taxation	15,472,846	47,019,714
Income Tax Expense	1,844,604	(9,680,021)
Profit for the Period	17,317,450	37,339,693
Profit attributable to:		
Equity holders of the Company	17,317,450	37,339,693
Basic Earning per Share (LKR)	0.26	0.56
Diluted Earning per Share (LKR)	0.26	0.56

Statament of Other Comprehensive Income

For three months ended 30 June	Un Audited 2026 LKR	Un-Audited 2025 LKR
Profit/(Loss) for the Period	17,317,450	37,339,693
Other Comprehensive Income/(Loss)		
Net change in fair value of available-for-sale financial assets	-	51,034,453
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	8,329,249	5,494,600
Net change in fair value of AFS reserve transferred to insurance Liabilities	(8,329,249)	(5,494,600)
Items that will never be reclassified to profit or loss		
Acturial loss on defined benefit plan	-	
Total Other comprehensive income, net of tax	-	51,034,453
Total comprehensive Income/(Loss) for the Period, Net of Tax	17,317,450	88,374,146

STATEMENT OF FINANCIAL POSITION

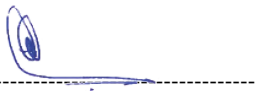
As at	Note	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Assets			
Intangible assets		6,938,984	6,954,017
Property, plant and equipment		15,926,261	23,112,291
Right of use assets	10	144,925,088	198,976,482
Defered Tax Asset		195,000,000	195,000,000
Financial assets	11	4,359,520,841	4,565,464,789
Loans to life policyholders		174,199,621	172,658,497
Reinsurance receivables		14,734,766	5,311,350
Amounts due from related parties	13	12,271,251	9,031,305
Premium receivable		66,702,928	64,996,481
Other assets		153,725,747	113,622,615
Cash and cash equivalents		93,027,531	88,426,366
Total Assets		5,236,973,018	5,443,554,193
Equity and Liabilities			
Equity			
Stated capital	16	675,564,870	675,564,870
Retained earnings		1,035,307,252	1,012,417,668
Available for sale reserves		-	-
Total Equity		1,710,872,122	1,687,982,538
Liabilities			
Insurance contract liabilities	12	3,109,625,329	3,266,440,502
Employee benefit obligation		19,867,381	18,012,333
Reinsurance payables		6,362,738	17,300,371
Lease liabilities	10	177,379,557	234,433,002
Amounts due to related parties	13	7,992,806	7,580,344
Other financial liabilities		177,104,239	191,622,027
Other liabilities		27,768,846	20,183,076
Total Liabilities		3,526,100,896	3,755,571,655
Total Equity and Liabilities		5,236,973,018	5,443,554,193

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

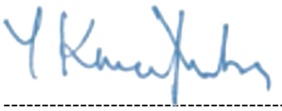


K.L.Y.Chamara
Accountant

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



Ramal Jasinghe
Chairman



Yudishtran Kanagasabai
Director

13, August 2026
Colombo.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	AFS Reserve	Retained Earnings	Total
	LKR	LKR	LKR	LKR
Audited Balance as at 01 January 2025	675,564,870	159,513,183	1,005,999,971	1,841,078,024
Profit for the period			49,173,843	49,173,843
Actuarial loss on defined benefit plan				-
Other Comprehensive Income / (Loss)				
Net change in fair value of available-for-sale financial assets		28,321,481		28,321,481
Total Comprehensive Income for the Period, Net of Tax				
Un-Audited Balance as at 30 June 2025	675,564,870	187,834,664	1,055,173,814	1,918,573,348
Profit/(Loss) for the period			(41,140,570)	(41,140,570)
Actuarial loss on defined benefit plan			(1,615,576)	(1,615,576)
Other Comprehensive Income / (Loss)		87,857,516		87,857,516
Net change in fair value of available-for-sale financial assets		(275,692,180)		(275,692,180)
Total Comprehensive Income for the Period, Net of Tax				
Audited Balance as at 31 December 2025	675,564,870	-	1,012,417,668	1,687,982,538
Profit for the period			22,889,584	22,889,584
Actuarial loss on defined benefit plan				-
Other Comprehensive Income / (Loss)				
Net change in fair value of available-for-sale financial assets		-		-
Total Comprehensive Income for the Period, Net of Tax				
Un-Audited Balance as at 30 June 2026	**675,564,870**	**-**	**1,035,307,252**	**1,710,872,122**

STATEMENT OF CASH FLOWS

For the period ended 30 June	Un-Audited 2026 LKR	Audited 2025 LKR
Cash flows from operating activities		
Insurance premium received	702,112,277	844,979,155
Reinsurance premium paid	(51,550,880)	(50,452,076)
Insurance benefits and claims paid	(518,866,013)	(422,921,047)
Reinsurance claim received	(9,423,416)	3,191,699
Other operating cash flows	(497,698,623)	(537,060,213)
Cash generated from operating activities	(375,426,655)	(162,262,482)
Tax Paid	(2,569,925)	(10,423,603)
Employee benefits paid	(2,005,000)	(522,500)
Net cash generated from operating activities	(380,001,580)	(173,208,585)
Cash flows from investing activities		
Acquisition of financial investments	(372,271,061)	(564,839,428)
Proceeds from sale/maturity of investment securities	578,215,010	631,165,412
Interest/Dividend received	236,336,677	265,950,414
Acquisition of property, plant and equipment	(1,506,998)	(772,970)
Net Acquisition of ROU Asset	(56,170,883)	(54,623,180)
Net Cash Used in Investing Activities	384,602,745	276,880,248
Net Cash Flows Before Financing Activities	4,601,165	103,671,663
Cash flows from financing activities		
	-	-
Net cash used in financing activities	-	-
Net increase / (Decrease) in cash and cash equivalents	4,601,165	103,671,663
Cash and cash equivalents at the beginning of the year	88,426,367	53,869,098
Cash and cash equivalents at the end of the period	93,027,531	157,540,761

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 30th June 2026 were authorised for issue by the Board of Directors on 13th August 2026.

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 and investment properties valued 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 2025. 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 2025.

4. Gross Written Premium

For the Period Ended 30 June	Un-Audited 2026 LKR	Un-Audited 2025 LKR
First year premium	194,663,968	332,604,919
Renewal premium	495,312,460	508,952,505
Group premium	13,776,769	16,295,668
	703,753,197	857,853,092

5. Premium Ceded To Reinsurers On Insurance Contracts

For the Period Ended 30 June	Un-Audited 2026 LKR '000	Un-Audited 2025 LKR '000
Conventional policies		
Total premium ceded to reinsurers	40,613,247	43,387,735
Total net written premium	663,139,950	814,465,357

Notes to the Financial Statements

6. Investment income

For the Period Ended 30 June	Un-Audited 2026 LKR	Un-Audited 2025 LKR
Held to maturity financial assets		
Interest Income	61,121,863	82,703,235
Loans and receivables		
Interest Income	156,510,664	135,619,173
Available For Sale Financial Assets		
Interest Income	18,704,150	16,027,350
Dividend income	-	31,600,656
	236,336,677	265,950,414

7. Change in contract liabilities - life fund

As per the requirement of SLFRS 4 ,a provisional Liability Adequacy Test with respect to Life insurance provision was performed as at 31st December 2025 .

8. Income Tax Expense

For the Period Ended 30 June	Un-Audited 2026 LKR	Un-Audited 2025 LKR
Income tax on current period profit	(10,090,172)	19,340,371
Total current income tax	(10,090,172)	19,340,371

9. 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 30th June 2026.

10. Right of Use Assets

As at	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Openning balance	198,976,482	171,032,028
Additions of right of use lease asset during the period	(882,562)	129,713,492
Depreciation for the period	(53,168,832)	(106,945,112)
Advance payment for leases	-	5,176,074
Closing balance	144,925,088	198,976,482

Lease liabilities

As at	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Openning balance	234,433,002	208,113,822
Additions during the period	(882,562)	129,713,492
Finance cost recognised in profit and loss	13,178,998	34,317,346
Lease payments	(69,349,880)	(137,711,658)
Closing balance	177,379,557	234,433,002

Notes to the Financial Statements

11. Financial Assets

As at	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Loans and receivables (11.1)	3,069,925,268	3,275,245,648
Available-for-sale financial assets (11.2)	324,394,050	335,716,450
Held to Maturity (11.3)	813,645,294	809,770,877
Fair Value through profit & Loss (11.4)	151,556,229	144,731,814
	4,359,520,841	4,565,464,789

11.1 Loans and receivables

	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Amortised cost		
Debentures	382,957,673	471,211,422
Fixed deposit	1,946,417,520	1,587,741,824
Reverse repurchase agreements	740,550,075	1,051,272,593
RPAF loan	-	-
Commercial Paper	-	167,916,343
	3,069,925,268	3,278,142,182

11.2 Available-for-sale financial assets

	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Treasury bonds	324,394,050	335,716,450
Quoted equities	-	-
	324,394,050	335,716,450

11.3 Held to Maturity

	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Treasury bonds	813,645,294	809,770,877
	813,645,294	809,770,877

11.4 Fair Value through profit & Loss

	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Unit trust	151,556,229	144,731,814
	151,556,229	144,731,814

12. Insurance Contract Liabilities

As at	Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Balance as at 1 January	3,266,440,502	2,715,710,389
Change in contract liabilities life fund		
Increase in life insurance fund before surplus transfer	(145,663,624)	48,812,167
Surplus transferred from / (to) shareholders	-	477,347,034
Increase in life insurance fund	(145,663,624)	526,159,201
Movement in AFS reserve transferred to life fund	(11,151,549)	24,570,913
Life Insurance Fund balance as at period end	3,109,625,329	3,266,440,502

13. Related Party Transactions

13.1 Amounts Due to Related Party

As at		Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Related Party	**Relationship**		
Richard Pieris & Company PLC	Ultimate Parent	7,992,806	7,580,344
Richard Pieris Distributors Limited	Fellow Subsidiary	-	-
		7,992,806	7,580,344

13.2 Amounts Due From Related Parties

As at		Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Related Party	**Relationship**		
Richard Pieris & Company PLC	Ultimate Parent	-	-
Richard Pieris Distributors Limited	Fellow Subsidiary	12,271,251	9,031,305
		12,271,251	9,031,305

Investments in related parties

As at		Un-Audited 30.06.2026 LKR	Audited 31.12.2025 LKR
Related Party	**Relationship**		
Richard Pieris Finance PLC	Fellow Subsidiary	150,484,658	143,583,847

14. 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 30 June 2026, end of the interim period no material capital commitment and contingengencies approved by the board and contracted for which no provision has been made in interim financial statements.

15. 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.

16. Stated Capital

As at 30 June	Un-Audited 2026 LKR	Audited 2025 LKR
Ordinary Shares	675,564,870	675,564,870
	675,564,870	675,564,870
No of Ordinary Shares	66,230,407	66,230,407

17. Share Information

17.1 Net Assets Per Share

As at 30 June	Un-Audited 2026 LKR	Un-Audited 2025 LKR
Net Assets Per Share	25.83	28.97

17.2 Market Price Per Share

For the quarter ended 30 June	2026 LKR	2025 LKR
Highest Price	33.50	27.00
Lowest Price	27.50	24.00
Last Price	29.50	27.00
Market Capitalization	1,953,797,007	1,764,799,002
Float Adjusted Market capitalization	195,596,918	179,020,908

18. Public Shareholding

For the quarter ended 30 June	2026 No of Shares	%	2025 No of Shares	%
Public Shareholding	6,630,404	10%	6,630,400	10%

*Compliant with the Minimum Public Holding requirement in respect of voting ordinary shares under section 7.13.1(i)(b) – Option 2

19. Directors' Shareholding

As at 30 June	2026	2025
Mr.Ramal Jasinghe	Nil	Nil
Mr. Shiron Gooneratne	Nil	Nil
Mr.Yudhistran Kanakasabai	Nil	Nil
Mr.Kelum Sennayake	N/A	Nil
Mr.Rohan Muttiah	Nil	Nil
Mr. Naresh Ajantha Tillekeratne	Nil	N/A

20. Twenty Largest Shareholders as at 30 June 2026

	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 DINAL GITANJAN	918,919	1.39%
5	MRS.T.T.A.DE SILVA WEERASOORIA THUSHARIE TILOTTAMA ANJALEE	862,225	1.30%
6	MR.R.C.D.DE SILVA RUWANPURA CHANAKA DHARMAJITH	788,138	1.19%
7	MR.R.P.WEERASOORIYA RAJINDA PRIYANJITH	526,980	0.80%
8	MR.D.ABARATHAMANICKAM DIVEK AMRITH	500,000	0.75%
9	MR.S.SENTHILNATHAN SHANMUGAN	451,760	0.68%
10	MR.B.T.DE S WEERASOORIA BUDRIKA TARUSHA	417,945	0.63%
11	T R L HOLDINGS (PVT) LIMITED	325,173	0.49%
12	UNIVERSAL CAPITAL HOLDINGS (PVT) LTD	125,000	0.19%
13	MR.D.P.NAVARATNAM DINESH PRAKASH	111,260	0.17%
14	FLYBRUNEI SDN BHD	99,700	0.15%
15	MR.T.A.N.GOMIS THONDAMAN ARACHCHIGE NALAKA	98,825	0.15%
16	MR.S.A.OBEYESEKERE SIRIDEV AJIT	93,300	0.14%
17	MR.M.L.A.BENEDICT MARK LAWRENCE AJIT	81,172	0.12%
18	MR.H.A.S.MADANAYAKA HIRAN ARJUNA SUREN	78,300	0.12%
19	ASSETLINE FINANCE PLC/M.S.HIRIPITIYA	60,000	0.09%
20	PEOPLES LEASING & FINANCE PLC/MR.K	54,894	0.08%
		65,193,594	98.43%
	Others	1,036,813	1.57%
	Total	66,230,407	100.00%


ARPICO
Insurance
INSURANCE FOR THE LIVING