ANNUAL REPORT 2024

LOLC GENERAL INSURANCE

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About us

LOLC General Insurance PLC, a proud subsidiary of the diversified and esteemed LOLC Group, has made steadfast progress in a remarkably short period, emerging as a full-fledged and leading General Insurer in Sri Lanka. We have successfully established ourselves as a key player in the insurance industry by leveraging a strong brand, group synergies and multi-channel distribution model.

Throughout our thirteen-year journey, we have consistently stood out in a highly competitive market. With over 80 branches across the island, our strategic direction and performance-driven culture have enabled us to achieve significant milestones, including becoming one of the fastest general insurers to surpass Rs. 11 billion in Gross Written Premiums (GWP) within a short span. In 2024, we recorded an impressive 11% growth in GWP, outperforming industry averages and securing a market share of 8.5%.

Our dedication to customer-centricity, innovation, and operational excellence continues to set us apart. This was recently recognised at the 5th Emerging Asia Insurance Awards by the Indian Chamber of Commerce, where we were honoured with multiple accolades including 'Best General Insurance Company in Sri Lanka', 'Best Customer Oriented Company', and 'Best Risk Management Strategy'.

At the heart of our operations lies a vision to become the insurer of choice by transforming lives through unparalleled risk management solutions. Guided by our core values, Trust and Confidence, Integrity, Empathy, Diversity, and Service Excellence, we remain committed to offering innovative and reliable insurance solutions that empower individuals and mitigate risks that empower individuals, manage risks effectively and uplift all communities ensuring a better future for all.

Through our comprehensive and innovative product offerings, we serve both retail and corporate segments covering conventional and Takaful arms with motor, fire and engineering, marine and miscellaneous solutions, accessible through our island-wide branch network, our dedicated and experienced sales distribution channels including, direct sales team, broker, corporate sales and Bancassurance channel.

Partnering with globally-renowned reinsurers with sound ratings, approved by the Insurance Regulatory Commission of Sri Lanka, we ensure the utmost reliability in our service delivery. Registered under the Regulation of Insurance Industry Act and regulated by the Insurance Regulatory Commission of Sri Lanka, LOLC General Insurance PLC is proudly listed on the Main Board of the Colombo Stock Exchange.

In an ever-changing financial landscape marked by both opportunities and challenges, we continue to stand as a trusted risk management partner for all our valued stakeholders, navigating the future with confidence, resilience and integrity.

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Performance Highlights

	Measurement Unit	2024	2023	Change % Y-O-Y
FINANCIAL PERFORMANCE				
Total Income	Rs. Mn	11,108	9,618	15
Gross written premium	Rs. Mn	11,102	9,963	11
Net earned premium	Rs. Mn	8,697	7,403	17
Total benefits, losses and expenses	Rs. Mn	10,696	8,600	24
Total other income	Rs. Mn	2,411	2,215	9
Profit before income tax (PBT)	Rs. Mn	478	999	(52)
Profit after income tax (PAT)	Rs. Mn	350	717	(51)
Net claims ratio	%	71	71	-
Net expense ratio	%	52	45	7
Net combined ratio	%	123	116	7
Return on equity (ROE) *	%	5	12	(7)
FINANCIAL POSITION AND STABILITY				
Total assets	Rs. Mn	22,206	19,609	13
Investment securities	Rs. Mn	14,607	12,919	13
Total liabilities	Rs. Mn	15,330	13,487	14
Insurance contract liabilities	Rs. Mn	11,669	9,419	24
Equity	Rs. Mn	6,876	6,122	12
INVESTOR RATIOS				
Market value per share (Closing)	Rs.	7.00	7.60	(8)
No. of shares in issue	Mn	1,200	1,200	-
Market capitalisation	Rs. Mn	8,400	9,120	(8)
Earnings per share	Rs.	0.29	0.60	(51)
Net asset value per share	Rs.	5.73	5.10	12.3
Price/Earnings ratio	Times	24.14	12.72	89
STATUTORY RATIOS				
Capital Adequacy Ratio (CAR) (%)	%	216	236	(20)
Total Available Capital (TAC)	Rs.'000	6,144,865	5,895,862	4

*ROE = PAT/Average equity

Directors' Profiles

K A K P Gunawardena
Attorney at law
Non - Executive Chairman

Mr Gunawardena Joined LOLC in 2004 and counts over 30 years of experience as a Lawyer. He has held a number of important positions in the State, including the office of State Counsel attached to the Attorney General's Department, the Office of Director – Legal & Enforcement of the Securities and Exchange Commission of Sri Lanka and the Insurance Board of Sri Lanka and was involved in setting up the Consumer Affairs Authority as its first Director General. He serves on the Boards of Hatton National Bank & Gal Oya Plantations Ltd, as well as a number of local and overseas subsidiaries within the LOLC Group, as given below:

Non - Executive Chairman

- LOLC Corporate Services (Pvt) Ltd
- Gal Oya Holdings (Pvt) Ltd

Non - Executive Director

- Diriya Investments (Pvt) Ltd
- Browns Engineering and Construction (Pvt) Ltd
- LOLC Securities Ltd
- LOLC Motors Ltd
- Ceylon Real Estate Holdings (Pvt) Ltd
- Colombo Marina Development (Pvt) Ltd
- Marina Hotel Holdings (Pvt) Ltd
- Maturata Plantations Ltd
- Grey Reach Investment Ltd
- Browns Holdings Ltd
- Iconic Trust (Pvt) Ltd
- NPH Investment (Pvt) Ltd
- Bodufaru Beach Resorts (Pvt) Ltd

Mrs. V G S Sunjeevani Kotakadeniya
Non-Executive Director

Mrs. Sunjeevani Kotakadeniya was appointed to the Board on 30th June 2019. She is the Chief Financial Officer of the LOLC Group, overseeing the Group's local and international businesses' finance function.

She is a senior finance professional with over three decades of experience in financial management and has extensive experience in strategic development, investment portfolio management, project management, mergers and acquisitions, IT and administration disciplines holding senior positions in Financial Services, Insurance, Leisure, Construction, Trading, Renewable Energy, Plantations and Manufacturing sectors. Sunjeevani is a catalyst in business restructuring and process reengineering driven change management.

Her professional qualifications include; FCMA (UK), CGMA (USA),MBA [University of Colombo]

She also serves on the Boards of the following Companies:

Director

- Seylan Bank PLC
- Agstar PLC
- Sierra Cables PLC
- Hapugastenne Plantations PLC
- Udapussellawa Plantations PLC
- Serendib Microinsurance PLC – Cambodia
- LOLC Microfinance Bank Limited, Pakistan
- Maturata Plantations Ltd
- Browns Metal & Sands (Pvt) Ltd
- Browns Engineering and Construction (Pvt) Ltd
- Browns Hotels and Resorts Limited
- NPH Investment (Pvt) Ltd, Maldives
- BI Commodities and Logistics (Pvt) Ltd
- Gurind Accor (Pvt) Ltd
- Samudra Beach Resort (Pvt) Ltd
- Iconic Trust (Private) Limited
- Tropical Island Commodities (Private) Limited
- LOLC Life Insurance Limited, Zambia

Indrajith Wijesiriwardana
Independent Director

Mr. Indrajith Wijesiriwardana is an international expert in Banking and Financial Services including credit guarantees and insurance with three decades of global experience from over thirty countries, working primarily with international financing agencies, governments and financial institutions. His key areas of experience include Microfinance and SME Finance (MSME) and Capacity Building addressing demand and supply side challenges and improving access to finance. Mr Wijesiriwardana is skilled and experienced in policy development, strategy and business design, developing inclusive financial systems, enterprise risk management, institutional transformations and product design and process improvements. He is also involved in Human Resource development in the financial sectors, internationally.

He holds a Master of Business Administration (MBA) from the Post Graduate Institute of Management, the University of Sri Jayewardenepura, Colombo and a Master of Arts (MA) in Economics degree from the University of Colombo, Colombo. He is also a Fellow Chartered Management Accountant (FCMA) of the Chartered Institute of Management Accountants (UK) a Chartered Global Management Accountant (CGMA) from Association of International Professional Accountants, and Technical Specialist (SIRM) of the Institute of Risk Management, UK. He has received skills training in Sustainable Finance, relating to Climate Change, Gender issues and Renewable Energy

Mr. Indrajith Wijesiriwardana is an Independent Board member of LOLC (Cambodia) Plc since 1st January 2015 and Serendib Microfinance Plc Cambodia.

Directors' Profiles

H A Karunaratne
Independent Director

Mr H A Karunaratne was attached to the Central Bank of Sri Lanka from 1986 and retired as a Deputy Governor -Financial System Stability in December 2020. He was appointed to the Board of LOLC General Insurance PLC on 20th October 2023.

He is currently serving as a member of Investments Committee of Capital Alliance Investments Limited as well.

His academic qualifications include a BSc Business Administration – Second Class Upper Division and a MA in Economics from the Ohio University, USA. He is also a Fellow Member of the Institute of Chartered Accountants, Sri Lanka, and completed number of modules of the Capital Market Financial Advisory Services Examination, Singapore and held Representative's Licence issued by the Monetary Authority, Singapore while working in capital markets in Singapore.

W. R. A. Dharmaratne
Independent Director

Apart from two years spent overseas in Postgraduate studies, Mr. W R A Dharmaratne has an unbroken service record at the Central Bank of Sri Lanka ('CBSL') from 1990. While at the CBSL he worked in several different departments including Economic Research, Currency, Management Audit, Financial Sector Research and Human Resources.

Mr. Dharmaratne holds an MA in Economics from the University of Essex, UK, a BA in Development Studies (Special) Statistics from the University of Sri Jayawardenapura, a Postgraduate Diploma in Economic Development from the University of Colombo and a Postgraduate Diploma in Computer Technology from the University of Colombo.

Mrs. K U Amarasinghe
Non-Executive Director

Mrs. Kalsha Amarasinghe holds an Honours Degree in Economics and has an outstanding vision for investments.

Mrs. Amarasinghe serves on the following Boards.

- LOLC Holdings PLC
- Brown & Company PLC
- Palm Garden Hotels PLC
- Eden Hotel Lanka PLC
- Browns Investments PLC
- Serendib Hotels PLC
- Hotel Sigiriya PLC
- Riverina Resorts (Pvt) Ltd
- Green Paradise (Pvt) Ltd
- PL Resorts Ltd
- Browns Holdings Ltd
- Sanctuary Resorts (Pvt) Ltd
- Three Tips Ella (Pvt) Ltd
- Serendib Leisure Management Ltd

Financial Review

Persisting through hardship

Despite challenges in Sri Lanka's insurance sector caused by the prevailing economic situation, the Company achieved notable growth in its top line. Our main focus throughout the year was to guide the company on a path of growth. The Company's Gross Written Premium (GWP) rose by 11%, while the overall industry grew by 7%. However, due to adverse claims experience, higher reinsurance costs, and inflation-driven increases in overhead expenses, the company's profit for the year declined by 51%.

Financial Performance

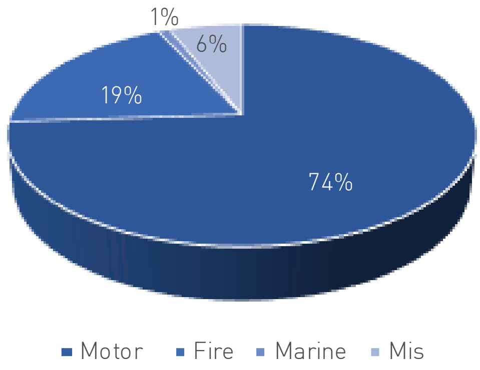
Financial Performance	2024 Rs. Mn	2023 Rs. Mn	Growth %
Gross written premium	11,102	9,963	11%
Premium ceded to reinsurers	(1,947)	(2,344)	(17%)
Net written premium	9,155	7,619	20%
Net change in reserves for unearned premium	(458)	(216)	112%
Net earned premium	8,697	7,403	17%
Total other income	2,411	2,215	9%
Total benefits, losses and expenses	(10,696)	(8,600)	24%
Share of loss from equity accounted investee (Net of tax)	66	(19)	(447%)
Profit before income tax expense	**478**	**999**	**(52%)**
Income tax expense	(127)	(282)	(55%)
Profit for the year	**350**	**717**	**(51%)**

Gross Written/ Net Earned Premiums

Gross Written Premiums (GWP) increased by 11%, primarily driven by a 9% growth in the motor sector, outperforming the industry growth rate of 8% of the motor class%. The motor segment remains the largest contributor to the Company's GWP, accounting for 74%. Despite challenging conditions, the Company achieved significant growth in the non-motor segment, which rose by 19%, fuelled by expansions in the fire (+16%) and miscellaneous (+95%) sectors. Consequently, the Company's dependence on motor insurance declined from 77% to 75%, indicating a more balanced and diversified business mix.

Premiums ceded to reinsurers fell by 17% to Rs. 1,947 million, mainly due to the reversal of reinsurance provision for SRCC & TC of 100% on the motor class provided in 2023 with the change in effective date to 01st January 2024 to increase the rate from 12% to 100%. Accordingly, net earned premiums increased by 17% to Rs. 8,697 million in 2024, reflecting the strong growth in GWP.

Gross Written Premium Composition



Total other income

The Company's total other income consisted of investment income, fees and commission income, and miscellaneous income. Investment income made up 59% of this total and grew by 18% compared to the previous year, reaching Rs. 1,433 million, primarily driven by a 2% increase in interest income. Favourable market interest rates throughout the year, combined with prudent investment management, contributed significantly to the strong investment income, which was a key factor in the Company's profitability.

Fees and commission income recorded a growth of 64% and other income increased by Rs. 11 Mn mainly supported by foreign exchange gains and asset hire income.

Total benefits, losses and expenses

Total benefits, losses and expenses comprised of insurance claims and benefits (net), underwriting and acquisition costs (net), other operating and administrative expenses and finance cost.

Insurance claims and benefits

The industry experienced a normalization of motor claims, amidst the impact of inflationary pressures on claims-related expenses.

The Company's insurance claims and benefits rose by 19% to Rs. 6,209 million, primarily due to a 11% increase in motor claims. This surge was largely driven by a steep rise in spare parts costs, stemming from global supply chain disruptions and the significant depreciation of the Sri Lankan Rupee. Additionally, the non-motor segment also experienced adverse claims trends during 2024.

However, the motor segment's claims ratio has improved to 68%, compared to 71% in the previous year. In contrast, the non-motor segment's claims ratio rose significantly to 86% from 69% in the prior year. This increase was primarily driven by a sharp rise in the claim's ratio of the fire class, which increased to 96% from 62% in 2023, and the marine class, which rose to 53% from 43% in the previous year.

Financial Review

Net Claims Ratio of Business Classes

	2024	2023
Motor	68%	71%
Fire	96%	62%
Marine	53%	43%
Miscellaneous	56%	91%
Total	71%	71%

Underwriting and Acquisition Costs

Acquisition costs are direct costs incurred by the company to acquire businesses. This is the amount of commissions paid to intermediaries to acquire business less any commission income due from reinsurers for placing business with them.

Other operating and administrative expenses and finance cost

Other operating and administrative expenses mainly comprised of administration and establishment expenses, staff related expenses and selling expenses. Total other operating and administrative expenses increased by 27% to Rs. 4,166 Mn to facilitate the aggressive expansion drive of the company as well as due to unfavourable influences of inflationary impacts. As a result of increased focus on automation and digitalisation of processes, geographical expansion, increase in the staff strength as well as increase in sales and promotional expenses to be in line with the aggressive business growth led to the increase in other operating and administration expenses.

The expense ratio which includes underwriting and acquisition expenses, other operating and administrative expenses, and finance costs rose to 52% of net earned premium, compared to 46% in the previous year.

Share of loss from equity accounted investee

The Company invested in Serendib Microinsurance PLC, Cambodia which represents a 45% stake in 2021. Serendib Microinsurance reported a profit for the year ended 31 December 2024 and LOLCGI's share of loss has been recognised in the financials during the year. Company's stake has reduced to 15% as at 31st December 2024 compared to 45% in the previous year.

Profits

Profit before income tax declined by 52% to Rs. 478 million during the year, primarily due to a substantial increase in insurance claims and benefits amounting to Rs. 984 million, along with a rise of Rs. 877 million in other operating and administrative expenses. Despite an increase in the corporate tax rate, income tax expenses decreased by 55% to Rs. 127 million. As a result, net profit for the year fell by 51% to Rs. 350 million.

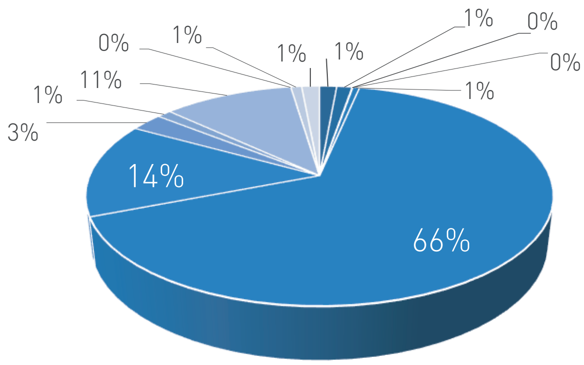
Operating Ratios

Operating Ratios	2024	2023
Claim ratio	71%	71%
Expense ratio	52%	46%
Combined ratio	123%	117%

Amidst a challenging operating environment and adverse claims experience, the Company's claims ratio maintained at 71%. However, through effective expense management strategies, overall expenses were contained with only a marginal increase. Despite the resulting rise in the combined ratio, the Company remained profitable, recording a profit after tax of Rs. 350 million, thereby continuing to deliver value to shareholders.

Financial strength and stability

Assets composition



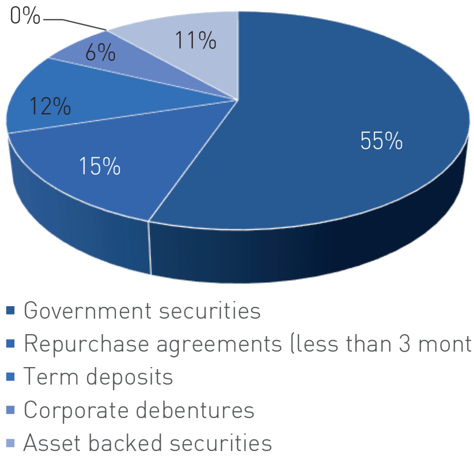
- Property and equipment
- Right-of-use assets
- Intangible assets
- Deferred tax assets
- Equity accounted investees
- Investment securities
- Reinsurance assets
- Reinsurance receivables
- Deferred acquisition costs
- Premiums receivable
- Amounts due from related parties
- Other assets
- Cash and bank balances

The Company's financial position remained robust, with total assets rising by 13% to Rs. 22,206 million. This growth was primarily driven by increases in premium receivables, reinsurance assets, and investment securities, which grew by Rs. 317 million, Rs. 594 million, and Rs. 1,688 million respectively, in line with overall business expansion.

The overall asset composition remained largely stable, with a few notable changes. Premium receivables increased to 15% of total assets, up from 11% in the previous year, while reinsurance assets rose to 24% from 13%. Conversely, the proportion of investment securities in the asset mix maintained at 66% the previous year, primarily as a result of business growth.

Financial Review

Mix of Financial Securities



Our investment portfolio continued to be dominated by investments in government securities (55%). Corporate debentures (6%), term deposits (12%) were the other instruments in the investment portfolio of the company as of the year ended 31st December 2024. The investment philosophy of LOLC balances the risks and returns of its investment strategy that underpins the guidelines and regulations for investments under the Risk Based Capital (RBC) regime of the IRCSL.

Equity

Our strong equity position made up of stated capital, retained earnings and other reserves of Rs. 6,876 Mn has enabled us to facilitate the aggressive business drive of the company.

Retained earnings grew by 9% from previous year propelled by profits reported during the period. Available for Sale Reserve recorded a significant improvement with the reversal of unrealised fair value losses recorded in previous year of Government securities classified under fair value through Other Comprehensive Income (OCI) resulting from lower interest rates in the market.

Liabilities

Total liabilities of the company are depicted below in the table;

	2024 Rs. Mn	2023 Rs. Mn
Insurance contract liabilities - Non-Life insurance	11,669	9,419
Long-term borrowings	136	142
Lease liabilities	305	151
Reinsurance creditors	880	1,354
Income tax liability	146	529
Other liabilities	2,194	1,892
Total	**15,330**	**13,487**

Insurance contract liabilities includes gross provisions for outstanding claims, incurred but not reported claims and the provision for net unearned premium. Insurance contract liabilities made up 76% of liabilities and increased by 24% as at year end in line with the business growth and increase in claims.

To ensure that the required insurance provisions stipulated by the insurance regulator, the IRCSL were met, we obtained a certification from an independent professional actuarial firm, NMG Financial Services Consulting Pte Ltd. (NMG), on the adequacy of the provisioning for Incurred But Not Reported claims (IBNR) as at 31st December 2024. The IBNR provision, together with case reserves is expected to be adequate to meet future liabilities in respect of our claims obligations as at 31st December 2024. At the end of each reporting period, insurance companies are required to carry out a Liability Adequacy Test (LAT) according to Sri Lanka Financial Reporting Standards (SLFRS) 4 - Insurance Contracts. LAT is performed to assess the adequacy of the carrying amount of the Unearned Premium Reserve (UPR). LOLC's consultant actuaries, NMG has certified that UPR maintained by us is adequate in relation to the unexpired risks of the company as at 31st December 2024.

Liquidity and Cash Flow Management

The Company prudently manages its cash flows to meet short-term and long-term cash flow requirements. Adequate funds are maintained in short-term investments in order to meet day to day cash flow requirements such as claim payments, premium refunds and overhead related cash out flows. The company with its digital business drive, enables digitalised platforms in collecting and making claim payments without limiting to conventional collection and payment mechanisms.

Cash Flows

	2024 Rs. Mn	2023 Rs. Mn
Net cash (outflow)/ inflow from operating activities	(839)	474
Net cash (outflow)/inflow from investing activities	1,973	105
Net cash (outflow)/inflow from financing activities	(61)	(130)

Cash flows from operating activities decreased by 277% during the year mainly due to increase in Reinsurance premiums (net of commission) paid. Repo investments are classified under cash and cash equivalents due to their high liquidity. Improvements done to the collection process and credit policy caused a significant improvement in cash inflows. This in turn improved the investment portfolio and value created to shareholders.

Risk Based Capital

The company has been maintaining the Capital Adequacy Ratio (CAR) well above the required minimum level of 120% as prescribed by IRCSL throughout the year under review. The Company has consistently maintained the approved assets under Determination 1 issued by IRCSL.

	2024	2023
Total Available Capital (Rs.000")	6,144,865	5,895,862
Risk Based Capital Requirement (Rs.000")	2,846,567	2,501,672
Risk Based Capital Adequacy ratio (%)	216%	236%
Minimum Capital Adequacy ratio as prescribed by IRCSL	120%	120%

Corporate Governance Report

Corporate Governance refers to the structures and processes that are established for the direction and control of the organization. It concerns the stewardship provided by the Board, relationship between the Board of Directors, Shareholders, Management and Other Stakeholders.

A strong corporate culture and ethics are vital for the survival and profitability of an organization in a highly competitive market.

The Board approves the strategy and sets the corporate values and determines the risk appetite of the Company. It ensures that the Company operates within the regulatory framework and applicable laws and legislation and that appropriate internal controls are in place to comply with the regulations.

The Company is in compliance with the following Directions relating to Corporate Governance;

- Direction No. 17 on Corporate Governance issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) as revised by Direction No. 2 of 2022 dated 3rd February 2022, Direction No. 2 of 2022 dated 25th February 2022, Direction No. 5 of 2021 and Direction No.2 of 2023.
- Listing Rules issued by the Colombo Stock Exchange (CSE).
- Rules of the Insurance Regulatory Commission of Sri Lanka.

The Company's compliance with respect to the above Direction, Code and Rules are summarized in the table below.

Insurance Regulatory Commission of Sri Lanka (Directions issued under section 96 of RII Act)

Sec No.	Rules of the IRCSL	Level of Compliance as of 31.12.2024	Description
A	Insurers are recommended to adhere to the Code of Best Practice on Corporate Governance, 2023 (the Code), issued by the Securities and Exchange Commission of Sri Lanka jointly with the Institute of Chartered Accountants of Sri Lanka, with a view to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company, and further to promote corporate fairness, transparency and accountability	Complied with	The Company has adopted the Code of Best Practice on Corporate Governance, 2023
B.1	The Board of an insurer must comprise of a minimum of two Directors who are citizens of Sri Lanka and also residents of Sri Lanka;	Complied with	The Board comprises of 6 Directors, all of whom are citizens of Sri Lanka
B.2	The total period of service of a director of an insurer, other than an executive director, shall not exceed nine years, and such period in office shall be inclusive of the total period of service served by such director	Complied with	None of the Directors Exceed 9 years
B.3.i	The age of a person who serves as director shall not exceed 75 years;	Complied with	All the Directors are within the required age limit.
B.4	The Board of an insurer must adhere to Section 9 of the Listing Rules of the Colombo Stock Exchange (or any amendments made thereto), pertaining to Corporate Governance	Complied with	Level of compliance is listed in the succeeding page
B.5	A person shall be disqualified to be a director of an insurer if such person is a director of more than twenty (20) companies inclusive of subsidiaries or associate companies of the insurer. Of such 20 companies, not more than 10 companies shall be classified as Specified Business Entities in terms of the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995	Complied with	None of the Directors have exceeded the specified number of Directorships on other Boards.
B. 6	Insurers are required to demonstrate compliance with this Direction by way of disclosure in their Annual Reports, including the disclosure requirements stated in Section 9 of the Listing Rules of the Colombo Stock Exchange (or any amendments made thereto).	Complied with	This table of contents meets the requirement
B.7	The Insurer shall rectify its non-compliance in respect of items B1 to 6 referred to above within three months from the date of Non-Compliance of same and inform the IRCSL immediately after three months. Enforcement action will be taken thereafter against the insurer in terms of Circular # 41, for non-compliance	Complied with	The company is in compliance with B.1 to 6 referred to above.
B.8 a & b	The Company Secretary and the Insurer should provide a written confirmation to the IRCSL on non compliance of B.2, B.3.i and B.5 of Above	Agree to Comply	Would comply should the need arise

Corporate Governance Report Contd...

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows :-

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.1.3	The Company shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual report of the Company.	**Complied with** This report serves the purpose.
	Policies	
9.2.1	The Company shall establish and maintain the following new policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website. a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's Listed Securities f) Policy on Risk management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti- Bribery and Corruption	**Complied with** The policies have been posted on the Company's website.
9.3	**Board Committees**	
9.3.1	The Company to ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. a) Audit Committee b) Remuneration Committee c) Related Party Transaction Review Committee d) Nomination & Governance Committee	The following Committees are already in place and are functioning effectively: a) Audit Committee b) Remuneration Committee c) Related Party Transaction Review Committee d) Nomination & Governance Committee
9.3.2.	The Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in the Rules	**Complied with** The Composition, responsibilities and disclosures in respect of the aforesaid Board committees are in place.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	**Complied with** The Chairman of the Company has not been appointed as the Committee Chair of any of the above committees
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**	
9.4.1.	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained.	**Complied with** Records of all shareholder meetings are maintained by the Company Secretaries. Copies of these records would be made available to CSE/ SEC upon request.

Corporate Governance Report Contd...

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows :-

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.4.2	**Communication and relations with shareholders and investors**	
	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.	**Complied with** In terms of Rule 9.2.1. a policy on Matters Related to the Board of Directors are in place and published on the Company's website.
9.5	**Policy on matters relating to the Board of Directors**	
9.5.1.	Listed Entities to establish and maintain a formal policy governing matters relating to the Board of Directors.	**Complied with** In terms of Rule 9.2.1. a policy on Matters Related to the Board of Directors is in place and published on the Company's website.
9.6	**Chairperson and CEO**	
9.6.1	The Chairperson of the Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	**Complied with** The Chairman of the Company is a Non-Executive Director. The positions of Chairperson and CEO are held by two separate individuals.
9.6.3.	The Company shall appoint an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties	Agree to comply, should the need arise.
9.7	**Fitness of Directors and CEOs**	
9.7.1- 9.7.3	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:	**Complied with** All the Directors and CEO have submitted written declarations confirming that they are fit and proper to hold their respective positions in the Company.
9.8	**Board Composition**	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (06) Directors	**Complied with** The Board comprises 06 Directors as of date.
9.8.2	**Minimum Number of Independent Directors**	
9.8.2(a)	The Board of Directors shall include at least two (2) Independent Directors or such number equivalent to one third of the directors whichever is higher.	**Complied with** 3 out of the 6 Board Members are Independent Directors. All Independent Directors have submitted annual declarations confirming their independence
9.9.	**Alternate Directors**	
	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.	No Alternate Directors have been appointed to the Board thus far. Agree to comply should the need arise.
9.10	**Disclosures relating to Directors**	
9.10.1	Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold.	**Complied with** In terms of Rule 9.2.1. a policy on Matters Relating to the Board of Directors is in place and published on the Company's website.

Corporate Governance Report Contd...

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows :-

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.10.2.	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	**Complied with.** All new appointments to the Board are immediately disclosed and disseminated to the market, in compliance with the Rule.
9.11 & 9.11.4	Nomination and Governance Committee The Company shall have a Nominations and Governance Committee to maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board together with written Terms of Reference.	**Complied with.** The Nominations and Governance Committee is in place.
9.12	**Remuneration Committee** The Company shall have a Remuneration Committee that conforms to the requirements of these regulations and shall have a written Terms of Reference	**Complied with** Please refer committee report
9.12.6.	Composition of the Remuneration Committee The Committee shall comprise; - a minimum of 3 Directors out of which a minimum of 2 shall be independent - not consist of Executive Directors - Chairperson to be an Independent Director.	**Complied with** The Committee composition is as follows:- H A Karunaratne - (Com Chair)- Independent Director I Wijesiriwardana - Independent Director W R A Dharmaratne - Independent Director Please refer committee report on page 30.
9.13	**Audit Committee**	
9.13.1 & 9.13.2	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules. The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	**Complied with.** An Audit Committee is already in place. The Audit Committee has oversight of the Risk function, in addition. Risk reports are tabled at Committee Meetings by the Enterprise Risk Management Team quarterly

Corporate Governance Report Contd...

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows :-

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
19.13.3	**Composition** 1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors (b) not comprise of Executive Directors	**Complied with** As of 31st December 2024, the Committee comprised 3 Non-Executive Independent Directors Please refer committee report for details.
	2) A The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	**Complied with**
	3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	**Complied with** The Committee met 05 times during the financial year ended 31st December 2024.
	4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	**Complied with**
	5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation	**Complied with.** The CEO and Head of Finance attend the Audit Committee meeting by invitation.
	6) Where the parent and subsidiary are both listed the AC of the parent may be permitted to function as the AC of the subsidiary.	The Company has appointed an Audit Committee dedicated to it.
	7) The Chairperson of the AC shall be a Member of a recognised professional accounting body. Provided, however this Rule shall not be applicable in respect of Risk Committees where there is a separate Risk Committee and Audit Committee.	**Complied with.** Mr H A Karunaratne (Independent Director) has been appointed as the Committee Chairman. He possesses the following qualifications: - BSc Business Administration - MA in Economics - Fellow Member of the Institute of Chartered Accountants of Sri Lanka
9.13.4 &	**Functions and Annual Report Disclosures of the Audit Committee**	**Complied with** Please refer Committee Report on page 32.
9.14	**Related Party transaction Review Committee**	
9.14.1.	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in the regulation	**Complied with**
9.14.2.	**Composition** The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	**Complied with** As of 31st December 2024 the Committee comprised 1 Non-Executive Director and 2 Independent Directors. The Committee is chaired by an Independent Director. Please refer committee report on page 29.

Corporate Governance Report Contd...

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows :-

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.14.4	General Requirements (i) The Related Party Transactions Review Committee shall meet at least once a calendar quarter.	The Committee met 4 times during the year under review.
	(ii) Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the RPTRC are tabled at the meetings of the Board of Directors on a periodic basis.	**Complied with** Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter.
	(iii) Members of the RPTRC to ensure they have or have access to adequate knowledge, expertise and advice.	**Complied with**
	(iv) Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions which are under review by the RPTRC. In such instances, approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.	**Complied with** No such occurrence to report during the financial year 2024.
	(v) Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter	**Complied with** Directors of the RPTRC are aware of their obligations.
9.14.6.	**Shareholder Approval** The Company shall obtain shareholders' approval by way of a Special Resolution for the Related Party Transactions as soon as the value of the transaction exceeds threshold limits as set out in the regulations.	During the year under review there were no such transactions which required shareholder approval.

Corporate Governance Report Contd...

Institute of Chartered Accountants of Sri Lanka – The Code of Best Practice on Corporate Governance 2023

	The Code of Best Practice	Level of compliance	Description
Code A.1	The need for the Company to be headed by an effective Board, which should direct, lead and control the Company.	Complied with	The Company is headed by a dynamic and effective Board. Board responsibilities and other core functions are discussed in detail in this report.
Code A.1.1	The board should meet regularly. Board meetings should be held at least once in every quarter of a financial year in order to effectively execute the board's responsibilities.	Complied with	The Board met quarterly on the following days: i) 27th February 2024 ii) 14th May 2024 iii) 13th August 2024 iv) 12th November 2024
Code A.1.7.	One third of directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so	Agree to comply should the need arise	Noted for Compliance.
Code A.2	**Chairman and CEO** There should be a clear division of responsibilities at the head of the Company, which will ensure a balance of power and authority so that no individual has unfettered power	Complied with	There is a clear division of responsibilities between the position of Chairman and CEO where it is ensured that no one individual has unfettered power of making decisions. To ensure delegation of authority, the Board has set up sub-committees to reinforce practices of self-governance.
Code A.3	**Chairman's role** The Chairman conducts Board proceedings in a proper manner.	Complied with	The Chairman ensures effective participation of both Executive and Non-Executive Directors in the conduct of Board Meetings. The agenda for board meetings is developed in consultation with the CEO, Directors and the Company Secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance The Chairman also ensures that the views of each Director on any issue under consideration are ascertained and also that the Board is in complete control of the affairs of the Company.
Code A.4	Financial Acumen Financial Acumen The Board should ensure that the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Complied with	The Board comprises of one Chartered Accountant who is a member of the Audit Committee. The Board collectively possesses a strong financial acumen and capability to assess the integrity of the Company's financial reporting systems and controls, continually review these systems and make changes to them as necessary
Code A.5	Board Balance	Complied with	As of 31st December 2024, the Board comprised of 6 Non-Executive Directors including three Independent Directors K A K P Gunawardena - Non-Executive Chairman I Wijesiriwardana - Independent Director H A Karunaratne - Independent Director W R A Dharmaratne - Independent Director Mrs K U Amarasinghe - Non-Executive Director Mrs S Kotakadeniya - Non-Executive Director
Code A.5.4	Each non-executive director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria	Complied with	All Directors (both Non-executive and Independent) have submitted signed declarations confirming their independence/non-independence during 2024. These declarations were submitted to the Board.
Code A.5.6	Appointment of Alternate Directors.	Noted for compliance	No Alternate Directors have been appointed thus far.

Institute of Chartered Accountants of Sri Lanka – The Code of Best Practice on Corporate Governance 2023

	The Code of Best Practice	Level of compliance	Description
Code A.5.7	In the event the chairman and CEO is the same person, or the chairman is not an independent director, or the chairman is the immediately preceding CEO or the chairman and CEO are close family members, the board should appoint one of the independent non-executive directors to be the "senior independent director" (SID).	Noted for compliance	The positions of Chairman and CEO are held by two separate individuals. Thus, the need to appoint a SID has not arisen.
Code A.6	**Supply of Information** The Board should be provided with timely information in a form and of a quality appropriate to enable it discharge its duties	Complied with	The Board receives a standard set of timely, accurate and reliable information regularly. These include both financial and non-financial data and the Board at any given time could request for additional information in order to clarify or make a reliable judgment and discharge its duties effectively.
Code A.7	**Appointments to the Board** There should be a formal and transparent procedure for the appointment of new Directors to the Board	Complied with	A Board Nominations & Governance Committee is in place with the mandate of bringing to the Board's attention any suitable outstanding nominations for consideration if and when the situation arises. Names of Chairman and members of the Nomination & Governance Committee and details of meetings are available on page 31.
Code A.8	**Re-election** All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.	Complied with	The Non-Executive Directors are subject to re-election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals namely once in 3 years.
Code A.9	**Appraisal of Board Performance** Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.	Complied with	An annual self-appraisal has been carried out by the Board Members for 2024 and confirmed that they had discharged all duties and responsibilities in a satisfactory manner.
Code A.10	Disclosure of information in respect of Directors. Shareholders should be kept advised of relevant details in respect of Directors	Complied with	All relevant information is disclosed in the Annual Report
Code A.11	**Appraisal of CEO** The Board should be required, at least annually, to assess the performance of the CEO.	Complied with	The Board assesses the performance of the CEO annually in keeping with Board stipulated guidelines
Code B	Directors Remuneration	Complied with	The Board has implemented a formal and transparent procedure for developing policies on remuneration and does so as recommended by the Remuneration Committee.
Code C - C.2.7	Relations with shareholders and process of AGM	Complied with	The Board uses the AGM to communicate with shareholders and encourage their participation.
C3	**Major & Material Transactions** To comply with the requirements under the Companies Act (Section 185), Securities and Exchange Commission (SEC) law and Colombo Stock Exchange (CSE) regulations; as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/vary the Company's net asset base or in the case of a Company with subsidiaries, the consolidated group net asset base.	Noted for compliance	No such material and major transactions were reported during the year under review. However, a disclosure would be made or shareholder approval would be sort in the event of such an occurence.

Corporate Governance Report Contd...

Institute of Chartered Accountants of Sri Lanka – The Code of Best Practice on Corporate Governance 2023

	The Code of Best Practice	Level of compliance	Description
Code D	**Financial Reporting** The Board's responsibility to present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects	Complied with	A statement of responsibility is being annually signed by all the Board Members in connection with the Company's financial position
D.2	**Risk Management and Internal Control** The Board should have a process of Risk Management and a sound system of internal control to safeguard shareholders' investments and the Company's assets.	Complied with	The Board and the Board Audit Committee have overall oversight of the system of internal control and of monitoring its effectiveness, while the implementation of the internal control system is the responsibility of the Risk owners. The internal audit reviews the effectiveness and the reliability of internal controls. The detailed Risk Management Report is provided on pages 20 & 21.
D.3	**Audit Committee** The board should establish formal and transparent arrangements for considering how they should select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the company's auditors.	Complied with	The Board has delegated their responsibility with regard to financial reporting, internal controls and maintaining appropriate relationships with External Auditors to the Board Audit Committee. Accounting policies are agreed between the Auditors and the Board Audit Committee.
D.4	**Related Party Transactions Review Committee** The board should establish a procedure to ensure that the company does not engage in transactions with "related parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.	Complied with	The Board has delegated the function to the Related Party Transactions Review Committee who ensures that all transactions are within the thresholds and are carried out in the normal course of business. All transactions are tabled at quarterly committee meetings and its minutes noted by the Board, in addition. It also ensures that the Company does not engage in transactions with related parties on more favourable terms than that accorded to third parties.
D.5	Code of business conduct and ethics	Complied with	The Company has in place a Code of Business Conduct and Ethics for all staff.
D.6	**Corporate Governance Disclosures** Directors should disclose the extent to which the Company adheres to established principles and practices of good Corporate Governance	Complied with	The Company is in compliance with the IRCSL Direction on Corporate Governance and the CSE Listing Rules on Corporate Governance. It is the Board's view that the Company is compliant with most of the provisions set down in the Corporate Governance Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities and Exchange Commission (SEC) throughout the accounting period under review.

Compliance With Solvency Requirements And Regulations Governing Investments

The Company's solvency requirements are governed by the RII Act No. 43 of 2000 and subsequent amendments thereto. These have been strictly adhered to during the year 2024 and the Company's Monthly Solvency Statement is submitted to the Board quarterly.

Compliance Status Of Requirements

During the year 2024, the Company was in compliance with the applicable rules and regulations issued by regulatory authorities and the Monthly statement was submitted to the Board quarterly.

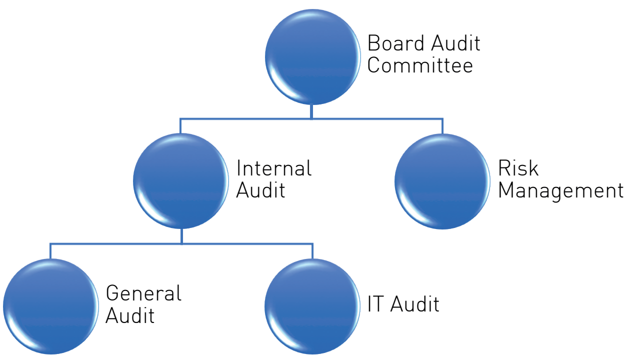
Risk Management

Enterprise Risk Management

Risk Management at LOLC General Insurance PLC adopt an enterprise level approach to risk which is driven by the board of directors with responsibilities filtering down to the operational level management & employees. Enterprise Risk Management aims to ensure that the operation of the organisation is aligned with its strategic objectives and impact of operations or potential events which could impede the achievement of organisational objectives are managed with in the organisational risk appetite.

Enterprise Risk Management is firmly rooted in the organisation's culture with governance, risk and compliance structures established to derive synergies from each other.

The risk governance is a hybrid approach of top to bottom and bottom up strategies. The risk management is driven at the top with authority and oversite over the risk management functions being delegated to the board audit committee. This arrangement ensures that functionally both the risk and audit activities are given full independence from the management while as well as accurate and unbiased dissemination of risk related information to the board of directors.



Based on the three-tier defensive approach Risk Management is a second-tier defence while the Internal Audit is the third tier. Both functions based their operational activities on board approved risk and audit plans. The progress of the activity plans of both these functions are monitored on a quarterly basis by the audit committee which enable them to obtain a reasonable assurance that controls related to risk identification, assessment, mitigation and reporting are reliable and effective.

Risk Management Process

The organisation practices risk identification at three levels, which includes self-risk assessment by process/Business unit owners, risk review by Risk team, Control risk assessments by internal audit. The risk ownership remains with the process owner and the risk department forms the independent monitoring & reporting function on risk, while the internal audit reviews the adequacy, effectiveness and the reliability of the internal controls /Risk management initiatives of the organisation.

The key risks are monitored on a continuous basis and any adverse movement of any risk indicators are reported to the audit committee on a quarterly basis.

Main risks applicable to a General Insurance Company can be categorised under the following broad categories and risk mitigation objectives in brief are noted below.

Market Risk: The investment portfolio decisions are taken by the treasury department in consultation with finance and the portfolio instruments are selected to maintain a stable liquidity and investment profitability.

Credit Risk: offer of credit terms for insurance policy holders are closely monitored and managed in line with the criterion established to ascertain the eligibility and credit worthiness and approved in compliance to the delegated limits established. Granted credit is followed up effectively until full recovery.

Regulatory & Compliance Risk: the organisation has established mechanisms and controls to meet all regulatory and statutory requirements.

Reputational Risk: customer satisfaction is maintained in all operations and the policy holders and employees have provisions to express their dissatisfactions or complains without fear or retaliation. Mechanisms and controls are available to ensure that all concerns are handled until resolution.

Operational Risk: All internal processes, systems, and people centric activities are proceduralized to make the organisation process driven to reduce losses or exposures.

Fraud Risk: Adequate internal controls are in place to prevent, detect and reduce losses arising out of fraudulent activities of internal as well as external parties. The organisation maintains a policy of zero tolerance on any fraudulent activity. All leads of potential frauds are fully investigated and appropriate action taken to remedy the situation and to establish controls to reduce the possibility of future occurrences of similar incidents.

Risk Management Contd...

Technology Risk: Adequate controls are in place to ensure the confidentiality, integrity and availability of data and information stored and processed via the ICT systems of the organisation.

LOLC General Insurance PLC has adopted the following structured approach to obtain a reasonable assurance over the adequacy, reliability and effectiveness of the internal control frame work.

- Continuous Monitoring of Key risk indicators and Risk and control self-assessment by the risk owners.
- Periodic monitoring and reporting of risk indicators and its behaviour by the Risk function.
- Non-compliances are viewed seriously and depending on the severity may result in disciplinary action.
- Comprehensive audit coverage
- Employees are required to maintain the highest standards of Integrity & Ethics.

LOLC promotes & fosters a culture which provides for adaptation of best practices, standards customized to the values & culture of the organization for sustainable & dynamic adaptation of risk management practices.

Both internal audit and risk department adopt internal quality control mechanisms which ensures that knowledge and skills required for effective discharge of their duties are kept updated through constant internal and external training. Continuous education is encouraged which is mutually beneficial for the staff as well as for the organisation.

Directors' Report

Annual Report of the Board of Directors
The Board of Directors of L O L C General Insurance PLC takes pleasure in presenting their Report together with the Audited Financial Statements of the Company for the year ended 31st December 2024.

Principal Activity of the Company
The Principal activity of the Company is the provision General Insurance Business.

More details of the Company's operational performance can be found in the Financial and Operational Highlights reports.

Directors
The Directors of the Company during the year under review were as follows:

- **K A K P Gunawardena**
  Non Executive Chairman
- **Mrs. K U Amarasinghe** (Appointed w.e.f. 05. 09.2024)
  Non Executive Director
- **Mrs. V G S S Kotakadeniya**
  Non Executive Director
- **W R A Dharmaratne**
  Independent Director
- **I Wijesiriwardana**
  Independent Director
- **H A Karunaratne**
  Independent Director

The profiles of the Directors are given on pages 6 & 7.

Fitness & Propriety
The Directors and the CEO of the Company had declared that they were fit and proper to serve on the Board having met the Fit and Proper Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

Directors' interest in Contracts
In terms of Section 192 (2) of the Companies Act, the Directors have declared their interest in contracts in the Company and have refrained from voting on matters in which they were materially interested. Directors' interest in contracts with the Company are disclosed on page 25 of the Annual report.

Related Party Transactions are disclosed in the Notes to the Financial Statements

Interest Register
In compliance with the requirements of the Companies Act. No. 07 of 2007 an interest Register was maintained by the Company during the accounting period ended 31st December 2024.

Directors' Remuneration
The Company has a Board approved Remuneration Policy. This policy stipulates that remuneration should be linked to competence and contribution, while serving to incentivize and motivate. This policy has been taken into account when determining remuneration for both staff and directors. Directors' Remuneration is disclosed in the Report of the Remuneration Committee.

Directors' interest in Shares
In compliance with Section 200 of the Companies Act. The directors have disclosed their relevant interest in shares of the Company.

	As at 31.12.2024
K A K P Gunawardena	-
Mrs. K U Amarasinghe	-
Mrs. V G S S Kotakadeniya	-
W R A Dharmaratne	-
I Wijesiriwardana	-
H A Karunaratne	-

Directors' interest are disclosed in the notes to the accounts in page 82.

Retirement of Directors
In terms of Article 95 of the Articles of Association of the Company, Mrs K U Amarasinghe retires and offers herself for re-election.

In terms of Article 88(i) Mr. K A K P Gunawardena retires by rotation and offers himself for re-election.

Mr. W R A Dharmaratne retires in terms of Section 210/211 of the Companies Act No. 7 of 2007 and offers himself for re-election.

The Board recommends their re-election subject to obtaining regulatory and shareholder approval

Board Sub Committees
The Board had appointed the following sub committees :

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Nomination & Governance Committee
- Investment Committee

These Committees assist the Board with its role of oversight of the Company's performance and conformance. Minutes of the meetings of these Committees are tabled at the following Board meeting, enabling the Board to benefit from the focused review of these Committees on the areas and issues within their purview.

Directors' Report Contd...

Corporate Governance
The Directors confirm that the Company complies with the Rules on Corporate Governance laid down by the Insurance Regulatory Commission of Sri Lanka and the Colombo Stock Exchange and has adopted the relevant rules on Corporate Governance issued by the Securities & Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance practices of the Company are given from pages 11 to 19 of the Annual report.

Declaration by the Board of Directors in terms of Rule 9.16 of the Listing Rules

The Directors hereby declare that;

- all material interests in contracts with the Company have been disclosed and have refrained from voting on matters in which they were materially interested;

- any change to applicable laws, rules and regulations including the Listing Rules and applicable capital market provisions are disseminated to the Board by the Company Secretaries which are discussed by the Board to ensure awareness, conformity and compliance with such laws and regulations.

Compliance with laws and regulations
The Company has not engaged in any activity that contravenes any applicable law or regulation. There is no material non-compliance with laws or regulations and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations in.

Internal Control & Risk Management
They have reviewed the internal controls framework covering financial, operational, compliance and risk management which is conducted by the Internal Audit team, the results of which are reported to the Board Audit committee quarterly. Through the Audit committee, the Directors have obtained a reasonable assurance of the effectiveness of such Internal Controls and adherence thereto.

Risk Management
The Company has put in place a process to identify, evaluate and manage any significant risks faced by the entity, where annual risk reviews are carried out by the Group's Enterprise Risk Unit. The principal risks and mitigating actions are reviewed by the Audit Committee on a quarterly basis. A detailed overview of the Risk Management process is outlined in the Risk Management Report on pages 20 & 21.

Going Concern
The Board having considered the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance code, have a reasonable expectation that the Company possess adequate resources to continue its operations for the foreseeable future and for this reason, the Company continues to adopt the "Going Concern basis" in preparing the Financial Statements.

Directors' responsibility for financial reporting
The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs .The Directors are of the view that the financials have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 7 of 2007 and amendments/additions thereto, the Listing Rules of the Colombo Stock Exchange, and all relevant directions of the Insurance Regulatory Commission of Sri Lanka .

Significant Accounting Policies
The Accounting Policies adopted in the preparation of the financial statements and any changes thereof where applicable have been included in the Notes of the financial statements.

Property, Plant and Equipment
The capital expenditure incurred by the Company during the year amounted to Rs.157Mn.

Details of Property, Plant and Equipment and their movement during the financial is disclosed under Note 3 To the Financial Statements.

Transactions with Related Parties
The Directors have disclosed transactions, if any, that could be classified as related party transactions in terms of LKAS 24.

Related Party Transactions are disclosed in Note ... to the Financial Statements. The Directors hereby confirm that to the best of their knowledge and information available to them, the Company has complied with the requirements of the rules relating to the related party transactions as contained in Section 9 of the listing Rules of the Colombo Stock Exchange.

Statutory Payments and Compliance with Laws and Regulations
The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at the reporting date have been paid, or where relevant, provided for in the Financial Statements.

The Company has not engaged in any activity that contravenes any applicable law or regulation, and to the best of the knowledge of the Directors the Company has been in compliance with all prudential requirements, regulations and laws.

Events occurring after the Balance Sheet Date
No circumstances have arisen since the Balance sheet Date that would require adjustments to or disclosure in the Accounts other than those disclosed in Note 39 to the Financial Statements.

Directors Report Contd...

Details of Material Issues pertaining to the employees & Industrial Relations of the Entity
During the year under review there were no material issues pertaining to Employees & Industrial Relations.

Sustainability
The Company has taken specific steps, particularly in ensuring the conservation of the natural resources and environment and addressing material issues highlighted by its stakeholders. Every endeavour is made to minimise the adverse effect on the environment to ensure sustainable continuity of our natural resources.

Corporate Donations
Donations made by the Company during the year under review amounted to Rs.152Mn.

Registrars
Central Depository Systems (Pvt) Ltd of Ground Floor, M&M Centre, 341/5 Kotte Road, Rajagiriya functions as the Registrars of the Company.

Internal Control
The Board has reviewed the internal controls covering financial, operational compliance and risk management and have obtained reasonable assurance of its effectiveness.

Auditors
The Auditors, Deloitte Partners retire, and offer themselves for re-appointment. The Board recommends their re-appointment for the ensuing year subject to shareholder approval, at a fee to be decided upon by the Board.

During the year under review, the Auditors were paid Rs. 3.7Mn as audit fees .

As far as the Directors are aware, the Auditors do not have any other relationship with the Company or any of its subsidiaries nor do they have any interest in contracts with the Company or any of its subsidiaries.

Financial Statements and Auditor's Report
The Financial Statements together with the Auditors Report and Notes thereon, found on pages 35 to 94 are in compliance with Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007 .

Shareholding Structure
The Stated Capital of the Company as at 31st December 2024 amounted to Rs. 800,000,000/- divided into 1,200,000,000 ordinary voting shares.

Annual General Meeting
The notice of meeting is included in this Annual Report. If you are unable to be present at the Meeting, please complete and return the proxy form to the Company, as instructed thereon.

Responsibility Statements
The Chief Executive Officer's and Chief Financial Officer's responsibility statement appears on page 28. The Directors' responsibility statement appears on pages 26 to 27.

For and on behalf of the Board

....

K A K P Gunawardena
Chairman

....

Nimal Perera
Chief Executive Officer

30th May 2025

DIRECTORS' DECLARATIONS

Name of the Director	Names of Board seats held in Listed and Unlisted companies	Designation
K A K P Gunawardena	LOLC General Insurance PLC	Non Executive Chairman
	LOLC Corporate Services Pvt Ltd	Non Executive Chairman
	Gal Oya Holdings (Pvt) Ltd	Non Executive Chairman
	Hatton National Bank	Non Executive Director
	Diriya Investments (Pvt) Ltd	Non Executive Director
	Browns Engineering and Construction (Pvt) Ltd	Non Executive Director
	LOLC Securities Ltd	Non Executive Director
	LOLC Motors Ltd	Non Executive Director
	Ceylon Real Estate Holdings (Pvt) Ltd	Non Executive Director
	Colombo Marina Development (Pvt) Ltd	Non Executive Director
	Marina Hotel Holdings (Pvt) Ltd	Non Executive Director
	Gal Oya Plantations Ltd	Non Executive Director
	Maturata Plantations Ltd	Non Executive Director
	Grey Reach Investment Ltd	Non Executive Director
	Browns Holdings Ltd	Non Executive Director
	Iconic Trust (Pvt) Ltd	Non Executive Director
	NPH Investment (Pvt) Ltd	Non Executive Director
	Bodufaru Beach Resorts (Pvt) Ltd	Non Executive Director
Mrs. K U Amarasinghe	LOLC Holdings PLC	Executive Director
	LOLC General Insurance PLC	Non Executive Director
	Palm Garden Hotels PLC	Non Executive Director
	Eden Hotel Lanka PLC	Non Executive Director
	Brown & Co. PLC	Non Executive Director
	Browns Investments PLC	Non Executive Director
	Browns Holdings Limited	Non Executive Director
	Green Paradise (Pvt) Ltd	Non Executive Director
	Serendib Hotels PLC	Non Executive Director
	Hotel Sigiriya PLC	Non Executive Director
	Danya Capital (Pvt) Ltd	Non Executive Director
	Ultimate Sports (Pvt) Ltd	Non Executive Director
	P L Resorts (Pvt) Ltd	Non Executive Director
	Melana Capital (Pvt) Ltd	Non Executive Director
	Three Tips Ella (Pvt) Ltd	Non Executive Director
Mrs V G S S Kotakadeniya	LOLC General Insurance PLC	Non Executive Director
	Seylan Bank PLC	Non Executive Director
	Agstar PLC	Non Executive Director
	Sierra Cables PLC	Non Executive Director
	Hapugastenne Plantations PLC	Non Executive Director
	Udapussellawa Plantations PLC	Non Executive Director
	Serendib Microinsurance PLC, Cambodia	Non Executive Director
	LOLC Microfinance Bank Limited, Pakistan	Non Executive Director
	LOLC Life Insurance Limited, Zambia	Non Executive Director
	NPH Investment (Pvt) Ltd, Maldives	Non Executive Director
	Maturata Plantations Ltd	Non Executive Director
	Browns Metal & Sands (Pvt) Ltd	Non Executive Director
	Browns Engineering and Construction (Pvt) Ltd	Non Executive Director
	Browns Hotels and Resorts Limited	Non Executive Director
	BI Commodities and Logistics (Pvt) Ltd	Non Executive Director
	Gurind Accor (Pvt) Ltd	Non Executive Director
	Samudra Beach Resort (Pvt) Ltd	Non Executive Director
	Iconic Trust (Private) Limited	Non Executive Director
	Tropical Island Commodities (Private) Limited	Non Executive Director
W R A Dharmaratne	LOLC General Insurance PLC	Non Executive Independent Director
I Wijesiriwardana	UVADES Consulting Ltd	Executive Director
	LOLC Cambodia Plc	Non Executive Director
	Serendib Microinsurance Plc	Non Executive Director
	LOLC General Insurance PLC	Non Executive Independent Director
H A Karunaratne	LOLC General Insurance PLC	Non Executive Independent Director

Directors' Responsibility for Financial Reporting

The responsibility of the Directors in relation to the financial statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 ('Companies Act') is set out in this statement. The responsibilities of the External Auditors in relation to the financial statements are set out in the Independent Auditor's Report given on page 38.

As per sections 150(1) and 151 of the Companies Act, the Directors of the Company have a responsibility for ensuring that the Company keeps proper books of accounts of all the transactions and prepare financial statements that give a true and fair view of the state of affairs of the Company as at the financial reporting date and of the financial performance for the year and place the same before the Annual General Meeting.

The financial statements comprise the statement of financial position as at 31st December 2024, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes thereto. Accordingly, the Directors confirm that the financial statements of the Company give a true and fair view of:

1. The state of affairs of the Company as at 31st December 2024; and
2. The financial performance of the Company for the financial year then ended.

The financial statements for the year 2024, prepared and presented in this Annual Report agree with the underlying books of account and are in conformity with the requirements of the following:

- Sri Lanka Accounting Standards (SLFRSs and LKASs);
- 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 the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements presented in this Annual Report. The Directors confirm that in preparing these financial statements;

- The appropriate accounting policies have been selected and applied in a consistent manner, material departures, if any, have been disclosed and explained;
- All applicable accounting standards as relevant have been followed;
- Judgments and estimates have been made which are reasonable and prudent and;

The information required by and otherwise complies with the Companies Act No. 07 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto and the Listing Rules of the Colombo Stock Exchange (CSE) or requirements of any other regulatory authority are provided in full.

The Directors also ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company.

The financial statements of the Company have been certified by the Chief Financial Officer, the officer responsible for their preparation as required by section 150(1)(b) of the Companies Act. In addition, the financial statements of the Company have been signed by two Directors on 40 as required by Section 150(1)(c) of the Companies Act and other regulatory requirements. In compliance with section 148(1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which explain the Company's transactions and assist in determining the Company's financial position with reasonable accuracy at any time are maintained by the Company enabling the preparation of financial statements, in accordance with the Companies Act and further enabling the financial statements to be readily and properly audited.

The financial statements for the year 2024 prepared and presented in this Annual Report are consistent with the underlying books of accounts and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act and Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto.

The Directors have also instituted effective and comprehensive systems of internal control for identifying, recording, evaluating and managing the significant risks faced by the Company throughout the year and it has been under the regular review of the Board of Directors. This comprises internal reviews, internal audit and the whole system of financial and other controls required to carry on the business in an orderly manner, safeguard its assets, prevent and detect frauds and other irregularities and secure as far as practicable the accuracy and reliability of the records.

Directors' Responsibility for Financial Reporting Contd...

The Board of Directors also wish to confirm that as required under sections 166(1) and 167(1) of the Companies Act, they have prepared this Annual Report within the prescribed time and ensured that a copy thereof is sent to the shareholders within the stipulated period of time.

The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion. The Directors are of the view that they have discharged their responsibilities as set out in this statement.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees, and the Government and other statutory bodies that were due in respect of the Company as at the financial reporting date have been paid or, where relevant provided for.

H. A. Karunaratne
Independent Director

30th April 2025

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

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

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

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

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

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

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

The financial statements of the Company were audited by Messrs. Deloitte Partners and their report is given on pages 36 to 39 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 32 of the financial statements of this Annual Report;
5. All taxes, duties, levies and all statutory payments by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at 31st December 2024 have been paid or where relevant provided for;
6. The Company has complied with all the legal and regulatory provisions of the Regulation of Insurance Industry act;
7. The Company has arranged treaty reinsurance with approved reinsurers as per IRCSL guidelines;
8. Reserving and solvency guidelines have been complied with and total reserves are backed by matching admissible assets;
9. The equity capital meets the set minimum capital requirement in accordance with the applicable regulations.

Nimal Perera
Chief Executive Officer

Mrs. Maheshika Perera
Head of Finance - LOLC General Insurance PLC

30th April 2024

Report of the Related Party Transactions Review Committee

Appointed by the Board on 21st June 2021, the Related Party Transactions Review (RPTR) Committee had been established in accordance with the Code of Best Practice on Related Party Transactions(the Code) issued by the Securities Exchange Commission of Sri Lanka (SEC) and Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those rules. The Committee reports directly to the Board.

Composition

The Related Party Transactions Review ("RPTR") Committee comprises the following Directors :

- **I Wijesiriwardana**
  Independent Director (Committee Chairman)

- **Mrs. V G S S Kotakadeniya**
  Non Executive Director

- **W R A Dharmaratne**
  Independent Director

Policies and Procedures adopted

A Related Party Transaction (RPT) Policy consistent with the Company's business model has been approved by the Board, to ensure that all related party transactions are carried out in compliance with the provisions of the aforementioned regulations.

Activities of the Committee

The Committee has quarterly reviewed all recurrent and non-recurrent RPTs of the Company.

When reviewing facilities to RPTs, the Committee had considered the nature of the transaction, terms, conditions, value and the statement of compliance signed off by the key management personnel of the Company in order to determine whether the transaction proposed will be carried out in accordance with the policy adopted.

The Committee at its regular meetings reviewed all related party transactions and sought confirmation that such transactions had been carried out within the accepted regulatory framework. The CEO and the Manager-Finance were invited to attend meetings to enable the Committee to obtain further clarification.

Where necessary, a disclosure on a related party transaction is made on the Colombo Stock Exchange. This is supported by relevant Board approval. However, the need to make disclosures on related party transactions did not arise during the year under review as all transactions were carried out at arm's length.

The Directors have disclosed transactions, if any, that could be classified as Related Party Transactions in terms of LKAS 24.

Meetings

The Committee met 4 times during the year. The attendance of members at meetings is stated in the following table :

	27.02.2024	14.05.2024	13.08.2024	12.11.2024
I Wijesiriwardana	√	√	-	√
Mrs V G S S Kotakadeniya	√	√	√	√
W R A Dharmaratne	√	√	√	√

As with the other committees, minutes of the Meetings are tabled at the Board meetings for transparency and better information flow.

I Wijesiriwardana
Committee Chairman

Report of the Remuneration Committee

Appointed by the Board on 21st June 2021, the Remuneration Committee had been established in accordance with the Code of Best Practice (the Code) issued by the Securities Exchange Commission of Sri Lanka (SEC) and Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance of the said rules. The Committee reports directly to the Board.

Composition
The Remuneration Committee during the period under review, comprised the following Directors :

- **W R A Dharmaratne**
  Committee Chairman
- **I Wijesiriwardana**
  Independent Director
- **K A K P Gunawardena**
  Non Executive Director

The Remuneration Committee operates within the terms of reference approved by the Board and assists the Board to ensure that the remuneration policies of the company align with its objectives.

The main responsibilities and duties of the committee are as follows:

- Reviewing of fees, remuneration and perquisites of the Directors, CEO, Executive Directors and key management personnel and make recommendations for board approval.
- Reviewing of policies in relation to the remuneration and perks of the Senior Management.
- Employ and retain a well-qualified and experienced workforce and reward performance through the compensation packages.

The non-executive independent Directors' remuneration was reviewed to ensure that they are recognized for their contribution to Board and Board sub - committee discussion and decision making during the year under review. However, no revision took place, in view of the political and economic instability prevalent in the country.

The total amount paid as directors' emoluments have been disclosed on page 82.

Meetings
The Committee met once during the year. The details of attendance of individual members are given at the bottom of this page.

As with the other committees, minutes of the Meetings are tabled at the Board meetings for transparency and better information flow.

	12.11.2024
W R A Dharmaratne	√
I Wijesiriwardana	√
K A K P Gunawardena	√

W R A Dharmaratne
Committee Chairman

Report of the Nomination and Governance Committee

The Nomination and Governance Committee comprises of 3 Non Executive Directors, a majority of whom are independent. The composition of the Committee is as follows :-

- **W R A Dharmaratne**
  Independent Director (Committee Chairman)

- **I Wijesiriwardana**
  Independent Director

- **K A K P Gunawardena**
  Non Executive Director

The main responsibilities and duties of the Committee, among others, include, the provision of advice and recommendations to the Board on the appointment of new Directors as well as assessing whether the incumbent Directors are fit and proper for re-election.

During the year under review, having assessed the fitness and propriety of the incumbent Directors, the Committee recommended the following Directors for re-election for the ensuing year.

- **Mr K A K P Gunawardena**
  retirement by rotation in terms of Article 88 (i)

- **Mrs K U Amarasinghe**
  (interim appointment – re-election in terms of Article 95)

- **Mr W R A Dharmaratne** – Independent Director
  (retirement in terms of Section 210 of the Companies Act No. 7 of 2007) on receipt of Special Notice from a shareholder of the intention to pass a resolution at the forthcoming Annual General Meeting.

Having reviewed the other Directorships of each Board member, the Committee was satisfied that they were compliant with Direction No. 2 of 2022 (revised) in terms of the period of service and age.

The Committee met once during the year.

W R A Dharmaratne
Committee Chairman

Report of the Audit Committee

The composition of the Audit Committee is as follows:-

- **H A Karunaratne**
  Non Executive Independent Director
  Committee Chairman

- **W R A Dharmaratne**
  Independent Director

- **I Wijesiriwardana**
  Independent Director

The Committee functions within the Terms of Reference approved by the Board of Directors.

In the financial year 2024, the Committee evaluated both the quarterly and year-end financial statements of the Company and endorsed them for board approval. During these meetings, the Committee was satisfied that the Company's systems allowed for the accurate and timely recording and reporting of information and that they adhered to all relevant legal and regulatory obligations. The Chief Executive Officer and the Head of Finance provided assurances to the Committee at these meetings that the Company's financial and operational procedures were in accordance with legal and regulatory standards.

External Audit

The Committee also met with the External Auditors, Deloitte Partners, to facilitate a dialogue on any areas of concern. This enabled the Committee to gain additional assurance that the financial statements and the notes thereto contained all necessary information. Through these meetings, the Committee was able to review the effectiveness of the external auditors. The Committee then made its recommendations to the Board on the suitability of the Auditors for re-appointment and on the audit fees to be paid.

Based on a declaration made by the Auditors, the Committee made a determination that Deloitte Partners were independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka and that they have fulfilled all other ethical responsibilities in accordance with the Code of Ethics.

Internal Audit

The Company's internal audit and risk management functions are carried out by the Enterprise Risk management team. The Committee received and reviewed internal audit and risk management reports submitted by the ERM team quarterly which related to procedures and practices together with the Company's risk management processes including the adequacy of the overall control environment and controls in areas of significant risks as well as business continuity plans. By involving the Management in the discussions, the Committee sought to ensure that risk mitigation and operational efficiencies were balanced.

Having discussed the said reports, the Committee was satisfied that the Company's internal controls and risk management processes were adequate to mitigate potential risks.

The committee met five (5) times during the financial year ended 31st December 2024. The details of attendance of individual members are given at the bottom of this page.

H A Karunaratne
Committee Chairman

Audit Committee Meeting Attendance

	27.02.2024	26.04.2024	14.05.2024	13.08.2024	12.11.2024
H A Karunaratne (Committee Chairman)	√	√	√	√	√
W R A Dharmaratne	√	√	√	√	√
I Wijesiriwardana	√	√	√	-	√

LOLC GENERAL INSURANCE PLC

FINANCIAL STATEMENTS
31st December 2024

Financial Statements

LAT Certification by the Actuary

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test ('LAT') as laid out in SLFRS 4. The LAT 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 4,807,552,945 set by the Company, net of reinsurance and DAC, is adequate at a 50th percentile in relation to the undiscounted unexpired risks of LOLC General Insurance PLC as at 31 December 2024, in many but not all scenarios of future experience. As such, there is no premium deficiency to be recognised by the Company.

The valuation of the Company's unexpired risks has been conducted in compliance with the IRCSL Solvency Margin (Risk Based Capital) Rules, 2015, relevant insurance regulation, and in accordance with the Institute and Faculty of Actuaries ('IFOA') professional standards; in particular, the relevant Actuarial Profession Standards and the Actuaries' Code, to the extent that they are applicable.

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
30th April 2025

T: +60 3 2283 6478 F: +60 3 2283 6487 E: contact@NMG-Group.com www.NMG-Group.com
109 North Bridge Road, #05-21, Singapore 179097

Independent Auditor's Report

Deloitte.

Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 771 9700,
+94 11 771 9838
Fax: +94 11 230 7237
www.deloitte.com

To the Shareholders of LOLC General Insurance PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LOLC General Insurance PLC (the Company) which comprise the statement of financial position as at 31 December 2024, and the statement of income, statement of comprehensive income, statement of changes in equity and 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 give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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 Company in accordance with the Code of *Ethics for Professional Accountants* issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka 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 of most significance 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.

C S Manoharan FCA, **T U Jayasinghe** FCA, **M D B Boyagoda** FCA**, H A C H Gunarathne** FCA, **M P M T Gunasekara** FCA, **N R Gunasekera** FCA
M S J Henry FCA, **M M R Hilmy** FCA, **H P V Lakdeva** FCA, **K M D R P Manatunga** ACA, **M M M Manzeer** FCA**, L A C Tillekeratne** ACA
D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

Deloitte.

To the Shareholders of LOLC General Insurance PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Key Audit Matters (Contd)

The Company:

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the Key audit matter</th></tr>
<tr><td>Valuation of Non-Life Insurance Contract Liabilities for Incurred But Not Reported (IBNR) claims

See notes 2.2 (a) and 15 of the financial statements for disclosures of related accounting policies, judgments, estimates, and balances.

The carrying value of the insurance contract liabilities for IBNR claims, amounted to Rs. 1,034 Mn as at 31 December 2024. This is a significant component of the Company's total liabilities.

Valuation of the insurance contract liabilities for IBNR claims is dependent on the valuation methodology used, assumptions made, and the data inputs into the valuation model. Factors such as historical claims experience and business expectations based on previous claim experience, existing knowledge of risk events, the Company's ultimate loss ratio, and claims handling expenses directly impact the valuation of insurance contract liabilities for IBNR claims.

We focused on this matter because of the:

• Significance of the insurance contract liabilities for IBNR claims reported in the financial statements.
• The degree of assumptions, judgments, and estimation uncertainty associated with the valuation of insurance contract liabilities for IBNR claims; and
• Uncertainties associated with the determination of insurance contract liability for IBNR claims in the current economic environment</td><td>Our audit procedures included the following:

• Understanding and evaluating the process and controls in place to determine the insurance contract liabilities and testing the relevant controls;
• Checking the consistency between the data used for IBNR claims valuation including claims triangles against the data extracted from the policy administration systems and the data used in the solvency calculation;
• Testing a selection of underlying data used in the incurred but not reported reserve (IBNR) valuation to source documents, on a sample basis;
• Reviewing the work performed by the actuarial specialists engaged by the auditor to check the appropriateness of the methodology used and to assess the reasonableness of the assumptions used in the valuations of the insurance contract liabilities for IBNR claims considering regulatory requirements, industry practices, historical experiences, business expectations and impact of the current uncertain economic environment on the assumptions made, and to test the model used in the IBNR claims valuation by re-performing a sample of calculations and comparing with results from the model outputs;
• Evaluating sensitivity analysis performed over key judgments and assumptions in connection with incurred but not reported (IBNR); and
• Assessing the adequacy of the disclosures made in notes to the financial statements.</td></tr>
</table>

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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.

When we read the Annual Report for the year ended 31 December 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Deloitte.

To the Shareholders of LOLC General Insurance PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

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 control as management determines is 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 Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 an audit in accordance with SLAuSs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

To the Shareholders of LOLC General Insurance PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

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 Insurance Regulatory Commission 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 4414.

Deloitte Partners.

CHARTERED ACCOUNTANTS
CA Sri Lanka membership number 4414
COLOMBO
30th April 2025

Statement of Financial Position

As at 31 December 2024		2024	2023
Assets	**Note**	**Rs**	**Rs**
Property and equipment	3	315,170,179	215,881,171
Right-of-use assets	4	281,646,740	133,396,721
Intangible assets	5	13,457,995	11,940,036
Deferred tax assets	30.3	-	-
Equity accounted investees	6	122,383,144	28,367,175
Investment securities	7	14,607,079,741	12,918,968,278
Reinsurance assets	15.1	3,102,100,445	2,508,085,504
Reinsurance receivables	8	591,059,923	399,778,495
Deferred acquisition costs	15.4	259,989,875	252,454,823
Premiums receivable	9	2,386,243,535	2,068,928,244
Amounts due from related parties	10	197,474	11,185,174
Other assets	11	199,035,635	235,720,608
Cash and bank balances	12.1	327,343,406	823,869,115
Total assets		**22,205,708,092**	**19,608,575,344**
Equity and liabilities			
Equity			
Stated capital	13	800,000,000	800,000,000
Retained earnings	14	5,513,554,184	5,073,130,665
AFS reserve	14	509,145,251	223,415,527
Other reserves	14	14,130,383	14,130,383
Foreign exchange reserve	14	39,268,526	10,916,119
Total ordinary shareholders' equity		**6,876,098,344**	**6,121,592,694**
Liabilities			
Insurance contract liabilities - Non-Life insurance	15	11,669,207,464	9,419,363,270
Long-term borrowings	16	136,126,530	141,634,768
Retirement benefit obligations	17	62,113,840	57,727,149
Lease liabilities	4	304,568,226	150,615,072
Reinsurance creditors	18	880,136,564	1,354,201,010
Deferred reinsurance commission income	15.4	303,349,170	313,719,614
Income tax liability	30.4	146,356,601	529,473,198
Deferred tax liability	30.3	200,386,849	30,984,489
Amounts due to related parties	19	219,685,178	192,656,254
Other liabilities	20	1,185,624,598	1,067,532,603
Bank overdraft	12.2	222,054,728	229,075,223
Total liabilities		**15,329,609,748**	**13,486,982,650**
Total liabilities and equity		**22,205,708,092**	**19,608,575,344**

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

Mrs. Maheshika Perera
Head of Finance - LOLC General Insurance PLC

The board of directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by:

Mr. K. A. K. P. Gunawardena
Chairman

Mr. H. A. Karunaratne
Director

The accounting policies and notes on pages 45 through 94 form an integral part of the Financial Statements.

30th April 2025
Rajagiriya (Greater Colombo)

Statement of Income

Year ended 31 December 2024	Note	2024 Rs.	2023 Rs.
Gross written premium	21.1	**11,101,800,278**	**9,962,715,444**
Premium ceded to reinsurers	21.2	(1,947,255,215)	(2,343,927,935)
Net written premium		**9,154,545,063**	**7,618,787,509**
Net change in reserves for unearned premium		(457,860,875)	(215,542,437)
Net earned premium		**8,696,684,188**	**7,403,245,072**
Other income			
Investment income			
- Interest income from available-for-sale financial assets	22	1,433,057,058	1,218,668,849
- Interest income from loans and receivables	22	413,027,620	598,828,109
- Fair value gains on financial assets at Fair value through profit or loss	22	4,664,066	24,055,581
Fees and commission income	23	449,950,731	274,543,039
Other income	24	110,300,381	99,032,684
Total other income		**2,410,999,856**	**2,215,128,262**
Total income		**11,107,684,044**	**9,618,373,334**
Benefits, claims and expenses			
Insurance claims and benefits (net)	25	(6,209,419,400)	(5,225,305,523)
Underwriting and net acquisition (costs)/ income	26	(256,675,075)	4,071,067
Other operating and administrative expenses	27	(4,165,977,716)	(3,289,446,384)
Finance costs	29	(63,754,065)	(89,400,592)
Total benefits, losses and expenses		**(10,695,826,256)**	**(8,600,081,432)**
Share of loss from equity accounted investee (Net of tax)	6	65,663,562	(19,447,904)
Profit before income tax expense		**477,521,350**	**998,843,998**
Income tax expense	30	**(127,226,355)**	**(281,642,128)**
Profit for the year		**350,294,995**	**717,201,870**
Basic earnings per share	31	**0.29**	**0.60**

The accounting policies and notes on pages 45 through 94 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 December 2024	Note	2024 Rs.	2023 Rs.
Profit for the year		350,294,995	717,201,870
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gratuity - actuarial gain/(loss) - Non-life insurance	17.2	7,070,098	4,501,995
Tax impact	30.3	(770,430)	(853,224)
		6,299,668	**3,648,771**
Items that may be reclassified to profit or loss			
Net gain / (loss) on available-for-sale assets - Non-life insurance - unrealized		408,185,320	2,011,500,817
Tax Impact	30.1	(122,455,596)	(604,811,559)
Share of Other Comprehensive Income of equity accounted investee net of tax	6	28,352,407	(19,956,630)
		314,082,131	**1,386,732,628**
Other comprehensive income for the year, net of tax		**320,381,799**	**1,390,381,399**
Total comprehensive income for the year, net of tax		**670,676,794**	**2,107,583,269**

The accounting policies and notes on pages 45 through 94 form an integral part of the Financial Statements.

Statement of Changes in Equity

Year ended 31 December 2024	Stated Capital	Reserve on available for sale financial assets	Retained Earnings	Other reserve	Foreign Currency Reserve	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 January 2023	800,000,000	(1,183,273,731)	4,395,082,587	14,130,383	30,872,749	4,056,811,988
Adjustment for surcharge tax			(42,802,562)			(42,802,562)
Adjusted balance As at 1 January 2023	800,000,000	(1,183,273,731)	4,352,280,025	14,130,383	30,872,749	4,014,009,426
Profit for the year	-	-	717,201,870	-	-	717,201,870
Other comprehensive income	-	1,406,689,258	3,648,771	-	(19,956,630)	1,390,381,399
Total comprehensive income for the year	**-**	**1,406,689,258**	**720,850,641**	**-**	**(19,956,630)**	**2,107,583,269**
As at 31 December 2023	800,000,000	223,415,527	5,073,130,666	14,130,383	10,916,119	6,121,592,695
Adjustment for surcharge tax			83,828,855			83,828,855
Adjusted balance As at 1 January 2024	800,000,000	223,415,527	5,156,959,521	14,130,383	10,916,119	6,205,421,550
Profit for the year	-	-	350,294,995	-	-	350,294,995
Other comprehensive income	**-**	**285,729,724**	**6,299,668**	**-**	**28,352,407**	**320,381,799**
Total comprehensive income for the year	**-**	**285,729,724**	**356,594,663**	**-**	**28,352,407**	**670,676,794**
As at 31 December 2024	**800,000,000**	**509,145,251**	**5,513,554,184**	**14,130,383**	**39,268,526**	**6,876,098,344**

The accounting policies and notes on pages 45 through 94 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 December 2024	Note	2024 Rs.	2023 Rs.
Cash flows from operating activities			
Premium received from policy holders		10,768,415,438	10,319,051,067
Reinsurance premiums (net of commission) paid		(2,116,792,390)	(1,227,361,135)
Claims, benefits and expenses paid		(5,567,479,435)	(6,170,353,539)
Reinsurance receipts in respect of claims and benefits		361,242,856	1,452,762,906
Cash paid to and on behalf of employees		(1,204,700,014)	(1,046,624,254)
Lease interest		(42,124,467)	(25,101,829)
Payments to brokers and agents		(414,273,318)	(511,564,757)
Other operating cash payments		(2,159,159,176)	(1,940,318,872)
Cash flows from operating activities		**(374,870,506)**	**850,489,587**
Income tax paid	30	(464,166,618)	(376,211,822)
Net cash inflow from operating activities (used in/generated)		**(839,037,124)**	**474,277,765**
Cash flow from investing activities			
Purchase of liquid investments		(2,974,582,366)	(3,701,597,212)
Purchase of other investments		(3,074,003,559)	(1,612,033,904)
Sale/maturity of liquid investments		4,816,450,421	1,721,599,603
Sale/maturity of other investments		1,545,623,157	2,004,284,198
Investement in associate		-	-
Interest received		1,821,547,186	1,842,431,735
Purchase of intangible assets	5	(5,078,001)	(11,209,208)
Purchase of property and equipment	3.1	**157,007,692**	**(138,769,891)**
Net cash flows generated from investing activities		**1,972,949,145**	**104,705,321**
Cash flows from financing activities			
Proceeds from issuing shares		-	-
Principal element of lease payments		(60,565,939)	(129,839,381)
Long-term borrowings obtained		**-**	**1,000,000,000**
Long-term borrowings capital repayment			(1,000,000,000)
Net cash flows used in inflow from financing activities		**(60,565,939)**	**(129,839,381)**
Net (decrease)/increase in cash and cash equivalents		1,073,346,082	449,143,704
Cash and cash equivalents at the beginning of the financial year		1,210,434,474	761,290,770
Cash and cash equivalents at end of year	12	**2,283,780,556**	**1,210,434,474**

The accounting policies and notes on pages 45 through 94 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024

1. CORPORATE INFORMATION

1.1 Reporting entity
LOLC General Insurance PLC (Formerly known as LOLC General Insurance Limited) ("Company") is a public quoted company incorporated on 20 September 2011 and domiciled in Sri Lanka. The registered office of the Company is located at No.100/1, Sri Jayewardenepura Mawatha, Rajagiriya, Sri Lanka and the principal place of business is situated at the No. 258 Grandpass Rd, Colombo 01400.

Ordinary shares of the Company are listed on the diri savi board of the Colombo Stock Exchange ("CSE") since 31 December 2021.

1.2 Principle activities and nature of the operation
The principal activity of the Company is Non-Life Insurance businesses.

1.3 Parent entity and ultimate parent entity
The Company's immediate parent is LOLC Asset Holdings Limited, and its ultimate parent undertaking is LOLC Holdings PLC.

1.4 Date of authorization for issue
The financial statements of LOLC General Insurance PLC for the year ended 31 December 2024 were authorized for issue by the Board of Directors on 30 April 2025. The directors have the power to amend and reissue the financial statements.

2. BASIS OF PREPARATION

2.1.1 Basis of preparation
The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements also comply with the requirements of the Companies Act No. 07 of 2007, the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto and provide appropriate disclosures as required by the Listing Rules of the CSE.

These financial statements include following components:

- Statement of financial position - providing the information on the financial position of the Company as at the year-end.
- Statement of income and statement of comprehensive income - providing the information on the financial performance of the Company for the year under review.
- Statement of changes in equity - depicting all changes in shareholders' equity during the year under review of the Company.
- Statement of cash flows - Providing the information to the users, on the ability of the Company to generate cash and cash equivalents and the needs of the entity to utilise those cash flows.
- Notes to the financial statements comprising material accounting policies and other explanatory information.

2.1.2 Basis of measurement
The financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position.

- Insurance contract liabilities - non-life insurance - Actuary determined values based on the guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and Sri Lanka Accounting standards.
- Available-for-sale financial assets and financial assets at fair value through profit or loss are measured at fair value.
- Actuarial valuation of the defined benefit obligations using the Projected Unit Credit method.

2.1.3 New standards and amendments – applicable for the first time for periods commencing 1 January 2024
In the current year, the Company has applied a number of amendments to Sri Lanka Accounting Standards issued by the CA Sri Lanka that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

(a) Amendments to LKAS 1 Presentation of Financial Statements and SLFRS practice statement 2 making materiality judgements— Disclosure of accounting policies

The amendments change the requirements in LKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in LKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

(b) Amendments to LKAS 12 Income taxes—Deferred tax related to Assets and Liabilities arising from a single transaction

The CA Sri Lanka has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in SLFRS Practice Statement 2.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to LKAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in LKAS 12.

(c) Amendments to LKAS 12 Income taxes—International tax reform—Pillar two model rules

The CA Sri Lanka amends the scope of LKAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in LKAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

(d) Amendments to LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

2.1.4 New and revised SLFRS Accounting Standards in issue but not yet effective

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka.

Entities are required to disclose in their financial statements the potential impact of new and revised IFRS Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut off date of 02 December 2024. The impact of the application of the new and revised IFRS Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

(a) SLFRS 9 Financial Instruments and associated amendments to various other standards

SLFRS 9 replaces the multiple classification and measurement models in LKAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of income, except for equity investments that are not held for trading, which may be recorded in the statement of income or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Further changes introduced to the classification and measurement rules and also introduced a new impairment model to SLFRS 9. The changes introduce:

i. a third measurement category (FVOCI) for certain financial assets that are debt instruments.

ii. a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment loss and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12-month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

The Company has adopted Amendments to SLFRS 4 - Applying SLFRS 9 Financial Instruments with SLFRS 4 Insurance Contracts which allows the Company to apply temporary exemption from SLFRS 9 until new insurance standards becomes effective.

Amendment to SLFRS 4 which addresses the concerns of insurance companies about the different effective dates of SLFRS 9 Financial instruments and the forthcoming new insurance contracts standard. The amendment provides two different solutions for insurance companies: a temporary exemption from SLFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional.

SLFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

The Company meets the specific requirements to apply the temporary exemption from SLFRS 9 as noted below and Company selected the option of temporary exemption from SLFRS 9.

i. The Company's insurance related liabilities less than 90% but greater than 80% of total labilities of the Company; and

ii. The Company only involves in the Non-Life Insurance businesses as noted in the Principle activities and nature of operation (Note 1.2) section and does not hold assets or liabilities relating to business activities other than principle business activities of the Company.

Disclosures to provide comparability.

Financial assets that meet the SPPI test, Solely Payment of Principal and Interest (excluding the financial assets that meet the definition of held for trading and evaluated on a fair value basis).

Instrument	Current Classification	2024		2023	
		Carrying value under LKAS 39	Fair value	Carrying value under LKAS 39	Fair value
		Rs.	Rs.	Rs.	Rs.
Repurchase agreements	Loans and receivables	2,178,491,877	2,178,491,877	615,640,582	615,640,582
Commercial papers	Loans and receivables	1,666,550,506	1,666,550,506	-	-
Corporate debentures	Loans and receivables	940,982,508	940,982,508	1,020,103,954	1,020,103,954
Assets backed Securities	Loans and receivables	-	-	101,630,137	101,630,137
Term deposits	Loans and receivables	1,751,490,205	1,751,490,205	1,589,544,515	1,592,541,905

* Fair value of debentures which would be carried at amortised cost under SLFRS 09 cannot be ascertained as the secondary market of corporate debentures in Sri Lanka is not active.

All other financial assets (that meet the definition of held for trading or managed and evaluated on a fair value basis).

Instrument	Current Classification	2024		2023	
		Carrying Value Under LKAS 39	Fair Value	Carrying Value Under LKAS 39	Fair value
		Rs.	Rs.	Rs.	Rs.
Treasury bonds	Available-for-sale investment securities	7,062,640,455	8,069,564,645	9,541,980,145	9,541,980,145
Treasury bills	Available-for-sale investment securities	-	-	-	-
Unit trusts	Held for trading	-	-	50,068,945	50,068,945

(b) SFRS 17, 'Insurance contracts'

SLFRS 17 was issued in May 2017 as replacement for SLFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under SLFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying SLFRS 17 to investors and others. The amendments also deferred the application date similar to SLFRS 17. This amendment will be effective from 01 January 2026 in Sri Lanka.

Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of SLFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of SLFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of SLFRS 9. The classification can be applied on an instrument-by-instrument basis.

This standard will be effective from 01 January 2026 in Sri Lanka.

Approach to SLFRS 17 implementation

The company has established an internal structure and engaged with external experts to steer the implementation of SLFRS 17. The company is in the implementation phase of SLFRS 17 as of the annual report date.

(c) Amendments to LKAS 1 Presentation of Financial Statements-Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to LKAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

(d) Amendments to LKAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Company has adopted the amendments to LKAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

It also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

(e) Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The Company has adopted the amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

(f) (Amendment to SLFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in SLFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying SLFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

2.1.5 Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates.

The financial statements are presented in Sri Lankan Rupee (LKR), which is also the functional currency and presentation currency of the Company. All financial information presented in Rupee has been rounded to the nearest Rupee unless stated otherwise.

2.1.6 Comparative information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year.

2.1.7 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.1.8 Offsetting

Assets and liabilities, and income and expenses, are not offset unless required or permitted by SLFRSs.

2.1.9 Going concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future and going-concern basis has been adopted in preparing these financial statements.

2.1.10 Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with the basis of preparation as per Note 2.1.1.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.2 Use of Estimates and Judgment

The preparation of the financial statements in conformity with Sri Lanka Accounting Standards requires 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 based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes to these financial statements.

a) Non-life insurance contract liabilities (Note 15)

For 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, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty for some types of policies.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim, and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates, and assumptions are employed in the assessment of the adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

The carrying value at the reporting date of non-life insurance contract liabilities is Rs.11,669,207,464 (2023:Rs. 9,419,363,271).

Methodology for claim liability

75% Confidence level estimate

The volatility of the Central Estimate of Claim Liability is projected to secure an overall level of sufficiency with not less than 75% confidence level on undiscounted basis. In assessing the Net Claim Liability at a 75% confidence level, a Stochastic Chain Ladder approach was adopted to estimate the Provision of Risk Margin for

Adverse Development (PRAD) and Fund PRAD (FPRAD) risk margins. The 75th percentile has been calculated for each line of business independently as well as on a whole account level. This allows the implicit diversification factor to be derived. The discount to the PRAD, as a result of diversification, is then capped at a given reduction from the correlated value.

Methodology for estimate of premium liability

75% Confidence level estimate

The volatility of the Central Estimate of Claim Liability is projected to secure an overall level of sufficiency with not less than 75% confidence level on undiscounted basis. In assessing the Net Claim Liability at a 75% confidence level, a Stochastic Chain Ladder approach was adopted to estimate the Provision of Risk Margin for Adverse Development (PRAD) and Fund PRAD (FPRAD) risk margins. The 75th percentile has been calculated for each line of business independently as well as on a whole account level. This allows the implicit diversification factor to be derived. The discount to the PRAD, as a result of diversification, is then capped at a given reduction from the correlated value.

As a reasonableness check, actuaries have made reference to the risk margins that were derived in the gross analysis as of 31 December 2024 when determining the appropriate risk margins to be adopted for the net analysis.

Methodology for estimate of premium liability

75% Confidence Level Estimate

The Central Estimate Unexpired Risk Reserve (CE URRs) is loaded to secure an overall level of sufficiency with not less than 75% confidence level on undiscounted basis. In determining the URR at the 75% confidence level, actuaries multiply the CE URR with an adjustment factor for each line of business. The adjustment factor is determined at a class level as well as at an aggregate level, and takes into account the observed relationship between the current estimate of an accident quarter's Ultimate Loss Ratio (ULR) and the trended ULR. Actuaries also assess the reasonableness of the adjustment factor by making reference to the gross analysis.

The diversification factor is determined by comparing the sum of the adjustment factors by line of business and the adjustment factor at the aggregate level. A diversification benefit cap is applied in arriving at the final FPRAD for Premium Liability.

b) Retirement benefits (Note 17)

The liability for retirement gratuity is recognised based on the actuarial valuation carried out as of 31st December 2024, using the Projected Unit Credit method. The actuarial valuations involve making assumptions about discount rates, future salary increases, and the incidence of withdrawals. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Fair value of financial instruments (Note 35)

The determination of fair values of financial assets and financial liabilities recorded on the Statement of Financial Position for which there is no observable market price are determined using a variety of valuation techniques that include the use of mathematical techniques.

The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish their fair values.

d) Impairment of premium receivable

Premium receivables are then assessed collectively, by categorizing them into groups of assets with similar risk characteristics, to determine whether a provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the premium portfolio and judgment on the effect of concentrations of risks and economic data.

e) Provisions for liabilities and contingencies

The Company receives legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions.

2.3 Summary of material accounting policies

2.3.1 Principles of equity accounting

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment

.

Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.3.12.

Changes in ownership interests

When the Company ceases to equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of LOLC General Insurance PLC which assesses the financial performance and position of the Company and makes strategic decisions has been identified as the chief operating decision maker.

2.3.3 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.

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 expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. All the products sold by the Company are insurance contracts. 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.

2.3.4 Financial instruments

2.3.4.1 Financial assets

a) Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held to maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortized cost.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and quoted and unquoted financial instruments.

b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by LKAS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis.

Or

- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value. Changes in fair value are recorded in 'Fair value gains and losses'. Interest is accrued and presented in 'Investment income' or 'Finance cost', respectively, using the effective interest rate (EIR). Dividend income is recorded in 'Investment income' when the right to the payment has been established.

The Company evaluates its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances.

The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Available-for-sale financial assets

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value, with unrealized gains or losses recognised in other comprehensive income in the available-for-sale reserve (equity). Where the insurer holds more than one investment in the same security that they are deemed to be disposed of on a first-in first-out basis. 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 the statement of income as 'Investment income' when the right of the payment has been established. When the asset is derecognised the cumulative gain or loss is recognised in other operating income, or determined to be impaired, or the cumulative loss is recognised in the statement of income and removed from the available-for-sale reserve.

The Company 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 Company 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 Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and 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.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the statement of income.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the EIR, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in 'investment income' in the statement of income. Gains and losses are recognised in the statement of income when the investments are derecognised or impaired, as well as through the amortization process.

Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the EIR, less impairment. The EIR amortization is included in 'investment income' in the statement of income. Gains and losses are recognised in the statement of income when the investments are derecognised or impaired, as well as through the amortization process.

c) Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
The rights to receive cash flows from the asset have expired

Or

The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

The Company has transferred substantially all the risks and rewards of the asset

Or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.

d) Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or 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 debtor 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 reorganization and where 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.

Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the statement of income. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the income' in the statement of income.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale financial investments

For available-for-sale financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Company treats 'significant' generally as 20% and 'prolonged' generally as greater than six months. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of income– is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income, the impairment loss is reversed through the statement of income.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in the statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

2.3.4.2 Financial liabilities

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using effective interest rate method. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities comprise bank overdrafts, interest-bearing borrowings, and other financial liabilities.

2.3.4.3 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques because current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, counterparty credit and liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rates and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

Determination of fair values

a) Financial Instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the last traded price in an active market. These instruments are included in level I. Instruments included in level I comprise primarily investments in Unit Trust.

b) Financial Instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level II. Instruments included in level II comprise primarily investments in Treasury bills and Treasury bonds issued by the Government of Sri Lanka.

Specific valuation techniques used to value financial instruments include;

- Present value of the estimated future cash flows based on observable yield curves;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

The table below shows the different basis used in assessing the fair value of financial instruments,

Instrument category	Instrument	Fair value basis and assumptions	Fair value Hierarchy
Available for sale instruments	Treasury Bonds & Bills	Valued using market prices (the bid quotes) available in the market at the reporting date	Level 02
Fair value through profit & loss	Unit Trust	Valued using market prices (the bid quotes) available in the market at the reporting date.	Level 02

2.3.5 Reinsurance

The Company cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract. Reinsurance on a gross basis in the reporting date unless a right to offset exists. If a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises a loss in the statement of income.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. Reinsurance assets are de-recognised when the contractual rights are extinguished or expired or the contract is transferred to another party.

2.3.6 Insurance receivables

Insurance receivables are recognised when due and measured at initial recognition at the fair value of the consideration received or receivable. After initial recognition, insurance receivables are measured at amortized cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of income.

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.3.4.1 (c), have been met.

2.3.7 Other receivables and dues from related parties

Other receivables and dues from related parties are measured at initial recognition at the fair value and subsequently measured at amortised cost.

2.3.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown separately under liabilities in the statement of financial position.

2.3.9 Intangible Assets

Basis of Recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably.

Basis of measurement

Intangible assets acquired separately are measured as initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite useful life are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied these assets. All other expenditure is expensed when incurred.

De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as difference between the net disposal proceeds and the carrying amount of the asset.

Amortization

Amortization is recognised in the statement of income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of computer software is 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.3.10 Property and equipment

Basis of recognition

Property and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

Basis of measurement

Items of property and equipment are measured at cost less accumulated depreciation/ impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Cost model

The Company applies the cost model to all property and equipment which are recorded at the cost of purchase together with any incidental expenses thereon less any accumulated depreciation and accumulated impairment losses.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property and equipment are recognised in statement of income as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised the statement of income on a straight-line basis over the estimated useful life of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods and useful life spans are assessed at the reporting date. The estimated useful lives for the current year are as follows:

Furniture and Fittings	5 Years
Office Equipment	5 Years
Computer equipment	5 Years
Building	40 Years

De-recognition

An item of property and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

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 property and equipment, and is recognised net within other income/other expenses in the statement of income.

2.3.11 Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred and amortized over the period in which the related revenues are earned by using a 1/365 basis. All other acquisition costs are recognised as an expense when incurred.

Deferred Acquisition Expenses

Acquisition expenses, representing commissions, which vary with and are directly related to the production of business, are deferred and amortized over the period in which the related written premiums are earned. Reinsurance commission is also treated in the same manner within deferred acquisition costs.

2.3.12 Impairment of non-financial assets

The carrying amounts of the Company's Non-Financial Assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related Cash-Generating Unit (CGU) exceeds its estimated recoverable amount.

The Company's corporate assets do not generate separate cash inflows and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in the statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 if no impairment loss had been recognised.

2.3.13 Insurance Contract Liabilities

Insurance provision-non-life insurance

Non-life insurance contract liabilities include the outstanding claims provision including IBNR and IBNER, the provision for unearned premium, and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date.

The valuations of unearned premium reserves are measured in accordance with guidelines of the Regulation of Insurance Industry Act, No. 43 of 2000 (i.e. based on the 1/365th basis).

The Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims reserves are actuarially computed. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is canceled.

As required by the SLFRS 4 - Insurance Contracts, the Company performed a Liability Adequacy Test (LAT) (Note 15) in respect of Non - life insurance contract liabilities with the assistance of the external actuary.

2.3.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.3.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.3.16 Insurance payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

Insurance payables are derecognised when the obligation under the liability is settled, canceled, or expired.

2.3.17 Other liabilities

Liabilities are recognised in the Statement of financial position when there is a present obligation as a result of a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor within one year of the Statement of financial position date are treated as current liabilities. Liabilities payable after one year from the reporting date are treated as non-current liabilities.

2.3.18 Provisions

Provisions are made for all obligations existing as at the Statement of financial position date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.3.19 Employee Benefits

a) 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 employee benefit expense in the statement of income in the periods during which services are rendered by employees.

b) Employees' Provident Fund (EPF)

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the above-mentioned funds.

c) Employees' Trust Fund (ETF)

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

d) Defined benefits plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; and discounting that benefit to determine its present value. The calculation is performed annually by a qualified independent actuary using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - Employee Benefits.

Actuarial gains and losses are charged or credited to the Statement of Comprehensive Income in the period in which they arise. The assumptions based on which the results of the actuarial valuation were determined are included in Note 17 to the financial statements.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

This retirement benefit obligation is not externally funded.

e) Short-term employee 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 a short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.3.20 Equity

a) Stated capital

Stated capital in relation to the Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of calls on shares.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

b) Movement of reserves

The movement of reserves is disclosed in the Statements of Changes in Equity.

2.3.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value added taxes.

Gross written premium

Non-life insurance business

Gross insurance written premiums comprise the total premiums received /receivable for the whole period of coverage provided by contracts entered into during the accounting period. Gross written premium is generally recognised as written upon inception of the policy. Upon inception of the contract, premiums are recorded as written and are 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 premium. Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a 1/365th basis in accordance with industry practice. However, for those contracts for which the period of risk differs significantly from the contract period, premiums are earned over the period of risk in proportion to the amount of insurance protection provided. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums which is included under liabilities.

Premium ceded to reinsurers

Gross reinsurance premiums 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 determined based on rates agreed with reinsurers. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts using 1/365th basis in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000.

Fees and Commission Income

Policyholders are charged for policy administration services and other contract fees. These fees are recognised as revenue upon receipt or when become due.

Interest Income

Interest income and expenses are recognised in the statement of income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial assets or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial assets or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes all transaction costs, fees, and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Other income

Other income is recognised on an accrual basis.

2.3.22 Benefits, claims and expenses

Non-life insurance business

Claims incurred include provisions for the estimated cost of claims and related handling expenses in respect of incidents up to 31 December. Claims outstanding are assessed by reviewing the individual claim files and estimating changes in the ultimate cost of settling claims. The reserve in respect of claims Incurred But Not Reported (IBNR) is actuarially valued to ensure a more realistic estimation of the future liability based on past experience and trends. Actuarial valuations are performed on an annual basis.

Whilst the Directors consider that the provision for claims-related reinsurance recoveries 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 adjustments to the amounts provided. Such adjustments are reflected in the financial statements for that period. The methods used, and the estimates made, are reviewed regularly.

Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Other Expenses

Expenses are recognised in the Statement of income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property and equipment in a state of efficiency has been charged to statement of income in arriving at the profit for the year.

For the presentation of the statement of income the Directors are of the opinion that the nature of the expenses method present fairly the element of the Company's performance, and hence such presentation method is adopted.

Repairs and renewals are charged to the statement of income in the year in which the expenditure is incurred.

Finance costs

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets (other than trade receivables), that are recognised in the statement of income.

2.3.23 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. No 24 of 2017 and subsequent amendments thereto.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue.

2.3.24 Deferred tax

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 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 and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. 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 benefits will be realized.

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the statement of income.

2.3.25 Sales taxes (Value Added Tax)

Revenues, expenses and assets are recognised net of the amount of sales tax except for the following;

Sales tax incurred on a purchase of a assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the reporting date.

2.3.26 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (Sri Lankan Rupees) of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

All foreign exchange gains and losses are presented in the statement of income on a net basis within other income or other expenses.

2.3.27 Earnings Per Share

The Company presents basic/diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.3.28 Statement of cash flows

The Statement of Cash flows has been prepared using the 'Direct Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standards LKAS 7 'Statement of Cash Flows'.

2.3.29 Leases

The Company leases various equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Notes to the Financial Statements Contd...

3. PROPERTY AND EQUIPMENT

	Freehold Land	Freehold Building	Furniture & Fittings Rs.	Equipment Rs.	Computer Hardware Rs.	Total Rs.
Cost						
As at 1 January 2023	-	-	169,706,142	73,757,108	79,544,606	323,007,856
Additions	47,000,000	42,039,000	27,301,397	8,065,940	14,363,554	138,769,891
Disposals/ transfers	-	-	-	-	-	-
Balance as at 1 January 2024	47,000,000	42,039,000	197,007,539	81,823,048	93,908,160	461,777,747
Additions	-	-	97,883,372	39,504,982	19,619,338	157,007,692
Disposals/ transfers			-	(13,780,200)	-	(13,780,200)
As at 31 December 2024	**47,000,000**	**42,039,000**	**294,890,911**	**107,547,830**	**113,527,498**	**605,005,239**
Accumulated depreciation						
As at 1 January 2023	-	-	109,310,344	49,794,195	51,516,338	210,620,877
Charge for the year	-	806,227.40	17,115,955	8,066,368	9,287,301	35,275,851
Disposals/ Transfers	-	-	-	-	-	-
Balance as at 1 January 2024	-	806,227	126,426,299	57,860,563	60,803,639	245,896,728
Charge for the year	-	1,053,855	32,661,261	12,634,629	11,368,787	57,718,532
Disposals/ Transfers			-	(13,780,200)	-	(13,780,200)
As at 31 December 2024	**-**	**1,860,082**	**159,087,560**	**56,714,992**	**72,172,426**	**289,835,060**
Carrying amount						
As at 31 December 2024	**47,000,000**	**40,178,918**	**135,803,351**	**50,832,838**	**41,355,072**	**315,170,179**
As at 31 December 2023	47,000,000	41,232,773	70,581,240	23,962,485	33,104,521	215,881,019

3.1 During the financial year, the Company acquired property and equipment to the aggregate value of Rs. 157,007,539 (2023 - Rs. 138,769,891). Cash payments amounting to Rs. 157,007,692 (2022 - Rs. 138,769,891) were made during the year for purchase of property and equipment.

As at 3l December 2024 the gross carrying value of the property and equipment fully depreciated that is still in use amounted to Rs. 164,479,621 (2023 - Rs 170,084,590).

Notes to the Financial Statements Contd...

4. LEASES

This note provides information for leases where the Company is a lessee.

4.1 Amounts recognised in the Statement of financial position.

	2024 Rs.	2023 Rs.
Right-of-use assets		
Buildings	**281,646,740**	**133,396,721**
	281,646,740	**133,396,721**
Movements of right-of-use assets during the year are as follows:		
Balance as at 1 January	133,396,721	215,288,812
Additions	243,611,853	64,917,717
Derecognition	(32,121,658)	(98,981,463)
Depreciation during the year	(63,240,177)	(47,828,345)
As at 31 December	**281,646,740**	**133,396,721**
Lease liabilities		
Current	52,736,762	43,468,387
Non-current	251,831,464	107,146,686
	304,568,226	150,615,072
Movements of lease liabilities during the year are as follows:		
Balance as at 1 January	150,615,072	324,585,530
Additions	237,059,198	38,010,075
Remeasurement		
Derecognition	(39,005,254)	(177,803,250)
Payments during the year	(86,225,257)	(59,279,112)
Interest for the year	42,124,467	25,101,829
As at 31 December	**304,568,226**	**150,615,072**

New rent agreements was entered into during the year in respect of Hettipola,Sooriyawewa,Chilaw, Gradpass, Pettah, Boralasgamuwa, Akuressa, Mawanella, Kiribathgoda, Padukka, Galenbidunuwewa, Puttalam, Serunuwara, Kottawa, Ampara, Ehaliyagoda, Kalmunai, Polonnaruwa, Welimada, Dambulla, Mannar, Monaragala.

Notes to the Financial Statements Contd...

4.2 Amounts recognised in the statement of income

The statement of profit or loss shows the following amounts relating to leases:

	2024 Rs.	2023 Rs.
Depreciation charge of right-of-use assets Buildings	63,240,177	47,828,345
Interest expense (included in finance cost)	42,124,467	25,101,829
The total cash outflow for leases the year was:	86,225,257	59,279,112

4.3 Extension and termination options

Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor.

4.4 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2024, potential future cash outflows of all lease liabilities have been included in the lease liability.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5. INTANGIBLE ASSETS

Computer Software

Computer software	**2024 Rs.**	**2023 Rs.**
Cost		
Balance as at 1 January	165,380,819	154,171,611
Additions	5,078,001	**11,209,208**
As at 31 December	**170,458,820**	**165,380,819**
Amortization and impairment losses		
Balance as at 1 January	153,440,783	145,551,375
Charge for the year	3,560,042	7,889,408
As at 31 December	**157,000,825**	**153,440,783**
Carrying Amount		
As at 31 December	**13,457,995**	**11,940,036**

5.1 During the financial year, the Company acquired Intangible Assets to the aggregate value of Rs. 5,078,001 (2023 - Rs. 11,209,208). Rs 5,078,001 cash payment were made during the year (2023 - Rs.11,209,208) for the purchase of intangible assets.

Notes to the Financial Statements Contd...

6. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Company	Place of business / country of incorporation	Principal activities	No of shares		Holding %		Carrying value	Carrying value
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Serendib Microinsurance Plc	Kingdom of Cambodia	Life and Non-Life Insurance Businesses	450,000	450,000	15%	45%	122,383,144	28,367,175
							122,383,144	**28,367,175**

In June 2021, The Company invested in 45% voting rights of Serendib Microinsurance Plc (SMIPLC).

Company's share of net assets of equity accounted investees	2024		2023	
	SMIPLC Rs.	TOTAL Rs.	SMIPLC Rs.	Total Rs.
Equity value of investment as at 01st January	28,367,175	28,367,175	67,771,709	67,771,709
Investment in equity accounted investee	-	-	-	-
Adjustments				
Share of loss of equity accounted investees (Net of tax)	65,663,562	65,663,562	(19,447,904)	(19,447,905)
Other comprehensive income of equity accounted investees (Net of tax)	28,352,407	28,352,407	(19,956,630)	(19,956,630)
Equity value of investment as at 31 December	122,383,144	122,383,144	28,367,175	28,367,175

Summarized financial information of equity accounted investees	2024		2023	
For the year ended 31st December 2024	SMIPLC Rs	TOTAL RS.	SMIPLC Rs	Total Rs.
Revenue	287,096,819	287,096,819	1,123,512,107	1,123,512,107
Net change in reserves for unearned premium	(71,279,148)	(71,279,148)	(365,185,581)	(365,185,581)
Net earned premium	215,817,671	215,817,671	758,326,526	758,326,526
Other income	1,137,650	1,137,650	3,807,992	3,807,992
Investment income	10,804,829	10,804,829	33,662,185	33,662,185
Benefits, claims and expenses				
Insurance claims and benefits (net)	(78,259,031)	(78,259,031)	(313,599,237)	(313,599,237)
Underwriting and net acquisition costs	(69,671,757)		(248,307,703)	(248,307,703)
Other operating and administrative expenses	(37,810,288)	(37,810,288)	(220,620,269)	(220,620,269)
Interest expenses	(304,304)	(304,304)	(171,212)	(171,212)
Profit before income tax expense	41,714,770	41,714,770	13,098,282	13,098,282
Income tax expenses	(14,441,122)	(14,441,122)	(56,315,848)	(56,315,848)
Profit/(loss) after taxation	27,273,648	27,273,648	(43,217,565)	(43,217,565)

As at 31st December 2024	2024		2023	
	SMIPLC Rs.	Total Rs.	SMIPLC Rs.	Total Rs.
Total assets	1,948,103,443	1,948,103,443	1,395,354,918	1,395,354,918
Total liabilities	1,132,215,820	1,132,215,820	1,332,316,753	1,332,316,753
Net assets	815,887,623	815,887,623	63,038,166	63,038,166
Share of net assets of the equity accounted investee	122,383,143	122,383,143	28,367,175	28,367,175

Notes to the Financial Statements Contd...

7. INVESTMENT SECURITIES

	Note	2024 Rs.	2023 Rs.
Available-for-sale investment securities	7.1	8,069,564,645	9,541,980,145
Loans and receivables	7.2	6,537,515,096	3,326,919,188
Trading assets - fair value through profit or loss	7.3	-	50,068,945
		14,607,079,742	**12,918,968,278**

7.1 Available-for-sale investment securities

Government securities	7.1.1	8,069,564,645	9,541,980,145
		8,069,564,645	**9,541,980,145**

7.1.1 Government securities

	2024		2023	
	Cost Rs.	Fair Value Rs.	Cost Rs.	Fair Value Rs.
Treasury Bonds	7,062,640,455	8,069,564,645	9,070,785,287	9,541,980,145
Treasury Bills	-	-	-	-
	7,062,640,455	**8,069,564,645**	**9,070,785,287**	**9,541,980,145**

7.2 Loans and receivables

	2024 Rs.	2023 Rs.
Repurchase agreements (less than 3 months) (Note 12.3)	2,178,491,877	615,640,582
Term deposits	1,751,490,205	1,589,544,515
Corporate debentures	940,982,508	1,020,103,954
Asset backed securities	-	101,630,137
Commercial papers	1,666,550,506	-
	6,537,515,096	**3,326,919,188**

7.3 Trading assets - fair value through profit or loss

	2024 Rs.	2023 Rs.
Unit trusts - NDB Wealth Islamic Money Plus Fund	-	-
Unit trusts - Softlogic Asset Management (Pvt) Ltd	-	50,068,945
Unit trusts - First Capital Money Market Fund	-	-
Unit trusts - JB Vantage Money Market Fund	-	-
	-	**50,068,945**

Notes to the Financial Statements Contd...

8. REINSURANCE RECEIVABLES

	2024 Rs.	2023 Rs.
Reinsurance receivable on claims paid	591,059,923	399,778,495
	591,059,923	**399,778,495**

8.1 As at 31 December 2024, reinsurance receivables of Rs. 283,931,514 (2023 - Rs. 196,459,987) were past due but not impaired. These relate to a number reinsurers for whom there is no recent history of default. The ageing analysis of these reinsurance receivables are as follows:

Less than 180 days	307,128,409	203,318,508
181 days to 365 days	63,330,516	129,057,567
over 365 days	220,600,998	67,402,420
	591,059,923	**399,778,495**

9. PREMIUM RECEIVABLES

	Note	2024 Rs.	2023 Rs.
Due from policyholders	9.1	2,532,685,570	2,367,759,132
Allowance for impairment	9.2	(146,442,035)	(298,830,888)
Total insurance receivables		**2,386,243,535**	**2,068,928,244**

9.1. An ageing of insurance receivables is as follows

0 to 60 days	2,009,707,508	1,767,911,873
60 days to 365 days	522,978,062	477,309,163
over 365 days	-	122,538,096
	2,532,685,570	**2,367,759,132**

9.2. Movements on the allowance for impairment of insurance receivables are as follows:

Balance as at 1 January	298,830,888	358,238,399
Provision for insurance receivables impairment	(152,388,853)	(59,407,511)
Balance as at 31 December	**146,442,035**	**298,830,888**

10. AMOUNTS DUE FROM RELATED PARTIES

Current account with LOLC Life Assurance Ltd	-	10,987,700
Current account with LOLC Motors Ltd	-	-
Current account with LOLC Asset Holdings PLC	197,474	197,474
	197,474	**11,185,174**

11. OTHER ASSETS

Advances and prepayment	174,417,366	85,588,883
Taxes recoverable	14,385,464	140,994,606
Other assets	10,232,805	9,137,119
	199,035,635	**235,720,608**

12. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS

Components of Cash and Cash Equivalents

12.1 Favourable Cash and Favourable cash and bank balances

	2024 Rs.	2023 Rs.
Bank Balance	327,118,407	823,644,115
Cash in hand	225,000	225,000
Cash and Bank Balances	**327,343,406**	**823,869,115**

12.2 Unfavourable bank balances

Bank overdraft balance	(222,054,728)	(229,075,223)

12.3 Short-term investments

Placement with financial institutions (less than 3 months)	2,178,491,877	615,640,582
Cash and cash equivalent for the statement of cash flows	**2,283,780,555**	**1,210,434,474**

12.4 Net Debt Reconciliation

This section sets out an analysis of net debt and movements in net debt for each of the periods presented

	2024 Rs.	2023 Rs.
Cash and cash equivalents	2,283,780,555	1,210,434,474
Borrowings		
Interest bearing borrowings	(136,126,530)	(141,634,768)
Lease liabilities	(304,568,226)	(150,615,072)
Net (debt)/cash	**1,843,085,799**	**918,184,634**
Cash and cash equivalents	2,283,780,555	1,210,434,474
Gross debt – fixed interest rates	(440,694,756)	(292,249,840)
Net (debt)/cash	**1,843,085,799**	**918,184,634**

	Liability from financing activities		Assets	
	Interest bearing borrowings	**Lease liabilities**	**Cash and cash equivalents**	**Total**
Net debt as at 1 January 2023	(150,854,072)	(324,585,530)	761,290,770	285,851,168
Cash flows	-	-	449,143,704	449,143,704
Loans obtained from related parties	-	-	-	-
Initial fair value adjustment (Transferred to a separate reserve)	-	-	-	-
Interest amortised	(9,179,029)	-	-	(9,179,029)
Translation gain	18,398,333	-	-	18,398,333
Interest Charge on Lease Liability	-	(25,101,829)	-	(25,101,829)
New Lease Liabilities	-	(38,010,075)	-	(38,010,075)
Derecognition	-	177,803,250	-	177,803,249
Lease payments during the year	-	59,279,112	-	59,279,112
Net debt as at 31 December 2023	**(141,634,768)**	**(150,615,072)**	**1,210,434,474**	**918,184,634**

12.4 Net Debt Reconciliation Contd...

	Liability from financing activities		Assets	Total
	Interest bearing borrowings	Lease liabilities	Cash and cash equivalents	
Cash flows	-	-	1,073,346,082	1,073,346,082
Loans obtained from related parties	-	-	-	-
Initial fair value adjustment (Transferred to a separate reserve)	-	-	-	-
Interest amortised	(6,035,890)	-	-	(6,035,890)
Translation gain	11,544,128	-	-	11,544,128
Interest Charge on Lease Liability	-	(42,124,467)	-	(42,124,467)
New Lease Liabilities	-	(237,059,198)	-	(237,059,198)
Remeasurments	-	39,005,254	-	39,005,254
Lease payments during the year	-	86,225,257	-	86,225,257
Net debt as at 31 December 2024	**(136,126,530)**	**(304,568,226)**	**2,283,780,556**	**1,843,085,800**

13. STATED CAPITAL

	2024		2023	
	No. of Shares	Rs.	No. of Shares	Rs.

13. 1 Fully paid ordinary shares

	1,200,000,000	800,000,000	1,200,000,000	800,000,000

13.2 Fully Paid Ordinary Shares

		2024		2023	
		Number	Rs.	Number	Rs.
Balance at 1st January	13.2.1	1,200,000,000	800,000,000	1,200,000,000	800,000,000
Shares issued during the year		-	-	-	-
Number of shares before subdivision	13.2.2	1,200,000,000	800,000,000	1,200,000,000	800,000,000
Subdivision of shares		-	-	-	-
Balance at 31 December		**1,200,000,000**	**800,000,000**	**1,200,000,000**	**800,000,000**

14. CAPITAL RESERVES

Available for sale reserve

This represents the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Other reserve

Other reserve comprises of the day 01 fair value gain arising on the initial recognition of the related party loan obtained at a favourable interest rate.

Foreign exchange reserve

Foreign exchange reserve comprises of foreign exchange differences arising from the translation of the foreign associate of the Company.

Notes to the Financial Statements Contd...

15. INSURANCE CONTRACT LIABILITIES

	Note	2024 Rs.	2023 Rs.
Non-life insurance contracts	15.1	11,669,207,464	9,419,363,271
Total insurance contract liabilities		**11,669,207,464**	**9,419,363,271**

The Company has satisfied liability adequacy test

15.1 Non-life insurance contract liabilities

		2024			2023		
	Notes	Insurance Contract liabilities	Reinsurance of liabilities	Net	Insurance Contract liabilities	Reinsurance of liabilities	Net
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for reported claims	15.2	4,853,141,850	(2,083,839,236)	2,769,302,614	3,395,699,685	(1,542,554,692)	1,853,144,992
IBNR		1,033,510,755	-	1,033,510,755	751,700,000	-	751,700,000
Outstanding claims provision		5,886,652,605	(2,083,839,236)	3,802,813,369	4,147,399,685	(1,542,554,692)	2,604,844,992
Provision for unearned premiums	15.3	5,782,554,859	(1,018,261,209)	4,764,293,650	5,271,963,586	(965,530,811)	4,306,432,775
Total non-life contract liabilities		**11,669,207,464**	**(3,102,100,445)**	**8,567,107,019**	**9,419,363,271**	**(2,508,085,504)**	**6,911,277,767**

15.2 Provision for reported claims

	2024			2023		
	Insurance Contract liabilities	Reinsurance of liabilities	Net	Insurance Contract liabilities	Reinsurance of liabilities	Net
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January	3,395,699,685	(1,542,554,693)	1,853,144,993	2,138,304,912	(687,850,446)	1,450,454,466
Claims incurred in the current accident year	7,240,598,873	(1,093,718,527)	6,146,880,346	7,554,721,067	(2,415,774,743)	5,138,946,324
Claims paid during the year	(5,783,156,708)	552,433,984	(5,230,722,723)	(6,297,326,295)	1,561,070,496	(4,736,255,798)
Total non-life contract liabilities	**4,853,141,850**	**(2,083,839,236)**	**2,769,302,615**	**3,395,699,685**	**(1,542,554,693)**	**1,853,144,993**

15.3 Provision for reported claims

	2024			2023		
	Insurance Contract liabilities	Reinsurance of liabilities	Net	Insurance Contract liabilities	Reinsurance of liabilities	Net
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January	5,271,963,586	(965,530,811)	4,306,432,775	4,658,292,385	(567,402,046)	4,090,890,339
Premiums written in the year	11,101,800,278	(1,947,255,215)	9,154,545,063	9,962,715,444	(2,343,927,935)	7,618,787,509
Premiums earned during the year	(10,591,209,004)	1,894,524,816	(8,696,684,188)	(9,349,044,243)	1,945,799,170	(7,403,245,072)
At 31 December	**5,782,554,859**	**(1,018,261,209)**	**4,764,293,650**	**5,271,963,586**	**(965,530,811)**	**4,306,432,775**

Notes to the Financial Statements Contd...

15.4. COMMISSION RESERVES

	2024			2023		
	Deferred acquisition costs	Deferred reinsurance commission income	Net	Deferred acquisition costs	Deferred reinsurance commission income	Net
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January	(252,454,823)	313,719,615	61,264,791	(221,894,612)	133,334,756	(88,559,856)
Change in commission reserves	(7,535,052)	(10,370,444)	(17,905,496)	(30,560,211)	180,384,858	149,824,647
Total	**(259,989,876)**	**303,349,170**	**43,359,295**	**(252,454,823)**	**313,719,614**	**61,264,791**

15.5 The company has also performed an LAT for non-life insurance reserves, as required by SLFRS - 4, to ascertain whether the recorded reserves are adequate in meeting future liabilities. The LAT was performed by the external actuarial consultants, NMG Consulting and it has been concluded that the recorded reserves in respect of the non-life insurance business of the company as at 31st December 2024 are adequate to meet the future liabilities of the business.

16. INTEREST BEARING LOANS AND BORROWINGS

	2024 Rs.	2023 Rs.
Amount payable after one year	136,126,530	141,634,768
	136,126,530	**141,634,768**
Movements of interest bearing loans and borrowings		
Balance at the beginning of the year	141,634,768	150,854,072
Loans obtained during the year	-	-
Initial fair value adjustment (Transferred to a separate reserve)	-	-
Interest amortised	6,035,890	9,179,030
Repayments during the year	-	-
Translation loss / (Gain)	(11,544,128)	(18,398,333)
Balance at the end of the year	**136,126,530**	**141,634,768**

Details of related party loans included in interest bearing loans and borrowings

Lender	Relationship	Interest rate	Currency	Repayment Terms	Security	2024 Rs.	2023 Rs.
LOLC Global Private Limited	Subsidiary of ultimate parent company	2.50%	USD	On demand	Unsecured	136,126,530	141,634,768
						136,126,530	**141,634,768**

17. RETIREMENT BENEFIT OBLIGATIONS

17.1 Defined Benefit Liability

	Note	2024 Rs.	2023 Rs.
Defined Benefit Liability	17.2	62,113,840	57,727,149
		62,113,840	**57,727,149**

Notes to the Financial Statements Contd...

17.2 Changes in the defined benefit liabilities are as follows:

	2024 Rs.	2023 Rs.
Defined benefit obligation as of 1st January	57,727,149	53,003,669
Amounts recognised in profit or loss		
Current service cost	12,573,828	10,482,545
Interest costs	7,504,529	8,480,587
Amendments		
Amount recognised in other comprehensive income		
Actuarial (gain)/loss	(7,070,098)	(4,501,995)
Gratuity payment	**(8,621,568)**	**(9,737,657)**
Defined benefit liability as of 31 December	**62,113,840**	**57,727,149**

17.3 Key assumptions used in the above valuation are as follows:

	2024 Rs.	2023 Rs.
Discount rate	12.00%	13.00%
Future salary increases	10.00%	11.00%
Retirement age	60 years	60 years

An actuarial valuation for the gratuity liability was carried out as at 31st December 2024, by Mr. Piyal S. Gunathilake who is a chartered actuary. The valuation method used by the actuaries to value the fund is the "Projected Unit Credit Actuarial Cost Method" recommended by LKAS. 19 on Employee Benefit.

17.4 Sensitivity analysis on discounting rate and salary increment rate to Statement of Financial Position and Comprehensive Income.

Assumption	Rate change %	Impact to Financial Position-Increment/ (Reduction) of Liability	Impact to Comprehensive Income-Charged/ (Reversal)
Financial year 2024			
Discount rate	1+	(4,136,149)	(4,136,149)
Discount rate	1-	4,746,992	4,746,992
Salary increment rate	1+	4,787,566	4,787,566
Salary increment rate	1-	(4,238,189)	(4,238,189)
Financial year 2023			
Discount rate	1+	(4,776,699)	(4,776,699)
Discount rate	1-	5,559,531	5,559,531
Salary increment rate	1+	5,611,667	5,611,667
Salary increment rate	1-	(4,896,235)	(4,896,235)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the Financial Statements Contd...

17.5 The expected benefit payout in the future years for Retirement Gratuity

	2024 Rs.	2023 Rs.
Within next 12 months	8,324,883	4,706,596
Between 2 and 5 years	36,509,490	27,910,322
Beyond 5 year	76,252,412	95,771,792
	121,086,785	**128,388,710**

18. REINSURANCE CREDITORS

	2024 Rs.	2023 Rs.
Domestic Reinsurers	628,366,227	1,102,430,673
Foreign Reinsurers	251,770,337	251,770,337
	880,136,564	**1,354,201,010**

19. AMOUNTS DUE TO RELATED PARTIES

	2024 Rs.	2023 Rs.
Other financial liabilities	151,995,985	120,737,758
Current account with LOLC Holdings PLC	53,102,271	61,280,588
Current account with LOLC Finance PLC	11,634,556	10,287,908
Current account with LOLC Information Technologies Ltd	350,000	350,000
Current account with LOLC Corporate Services Ltd	2,400,945	
Current account with LOLC Life Assurance Ltd	201,421	
Current account with LOLC Motors Limited	**219,685,178**	**192,656,254**

20. OTHER LIABILITIES

		2024 Rs.	2023 Rs.
Other financial liabilities	20.1	921,365,343	818,642,998
Non-financial liabilities	20.2	264,259,255	248,889,605
		1,185,624,598	**1,067,532,603**

20.1 Other Financial Liabilities

	2024 Rs.	2023 Rs.
Agency commission payable	243,085,489	118,881,246
Accrued expenses	3,500,000	51,970,520
Excess payments received from clients	5,059,360	3,940,328
Policy holders advance payments	212,129,792	212,106,014
Other creditors	457,590,702	431,744,890
	921,365,343	**818,642,998**

20.2 Non-financial liabilities

	2024 Rs.	2023 Rs.
VAT payable	188,925,475	183,064,590
Stamp duty payable	3,464,862	3,176,681
PAYE tax payable	7,852,837	3,350,154
Luxury and semi luxury tax payable	46,742,199	45,069,399
Cess payable	9,101,604	6,564,912
CRSF payable	51,507	252,419
EPF and ETF payable	8,120,771	7,411,449
	264,259,255	**248,889,605**

21. NET WRITTEN PREMIUM

21.1 Gross premiums on insurance contracts

	2024 Rs.	2023 Rs.
General - Non-Life Insurance	10,134,413,195	9,177,331,921
Takaful - Non-Life Insurance	967,387,083	785,383,523
Total gross premiums	**11,101,800,278**	**9,962,715,444**

21.2 Premiums ceded to reinsurers on insurance contracts

	2024 Rs.	2023 Rs.
Non-Life Insurance	1,947,255,215	2,343,927,935
Total premiums ceded to reinsurers	**1,947,255,215**	**2,343,927,935**
Total net premiums	**9,154,545,063**	**7,618,787,509**

22 INVESTMENT INCOME

22.1 Available-for-sale financial assets

	2024 Rs.	2023 Rs.
Interest income	1,433,057,058	1,218,668,849

22.2 Loans and Receivables

	2024 Rs.	2023 Rs.
Repurchase agreements	40,339,709	199,543,479
Income from Takaful investments	98,541,741	121,113,031
Corporate debentures	109,306,480	113,038,697
Commercial papers	100,542,516	85,719,215
Term deposits	54,695,462	68,163,687
Asset backed securities	9,601,712	11,250,000
	413,027,620	**598,828,109**

22.3 Fair value through profit or loss

	2024 Rs.	2023 Rs.
Fair value gains on investment in unit trusts	4,664,066	23,986,636
Realised gain on disposal of unit trusts	-	68,945
Total investment income	**1,850,748,744**	**1,841,552,539**

23. FEES AND COMMISSION INCOME

	2024 Rs.	2023 Rs.
Policy fees	449,950,731	274,543,039
Total fees and commission income	**449,950,731**	**274,543,039**

Notes to the Financial Statements Contd...

24. OTHER INCOME

	2024 Rs.	2023 Rs.
Asset hire income	58,864,331	121,975,510
Interest income on saving deposits	1,215,680	1,346,662
Foreign exchange gains	42,384,415	(24,289,638)
Sundry income	7,835,955	150
	110,300,381	**99,032,684**

25. NET BENEFITS AND CLAIMS

	2024 Rs.	2023 Rs.
Non-life insurance contracts	7,303,228,227	7,655,518,439
Total gross benefits and claims paid	**7,303,228,227**	**7,655,518,439**
Claims ceded to reinsurers		
Non-life insurance contracts	1,093,808,827	2,430,212,916
Total claims ceded to reinsurers	**1,093,808,827**	**2,430,212,916**
Net benefits and claims	**6,209,419,400**	**5,225,305,523**

26. ACQUISITION COSTS

	2024 Rs.	2023 Rs.
Amounts paid to agents	(538,477,560)	(469,225,912)
Amounts received from reinsurers	263,896,989	623,173,367
	(274,580,571)	153,947,455
Movement in deferred acquisition costs	7,535,052	30,548,259
Movement in deferred reinsurance commissions income	10,370,444	(180,424,647)
Net Acquisition Cost (Net of reinsurance commission)	**(256,675,075)**	**4,071,067**

27. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

		2024 Rs.	2023 Rs.
Staff expenses	27.1	1,115,240,497	998,485,808
Administration and establishment expenses		1,887,817,882	1,479,103,392
Selling expenses		826,590,964	780,271,242
Depreciation and amortization		61,278,724	43,165,108
Amortization of right of use assets		63,240,177	47,828,345
Specific Bad debts wirtten off/ (recovered)		364,198,324	-
Impairment loss / (reversal) on premium receivable		(152,388,852)	(59,407,511)
		4,165,977,716	**3,289,446,384**

Notes to the Financial Statements Contd...

27.1. Staff Expenses

	2024 Rs.	2023 Rs.
Salaries and bonus	841,256,393	868,166,949
Contribution to defined contribution plans - EPF & ETF	62,590,236	56,297,089
Staff welfare	188,771,121	51,469,341
Staff training	2,544,390	3,589,295
Gratuity	20,078,357	18,963,133
	1,115,240,497	**998,485,808**

28. PROFIT FROM CONTINUING OPERATIONS

	2024 Rs.	2023 Rs.
Stated after Charging;		
Auditors' remuneration	3,691,430	2,586,000
Advertising costs	16,240,622	84,787,403
Business promotion	652,924,449	606,951,601
Agency allowance	59,395,132	71,970,123
Franchise fee	796,210,912	599,087,450

29. FINANCE COST

	2024 Rs.	2023 Rs.
Interest expense	21,629,598	64,298,763
Interest expense on leases	42,124,467	25,101,829
	63,754,065	**89,400,592**

30. TAXATION

30.1 Statement of income

	Note	2024 Rs.	2023 Rs.
Current income tax charge	30.2	81,050,021	319,473,198
Under/ (Over) provision for previous year			(77,033,909)
Deferred income tax			
Deferred tax (reversal)/Charge	30.3	46,176,334	39,202,838
Income tax reported in the statement of income		**127,226,354**	**281,642,128**
Statement of OCI			
Net loss/(gain) on actuarial gains & losses		(770,430)	(853,224)
Unrealized loss/(gain) on AFS financial assets		**(122,455,596)**	**(604,811,559)**
Deferred tax charged to OCI		**(123,226,026)**	**(605,664,783)**

Notes to the Financial Statements Contd...

30.2 Tax reconciliation Statement

	2024 Rs.	2023 Rs.
Accounting profit before income tax (General insurance)	477,521,350	998,843,997
(-) Exempt Amounts, Final withholding payments & Other Sources	(1,997,242,541)	(1,899,596,395)
(+) Aggregate disallowed items	65,835,515	157,852,307
(-) Aggregate allowable expenses	(172,334,853)	(117,521,423)
Assessable Income from Business	(1,626,220,529)	(860,421,514)
Assessable Income from Investment	270,166,735	1,064,910,661
(-) Qualifying payments	-	-
Taxable Income	**270,166,735**	**1,064,910,661**
Current income tax charge (30%)	**81,050,021**	**319,473,198**

30.3 Deferred Tax

	Statement of Financial Position		Statement of income		OCI	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred tax liability						
Capital allowance on PPE	10,738,689	6,481,632	(4,257,057)	(1,601,818)	-	-
Unrealized gain						
on Unit Trusts	-	-	-	-	-	-
Actuarial (gains) /losses	2,121,029	1,350,599			(770,430)	(853,224)
Unrealized gain on AFS assets						
on AFS assets	220,149,842	97,694,246	-	-	-	(97,694,246)
	233,009,560	**105,526,477**	**(4,257,057)**	**(1,601,818)**	**(770,430)**	**(98,547,470)**
Deferred tax asset						
Defined benefit plan	20,755,181	18,668,744	2,086,437	2,270,269	-	-
Impairment	4,991,084	50,707,739	(45,716,655)	(13,891,117)	-	-
Unrealized loss on AFS assets	-	-	-	-	(122,455,596)	(507,117,313)
Operating leases SLFRS 16	6,876,446	5,165,505	1,710,941	(25,980,172)		
	32,622,711	74,541,988				
Net deferred tax asset	**(200,386,849)**	**(30,984,489)**				
Deferred tax Charge	**-**	**-**	**(46,176,334)**	**(39,202,838)**	**(123,226,026)**	**(605,664,783)**

30.4 Income tax payable

	2024 Rs.	2023 Rs.
Balance at the beginning of the year	529,473,198	662,228,574
Current income tax expense	81,050,021	319,473,198
Surcharge Tax		42,802,715
Under/ (Over) provision for previous year	(83,828,855)	(77,033,909)
Payments made during the period		
Income tax	(224,166,618)	(240,186,574)
Surcharge Tax	(156,171,145)	(177,810,806)
Tax credits	**-**	**-**
Balance at the end of the year	**146,356,601**	**529,473,198**

Notes to the Financial Statements Contd...

31. BASIC EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of ordinary shares outstanding during the year.

	2024 Rs	2023 Rs
Net profit for the year	350,294,995	717,201,869
Weighted average number of ordinary shares	1,200,000,000	1,200,000,000
EPS	0.29	0.60

31.1 Diluted Earnings Per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefor, diluted earnings per share is same as the basic earnings per share stated above.

32. COMMITMENTS AND CONTINGENCIES

32.1 Commitments and Contingencies

32.1.1 Commitments

There were no material capital commitments and contingent liabilities, which require adjustment to or disclosure in the financial statements as at the reporting date.

32.1.2 Letter of Guarantees

The Company has obtained letters of guarantees to the value of Rs. 9,375,250.00 from Nations Trust Bank PLC as at 31.12.2024 for the purpose of acquiriring general insurance businesses.

32.1.3 Litigation Filed by the Company/ Against the Company

Litigation is a common occurrence in the insurance industry due to the nature of the business undertaken. The Company has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Company makes adjustments to account for any adverse effects which the claims may have on its financial standing. There were no pending litigations against the Company as at 31 December 2024 which would have a material impact on the financial statements.

33 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows :

33.1 Transactions with the Parent Company

Company Name	Nature of Transaction	2024 Rs.	2023 Rs.
LOLC Holdings PLC	Fund transfers out	900,652,484	608,938,700
	Fund transfers in	900,652,484	608,699,837
	Interest expense on current account	13,575,236	10,551,720
	Expenses incurred on behalf of company	527,609,263	478,356,797
	Fixed assets transfers	11,483,238	8,372,050
	Current Account settlements	772,839,918	521,589,059
	Investment handling and fund mobilization charges	239,424,240	163,121,470

Notes to the Financial Statements Contd...

33.2 Transactions with Affiliate Companies

Company Name	Nature of Transaction	2024 Rs.	2023 Rs.
LOLC Finance PLC	Expenses incurred on behalf of Company	30,664,107	235,527,682
	Insurance premium in respect of customers introduced	3,532,142,181	3,481,401,761
	Franchise fee payments	745,076,863	599,087,450
Browns & Company PLC	Insurance premium received	23,438,602	19,945,080
	Rent paid	4,911,544	13,090,275
	Investments in Commercial papers	803,711,507	-
	Interest income from commercial papers	26,200,300	79,559,356
Commercial Insurance Brokers (Pvt) Ltd	Broker commission paid	16,866,796	13,526,845
Seylan Bank PLC	Insurance premium in respect of customers introduced & direct	213,586,604	206,273,699
	Banc assurance fees paid	25,853,822	26,127,728
LOLC Information Technologies Ltd	Expenses incurred on behalf of Company	197,967,766	100,857,769
LOLC Corporate Services Ltd	Secretarial services	4,200,000	4,200,000
LOLC Life Assurance (Pvt) Ltd	Current account settlements by Life Assurance	71,537,671	42,694,384
	Expenses incurred on behalf of Life Assurance	3,683,726	2,760,597
	Expenses Allocation	59,569,666	25,378,183
	Fixed Asset	-	-
	Other	5,108,942	4,785,650
Browns Investments PLC	Investments in Commercial papers	800,000,000	-
	Interest income from commercial papers	56,002,454	-
LOLC Global Private Limited	Loans obtained during the year	-	-
	Initial fair value adjustmnet (Transferred to a separate reserve)	-	-
	Interest amortised	6,035,890	9,179,029
	Translation loss	(11,544,128)	(18,398,333)
	Outstanding loan balance	136,126,530	141,634,768

33.3 Transactions with Key Management Personal

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director (whether executive or otherwise) of the entity and its parent.

33.3.1 Key Management Personal Compensation

	2024 Rs.	2023 Rs.
Short-term employment benefits	59,703,837	24,649,934
Post-employment benefits - Defined benefit plans	-	-
Post-employment benefits - Defined contribution Plans	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

33.3.2 Other Transactions

	2024 Rs.	2023 Rs.
Premium of insurance policies obtained by key management personal	-	-

33.3.3 Expenses incurred by the Ultimate Parent on behalf of the Company are allocated based on a pre-agreed basis within the group companies. The loan from the affiliated Company includes a repayable on demand clause and the interest rate applicable is 2.5%. Other outstanding balances other than the related party loan are unsecured and are repayable in cash.

34. FINANCIAL REPORTING BY SEGMENT

Primary Segments (Business Segments)

For management purposes, the Company is organized into two operating segments as follows.

Motor insurance - Coverage for motor vehicles against loss or damage caused by accidents, fire and theft and legal liability to third parties in the event of physical injuries or property damage.

Non Motor insurance - Coverage for non-motor risks

	Motor		Non Motor		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Gross Written Premium	8,166,943,343	7,495,109,522	2,934,856,935	2,467,605,922	11,101,800,278	9,962,715,444
Reinsurance Premium Ceded	(644,643,749)	(1,283,029,610)	(1,302,611,466)	(1,060,898,325)	(1,947,255,215)	(2,343,927,935)
Net Written Premium	7,522,299,594	6,212,079,912	1,632,245,469	1,406,707,597	9,154,545,063	7,618,787,509
Net change in reserve for unearned premium	(339,360,651)	526,798	(118,500,224)	(216,069,235)	(457,860,875)	(215,542,437)
					-	
Net earned premiums	**7,182,938,943**	**6,212,606,710**	**1,513,745,245**	**1,190,638,362**	**8,696,684,188**	**7,403,245,072**
Net benefits and claims	4,908,485,291	4,409,265,919	1,300,934,111	816,406,393	6,209,419,401	5,225,305,521
Gross benefits and claims paid	4,404,489,983	4,230,782,809	1,166,902,828	1,950,773,546	5,571,392,811	6,181,189,565
Claims ceded to reinsurers	(4,586,470)	(24,026,656)	(547,847,514)	(1,537,043,841)	(552,433,984)	(1,561,070,497)
Gross change in contract liabilities	206,826,373	42,092,689	1,243,198,289	1,195,958,552	1,450,024,662	1,238,051,241
Change in contract liabilities - ceded to reinsurers	(12,000)	17,453,134	(541,362,842)	(886,595,554)	(541,374,842)	(869,142,420)
Change in contract liability - life, non life	**301,767,405**	**142,963,943**	**(19,956,650)**	**93,313,689**	**281,810,755**	**236,277,632**
Underwriting and net acquisition costs (including reinsurance)	276,385,042	73,487,095	(19,709,967)	(77,558,162)	256,675,075	(4,071,067)
Underwriting results	**1,998,068,610**	**1,729,853,696**	**232,521,102**	**452,156,922**	**2,230,589,711**	**2,182,010,618**
Other revenue					**2,410,999,856**	**2,215,128,262**
Investment income					1,846,084,678	1,817,496,958
Fees and commission income					449,950,731	274,543,039
Realized gains					-	68,945
Fair value gains and losses					4,664,066	23,986,636
Other operating revenue					110,300,381	99,032,684
Other expenses					**4,229,731,781**	**3,378,846,976**
Other operating and administrative expenses					4,165,977,716	3,289,446,384
Finance costs					63,754,065	89,400,592
Share of loss of equity accounted investees (Net of tax)					(65,663,562)	19,447,904
Profit before tax					477,521,349	998,843,997
Income tax expense					127,226,355	281,642,128
Profit for the year					**350,294,994**	**717,201,869**
Segment Assets	4,663,520,196	3,934,045,863	1,675,873,581	1,295,201,203	6,339,393,778	5,229,247,066
Unallocated Assets	-	-	-	-	15,866,314,315	14,379,328,278
Total Assets					22,205,708,092	19,608,575,344
Segment Liabilities	9,454,972,575	8,341,140,281	3,397,720,624	2,746,143,614	12,852,693,198	11,087,283,894
Unallocated Liabilities	-	-	-	-	2,476,916,550	2,399,698,756
Total Liabilities					**15,329,609,748**	**13,486,982,650**

35. FAIR VALUE OF FINANCIAL INVESTMENTS

35.1 Fair value of financial investments and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements (i.e. loans and receivables).

Cash & bank balances, premium receivable, reinsurance receivable, repurchase agreement, reinsurance creditor, amounts due to related parties, agency commission payable, other creditors and bank overdraft carrying value amounts approximate to the fair value due to the short term nature of the instruments.

35.2 Determination of fair value and fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
- Level 2:The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets for which pricing is obtained via pricing services.

	Level 1 Rs.	Level 2 Rs.	Total Fair Value Rs.
As at 31 December 2024			
Available-for-sale financial assets			
Government securities	-	8,069,564,645	8,069,564,645
Trading assets - fair value through profit or loss			
Fair value of unit trusts	-	-	-
	-	**8,069,564,645**	**8,069,564,645**
As at 31 December 2023			
Available-for-sale financial assets			
Government securities	-	9,541,980,145	9,541,980,145
Trading assets - fair value through profit or loss			
Fair value of unit trusts	50,068,945	-	50,068,945
	50,068,945	**9,541,980,145**	**9,592,049,090**

The inputs used for fair valuation of Level 2 financial investments are based on current market yields , and the valuation is performed using the Discounted Cash Flow (DCF) method.

36. ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

	2024 Rs.	2023 Rs.
Financial Assets		
Loans and receivables		
Investment securities		
Repurchase agreements	2,178,491,877	615,640,582
Debentures	940,982,508	1,020,103,954
Term deposits	1,751,490,205	1,589,544,515
Commercial papers	1,666,550,506	-
Asset backed securities	-	101,630,137
Reinsurance receivable	591,059,923	399,778,495
Premiums receivable	2,386,243,535	2,068,928,244
Amounts due from related parties	197,474	11,185,174
Cash and bank balances	327,343,406	823,869,115
Available-for-sale investment securities		
Investment securities		
Treasury bonds	8,069,564,645	9,541,980,145
Treasury bills	-	-
Fair-Value-through-Profit or loss		
Investment securities	-	-
Unit trusts	-	50,068,945
Financial Assets	**17,911,924,079**	**16,222,729,306**
Financial Liabilities at amortsed cost		
Interest bearing borrowings	136,126,530	141,634,768
Amounts due to related parties	219,685,178	192,656,250
Other liabilities	921,365,343	818,642,299
Reinsurance creditors	880,136,564	1,354,201,010
Lease Liability	304,568,226	150,615,072
Bank overdraft	222,054,728	229,075,223
Total Financial Liabilities	**2,683,936,569**	**2,886,825,325**

Notes to the Financial Statements Contd...

37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES BASED ON EXPECTED RECOVERY DATES OR THE REMAINING MATURITIES AT THE REPORTING DATE

	31.12.2024			31.12.2023		
	Less than12 Months	More than 12 Months	Carrying amount	Less than12 Months	More than 12 Months	Carrying amount
Assets	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Property and equipment	-	315,170,179	315,170,179	-	215,881,171	215,881,171
Right-of-use assets	5,487,402	276,159,338	281,646,740	-	133,396,721	133,396,721
Intangible assets	-	13,457,995	13,457,995	-	11,940,036	11,940,036
Deferred tax assets	-	-	-	-	-	-
Equity accounted investee	-	122,383,144	122,383,144	-	28,367,175	28,367,175
Investment securities	6,599,485,654	8,007,594,088	14,607,079,742	3,181,263,417	9,737,704,861	12,918,968,278
Reinsurance assets	3,102,100,445	-	3,102,100,444	2,508,085,504	-	2,508,085,504
Reinsurance receivables	370,458,925	220,600,998	591,059,923	399,778,495	-	399,778,495
Deferred acquisition costs	259,989,875	-	259,989,876	252,454,823	-	252,454,823
Premiums receivable	2,386,243,535	-	2,386,243,535	2,068,928,244	-	2,068,928,244
Amounts due from related parties	197,474	-	197,474	11,185,174	-	11,185,174
Other assets	199,035,635	-	199,035,635	235,720,607	-	235,720,608
Cash and bank balances	327,343,406	-	327,343,406	823,869,114	-	823,869,115
Total assets	**13,250,342,351**	**8,955,365,742**	**22,205,708,093**	**9,481,285,380**	**10,127,289,964**	**19,608,575,344**
Liabilities						
Insurance contract liabilities	11,669,207,464	-	11,669,207,464	9,419,363,270	-	9,419,363,270
Long-term borrowings	-	136,126,530	136,126,530	-	141,634,768	141,634,768
Retirement benefit obligations	-	62,113,840	62,113,840	-	57,727,149	57,727,149
Lease liabilities	52,736,762	251,831,464	304,568,226	43,468,387	107,146,686	150,615,072
Reinsurance creditors	880,136,564	-	880,136,564	1,354,201,010	-	1,354,201,010
Deferred reinsurance commission income	303,349,170	-	303,349,170	313,719,614	-	313,719,614
Income tax liability	146,356,601	-	146,356,601	529,473,198	-	529,473,198
Deferred tax liability	200,386,849	-	200,386,849	30,984,489	-	30,984,489
Amounts due to related parties	219,685,178	-	219,685,178	192,656,254	-	192,656,254
Other liabilities	1,185,624,598	-	1,185,624,598	1,067,532,603	-	1,067,532,603
Deferred tax Liability	-	-	-	-	-	-
Bank overdraft	222,054,728	-	222,054,728	229,075,223	-	229,075,223
Total liabilities	**14,879,537,914**	**450,071,834**	**15,329,609,748**	**13,180,474,048**	**306,508,603**	**13,486,982,650**

38 RISK MANAGEMENT FRAMEWORk

(a) Insurance Risk

The Company principally issues the following types of general insurance contracts: motor, fire, engineering, liability, marine, miscellaneous, workmen's compensation. Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

The Non-Life Insurance risk exposure is mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. 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 type of risk and level of insured benefits.

Key assumptions and sensitivities

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience.

Sensitivity analysis on claim handling expenses, loss development factors and provision for adverse deviation is provided below

Impact on Claim Liability to Changes in Key Variables

		Undiscounted			
Variable	Change In Variable	Central Estimate of Claim Liability (incl CHE)	75% Claim Liability	Change in CE Claim Liability (incl CHE)	Change in 75% Claim Liability
Original		3,536,302,000	3,776,618,000		
CHE	10%	3,554,678,000	3,796,830,000	18,376,000	20,213,000
CHE	-10%	3,517,926,000	3,756,405,000	-18,376,000	-20,213,000
ULR %	10%	4,199,037,000	4,494,551,000	662,735,000	717,934,000
ULR %	-10%	2,873,567,000	3,058,684,000	-662,735,000	-717,934,000
PRAD	Double	3,536,302,000	4,016,934,000	-	240,316,000
PRAD	Halve	3,536,302,000	3,656,460,000	-	-120,158,000

CHE - Claim Handling Expenses
ULR - Ultimate Loss Ratio
RAD - Provision of risk margin for adverse deviation

Impact on Premium Liability to Changes in Key Variables

		Undiscounted		
Variable	Change In Variable	URR at 75% Confidence Level	Premium Liability (PL)	Change in Premium Liability
Original		4,361,967,000	4,807,653,000	-
URR %	10%	4,739,156,000	4,807,653,000	-
URR %	-10%	3,984,778,000	4,807,653,000	-
Expenses*	10%	4,375,137,000	4,807,653,000	-
Expenses*	-10%	4,213,111,000	4,807,653,000	-
PRAD	Double	4,909,150,000	4,909,150,000	101,497,000
PRAD	Halve	4,088,376,000	4,807,653,000	-

* Inclusive of CHE and ME
URR - Unexpired Risk Reserve
PRAD - Provision of risk margin for adverse deviation

Gross non–life insurance contract outstanding claims provision for 2024 is given below.

Gross non-life insurance contract outstanding claims provision for 2024 is given below.

Accident year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Total
Claims incurred												
At the end of accident year	477,094,484	26,920,351	36,650,995	31,389,037	27,463,363	15,159,334	10,668,428	9,041,195	8,916,195	14,883,000	31,113,094	
One year later	714,918,714	350,157,098	56,992,770	47,689,818	40,945,808	32,875,327	30,876,867	30,052,785	45,061,996	37,560,992		
Two years later	2,187,847,615	602,406,418	182,407,550	84,315,757	48,349,129	42,168,637	40,497,387	47,572,416	31,219,207			
Three years later	2,141,200,732	538,520,039	104,652,434	64,010,740	53,849,378	52,229,821	65,458,378	57,994,645				
Four years later	2,392,729,828	637,723,225	131,079,915	180,045,987	154,154,678	164,764,635	148,395,922					
Five years later	3,112,234,031	1,128,712,552	144,325,336	71,590,574	90,658,869	78,902,859						
Six years later	2,202,949,345	553,580,356	110,716,695	77,884,160	55,935,575							
Seven years later	2,992,621,160	906,647,641	196,831,906	119,614,603								
Eight years later	4,300,455,837	1,531,718,885	566,475,574									
Nine years later	7,431,307,869	3,530,160,570										
Ten years later	5,962,093,346											
Current estimate of cumulative claims incurred	**5,962,093,346**	**3,530,160,570**	**566,475,574**	**119,614,603**	**55,935,575**	**78,902,859**	**148,395,922**	**57,994,645**	**31,219,207**	**37,560,992**	**31,113,094**	**10,619,466,386**

Accident year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Total
Claims paid												
At the end of accident year	(169,188,445)	(8,561,573)	(11,831,855)	(4,173,992)	(6,193,535)	(2,796,079)	(1,569,333)	(250,000)	(125,000)	(2,049,805)	(5,847,795)	
One year later	(257,648,088)	(315,263,508)	(18,445,367)	(6,366,866)	(6,264,155)	(2,210,000)	(550,000)	(550,918)	(1,536,128)	(2,050,000)		
Two years later	(1,501,762,333)	(427,093,854)	(100,108,284)	(29,784,349)	(4,770,111)	(850,000)	(6,200,000)	(5,955,709)	(2,844,631)			
Three years later	(1,411,767,899)	(445,379,775)	(41,329,427)	(4,359,649)	(1,962,249)	(1,250,000)	(3,167,097)	(4,303,364)				
Four years later	(1,743,865,815)	(503,020,596)	(33,776,835)	(24,536,341)	(8,471,504)	(2,241,877)	(3,174,470)					
Five years later	(1,909,145,407)	(995,560,021)	(67,334,285)	(4,717,580)	(4,248,310)	(9,630,845)						
Six years later	(1,439,772,232)	(476,240,052)	(32,449,949)	(17,771,992)	(7,377,282)							
Seven years later	(1,874,317,494)	(747,338,511)	(72,472,241)	(24,380,746)								
Eight years later	(2,738,327,154)	(975,325,497)	(69,043,907)									
Nine years later	(5,214,968,739)	(1,658,667,644)										
Ten years later	(3,995,836,025)											
Cumulative payments to date	(3,995,836,025)	(1,658,667,644)	(69,043,907)	(24,380,746)	(7,377,282)	(9,630,845)	(3,174,470)	(4,303,364)	(2,844,631)	(2,050,000)	(5,847,795)	(5,783,156,708)
Claims payable												16,832,171
Gross non life insurance claims outstanding as at 31 December 2023	1,966,257,321	1,871,492,926	497,431,667	95,233,857	48,558,293	69,272,014	145,221,452	53,691,281	28,374,576	35,510,992	25,265,299	4,853,141,849

38 RISK MANAGEMENT FRAMEWORK (Contd...)

(b) Financial Risk

The Company has exposure to the following risks from financial instruments:

i Credit risk
ii Liquidity risk
iii Market risk
iv Concentration risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The board of directors of the company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board is responsible for monitoring compliance with the Company's risk management policies and procedures. The Board is assisted in these functions by Internal Audit and the Board Audit Committee. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Enterprise Risk Management Committee which consists of senior management was formed to strengthen the risk management process. Furthermore, the Company's risks are assessed and monitored at the group level by the Integrated Risk Management Committee of its ultimate parent company, LOLC Holdings PLC.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations in accordance with agreed terms and arises principally from the Company's premium receivables, re-insurance receivables, investment debt securities and deposits in commercial banks such as time deposits, demand deposits.

Management of credit risk

The company has developed a credit policy approved by the Board and credit is granted based on the same for the policy holders. The Company has taken the "Premium Warranty Clause" into consideration when developing the aforementioned credit policy. As a result of rigour follow up of outstanding premiums, the policies which are not settled within the approved credit periods are cancelled on regular basis. The Company checks the status of the outstanding premium before settling claims to reduce the credit risk. The Company has implemented an impairment review for premium receivables periodically and provide for the same based on the results.

Credit risk with regards to re-insurance receivables is mitigated by selecting the re-insurers with higher credit ratings and reviewing their ratings periodically.

The Company evaluates the credit rating of the respective investee and/or respective issue prior to the investment decision is made. Furthermore, the Company focuses on tolerable levels concentration risk and portfolio monitoring in line with Company's risk appetite. A stringent process is in place to comply with the single investment exposure limits prescribed by the regulator, the Insurance Regulatory Commission of Sri Lanka.

Notes to the Financial Statements Contd...

38 RISK MANAGEMENT FRAMEWORK (Contd...)

As at 31 December 2024	Neither past-due nor impaired					Past-due but not impaired Rs.	Total Rs.
	Risk Free Rs.	AAA to AA- Rs.	A+ to A- Rs.	BBB+ to BB- Rs.	Non-rated Rs.		
Available-for-sale financial assets							
Investments in government securities	8,069,564,645	-	-	-	-	-	8,069,564,645
Repurchase agreements	2,178,491,877	-	-	-	-	-	2,178,491,877
Fixed Deposits	-	-	1,751,490,205	-	-	-	1,751,490,205
Corporate debentures	-	-	248,074,624	692,907,885	-	-	940,982,509
Asset backed securities	-	-	-	-	-	-	-
Unit trusts	-	-	-	-	(0)	-	(0)
Commercial Papers		-	-	-	1,666,550,506	-	1,666,550,506
Premium receivables (net)	-	-	-	-	2,450,432,722	82,252,848	2,532,685,570
Reinsurance receivables	-	179,331,356	125,114,228	132,307,721	154,306,618	-	591,059,923
Amount due from related parties	-	-	-	-	197,474	-	197,474
Cash in hand and balance at bank	-	210,056,370	112,525,341	6,557,337	225,000	-	329,364,048
Total	**10,248,056,522**	**389,387,726**	**2,237,204,398**	**831,772,943**	**4,271,712,320**	**82,252,848**	**18,060,386,757**

An ageing of Premium Receivables' Past-due but not impaired is as follows

0 to 60 days	-
60 Days to 365 days	82,252,848
Over 365 days	-
	82,252,848

As at 31 December 2023	Neither past-due nor impaired					Past-due but not impaired Rs.	Total Rs.
	Risk Free	AAA to AA- Rs.	A+ to A- Rs.	BBB+ to BB- Rs.	Non-rated Rs.		
Available-for-sale financial assets							
Investments in government securities	9,541,980,145	-	-	-	-	-	9,541,980,145
Repurchase agreements	615,640,582	-	-	-	-	-	615,640,582
Fixed Deposits	-	220,440,767	1,369,103,748	-	-	-	1,589,544,515
Corporate debentures	-	-	920,156,391	99,947,563	-	-	1,020,103,954
Asset backed securities	-	-	101,630,137	-	-	-	101,630,137
Unit trusts	-	-	-	-	50,068,945	-	50,068,945
Commercial Papers		-	-	-	-	-	-
Premium receivables (net)	-	-	-	-	2,349,696,243	18,062,889	2,367,759,132
Reinsurance receivables	-	44,832,910	78,977,587	131,379,278	144,588,720	-	399,778,495
Amount due from related parties	-	-	-	-	11,185,174	-	11,185,174
							-
Cash in hand and balance at bank	-	4,368,148	724,859,077	94,416,890	225,000	-	823,869,115
Total	**10,157,620,727**	**269,641,825**	**3,194,726,940**	**325,743,731**	**2,555,764,082**	**18,062,889**	**16,521,560,194**

An Ageing of Premium Receivables' Past-due but not impaired is as follows

0 to 60 days	-
60 Days to 365 days	18,062,889
Over 365 days	-
	18,062,889

Notes to the Financial Statements Contd...

38 RISK MANAGEMENT FRAMEWORK (Contd...)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Company's approach to managing liquidity is to ensure that funds available are adequate to meet claim payments to its policyholders and to ensure operational expenses to be paid when they are due.

The main sources of the Company's funding are capital and gross written premium. The Company also maintains a portfolio of readily marketable securities to further strengthen its liquidity position. The investment durations are diversified depending on the cash flow needs of the Company and the maturity periods are regularly reviewed. Cash flow analysis is done prior to investments are made.

The Company's treaty agreements with reinsurers contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain agreed size.

Exposure to liquidity risk

The Company monitors the liquidity position of the Company to asses funding requirements. Liquid assets include cash and short term investments and bills purchased. The Company also monitors maturity profile of its assets and liabilities.

Maturity profile of financial assets and liabilities based on remaining maturity is given below.

As at 31st December 2024	0-6 months Rs.	7-12 months Rs.	1-2 years Rs.	3-5 years Rs.	Over 5 years	Total Rs.
Cash and Cash Equivalents	327,343,406	-	-	-	-	329,364,048
Available-for-sale investment securities						
Government securities	55,625,000	909,000,000	1,541,617,470	6,460,349,688	-	8,966,592,158
Loans and receivables						
Repurchase agreements	2,178,491,877	-	-	-	-	2,178,491,877
Term deposit	1,108,697,492	644,288,202	60,471,311	-	-	1,813,457,005
Corporate Debentures		76,932,534	550,537,645	313,512,329		940,982,508
Commercial Papers		1,666,550,506				1,666,550,506
Reinsurance receivables	591,059,923	-	-	-	-	591,059,923
Premium receivables (net)	2,386,243,535	-	-	-	-	2,386,243,535
Amount due from related parties	197,474	-	-	-	-	197,474
	6,647,658,707	**3,296,771,242**	**2,152,626,426**	**6,773,862,017**	**-**	**18,870,918,392**
Financial Liabilities						
Long-term borrowings	-	-	136,126,530	-	-	136,126,530
Amounts due to related parties	219,685,178	-	-	-	-	219,685,178
Reinsurance creditors	880,136,564	-	-	-	-	880,136,564
Lease liabilities	25,769,504	26,967,258	47,064,151	95,076,993	109,690,321	304,568,227
Other financial liabilities	921,365,343	-	-	-	-	921,365,343
Bank overdraft	222,054,728	-	-	-	-	222,054,728
	2,269,011,317	**26,967,258**	**183,190,681**	**95,076,993**	**109,690,321**	**2,683,936,570**

38 RISK MANAGEMENT FRAMEWORK (Contd...)

As at 31st December 2023	0-6 months Rs.	7-12 months Rs.	1-2 years Rs.	3-5 years Rs.	Over 5 years	Total Rs.
Cash and Cash Equivalents	823,869,115	-	-	-	-	823,869,115
Available-for-sale investment securities						
Government securities	367,937,500	661,000,000	3,490,487,500	8,440,784,175	-	12,960,209,175
Loans and receivables					-	
Repurchase agreements	615,640,582	-	-	-	-	615,640,582
Term deposit	1,189,063,427	245,853,119	255,324,317	-	-	1,690,240,863
Corporate Debentures	-	-	-	-	-	-
Commercial Papers	-	-	-	-	-	-
Reinsurance receivables	399,778,495	-	-	-	-	399,778,495
Premium receivables (net)	2,068,928,244	-	-	-	-	2,068,928,244
Amount due from related parties	11,185,174	-	-	-	-	11,185,174
	5,476,402,537	**906,853,119**	**3,745,811,817**	**8,440,784,175**	**-**	**18,569,851,648**

Financial Liabilities						
Long-term borrowings	-	-	-	141,634,768	-	141,634,768
Amounts due to related parties	192,656,254	-	-	-	-	192,656,254
Reinsurance creditors	1,354,201,010	-	-	-	-	1,354,201,010
Lease liabilities	31,315,795	31,983,464	65,105,126	61,832,937	2,776,772	193,014,094
Other financial liabilities	818,642,998	-	-	-	-	818,642,998
Bank overdraft	229,075,223	-	-	-	-	229,075,223
	2,625,891,280	**31,983,464**	**65,105,126**	**203,467,705**	**2,776,772**	**2,929,224,347**

(iii) Market risk

This refers to the risk of losing value of investments due to adverse movement in assets prices and possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. This principally comprises of interest rate risk and price risks.

Management of market risk

The Company makes investment decisions based on the fundamentals rather than on speculative motive. The bond investment portfolio is monitored by the Board on a regular basis and the overall investment portfolio is reviewed by the Board on a monthly basis. The interest rate risk is managed through fixed rated investment portfolio.

Sensitivity analysis – interest rate risk

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

An increase in 500 and 100 basis points in interest yields would result in a loss for the period of Rs. 732,914,572 and a loss for the prior period of Rs. 155,157,650 respectively. A decrease in 500 and 100 basis points in interest yields would result in a gain for the period of Rs. 852,861,427 and a gain for the prior period of Rs. 160,771,638. These balances would be directly recognised in equity.

The exposure of the Company's bond investment portfolio to interest rate changes at the end of the reporting period are as follows:

	2024	% of total investment portfolio	2023	% of total investment portfolio
Company's bond portfolio				
Maturity dates				
Less than 1 year	964,625,000	10.8%	1,028,937,500	7.9%
1-5 years	8,001,967,158	89.2%	11,931,271,675	92.1%
Over 5 years	-	0.0%	-	0.0%
	8,966,592,158	**100.0%**	**12,960,209,175**	**100.0%**

38 RISK MANAGEMENT FRAMEWORK (Contd...)

(iv) Foreign currency risk

This refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Sensitivity analysis - foreign exchange risk

The sensitivity analysis for foreign currency risk illustrates how changes in the fair value of financial instruments will fluctuate because of changes in foreign exchange rates at the reporting date.

A strenghtening of 10% of the USD against the LKR would result in a loss for the period of Rs.13.61 million. A weakening of 10% of the USD against the LKR would result in a gain for the period of Rs.13.61 million.

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Rs. was as follows:

	2024		2023	
	USD	Total	USD	Total
Foreign currency loans	136,126,530	136,126,530	141,634,768	141,634,768
	136,126,530	**136,126,530**	**141,634,768**	**141,634,768**

(v) Concentration risk

This refers to the risk that the Company will suffer from lack of diversification, investing too heavily in one industry, one geographic area or one type of security.

Management of concentration risk

To comply with the risk tolerance and appetite of the Company a significant amount of total investments are made in government securities which are risk free. A careful analysis is done before investing in equity investments. A stringent process is in place to comply with the single investment exposure limits prescribed by the Insurance Board of Sri Lanka. Furthermore the Board reviews the Company's investments portfolio on a monthly basis.

The composition of the company's investments as at 31st December 2024 and 31 December 2023 are given in the note number 6.

(a) Nature and extent of risks arising from insurance contracts

Objectives, policies and processes for managing risks arising from insurance contracts

The Company willingly assume the risks of other organisations as the Company's prime value creation activity. This is the core of the insurance business and there is no perfect way of measuring the potential impact on insured risk. For non life insurance business, the most significant risks arise from climate changes, natural disasters and terrorist activities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The Company's risk management framework focuses on strategic risk, assumed risks and the potential risks. The Company identifies and categorises risks in terms of their source, their impact on the Company and preferred strategies for dealing with them. The Company follows an integrated approach for risk management by considering the size, nature and complexity of the business. It is a continuous process of scrutinizing the internal and external environment to identify elements which may have an impact on the Company achieving its' objectives.

Method used to manage risks

Risk appetite and risk tolerance

The Company has made a strategic decision to maintain a risk appetite moderately above the average of the insurance market, since it allows the best potential for creating shareholder value at an acceptable risk level. The Company manages the volatility and potential downward risk through diversification.

Risk management culture

Individuals in the Company are well aware of the risk that they are bringing into the Company with their actions. It can be pricing, reserving, underwriting and investment. The concept of the risk is well spread across the Company. The strong governance structure within the Company is used as a tool to achieve this target.

Identification of shock losses

There are three areas of risk which have the potential to materially damage economic value that the Company identified at present as having the greatest potential for shock losses. They are catastrophe, reserving and investment risk. The Company manage the risk of shock losses by setting limits on the tolerance for specific risks and on the amount of capital that the Company is willing to expose.

38 RISK MANAGEMENT FRAMEWORK (Contd...)

The table below sets out the concentration of non-life insurance contract liabilities by type of contract.

	31 December 2024		
	Gross liabilities	**Reinsurance receivable**	**Net liabilities**
Motor	8,166,943,343	(644,643,749)	7,522,299,594
Fire	2,146,890,180	(931,556,047)	1,215,334,133
Marine	105,816,611	(67,771,469)	38,045,142
Miscellaneous	649,578,487	(292,225,321)	357,353,166
WCI	32,571,657	(11,058,629)	21,513,028
Total	**11,101,800,278**	**(1,947,255,215)**	**9,154,545,063**

(b) Capital management

The Company's objectives when managing capital, which consists of total equity on the statement of financial position, are:

- To comply with the insurance capital requirements required by the regulator, the Insurance Regulatory Commission of Sri Lanka.
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide adequate returns to shareholders by pricing insurance contracts commensurate with the level of risk.

The Insurance Regulatory Commission of Sri Lanka specifies the minimum amount and solvency ratio that must be maintained, based on the Regulation of Insurance Industry Act, No.43 of 2000 and other applicable laws and regulations governing the insurance industry. The minimum capital requirements applicable to the Company is Rs.500 Million The Company has complied with all of the externally imposed capital requirements and solvency ratio requirements to which it is subject.

39. EVENTS AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

40. SIGNIFICANT UNUSUAL EVENTS OR TRANSACTIONS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no other unusual events or transactions affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 31 December 2024.

Shareholders Information

1. Top 20 shareholders as at 31 December 2024

	SHAREHOLDER	No. of Shares	% Of Issued Capital
1	L O L C ASSET HOLDINGS LIMITED	765,000,000	63.75
2	LOLC CEYLON HOLDINGS PLC	228,000,000	19
3	LOLC INVESTMENT HOLDINGS SEVEN (PRIVATE) LIMITED	87,000,000	7.25
4	PHANTOM INVESTMENTS (PRIVATE) LIMITED	16,909,897	1.409
5	DFCC BANK PLC/A.T.WEERASEKARA	3,743,090	0.312
6	MR. M.M.C. COORAY	3,050,000	0.254
7	HATTON NATIONAL BANK PLC/DINESH NAGENDRA SELLAMUTTU	2,978,343	0.248
8	SENKADAGALA FINANCE PLC/S.GOBINATH	2,840,000	0.237
9	MRS. H.M.A.R.K. KALUHENDIWELA	2,476,922	0.206
10	MR. S. SIVASHANTH	2,000,000	0.167
11	DFCC BANK PLC/G.A.U. PUSHPAKUMAR	1,900,090	0.158
12	PEOPLE S LEASING AND FINANCE PLC/W.A.U.S.WANASINGHE	1,851,360	0.154
13	PEOPLE'S LEASING & FINANCE PLC/MRS.H.A.J.WICKRAMASENA	1,831,000	0.153
14	BANK OF CEYLON A/C CEYBANK UNIT TRUST	1,782,800	0.149
15	MR. R.E. RAMBUKWELLE	1,729,300	0.144
16	MR. S. GOBINATH	1,539,800	0.128
17	MISS A.J.S.N. AMERASINGHE	1,410,000	0.118
18	SAMPATH BANK PLC/ DR.T.SENTHILVERL	1,332,957	0.111
19	DR. A.M.A.D.S. ABEYSINGHE	1,065,000	0.089
20	MR. S.N.C.W.M.B.C. KANDEGEDARA	1,024,673	0.085
	Others	70,534,768	5.88
		1,200,000,000	**100**

2. Share Distribution

Shareholdings	From	To	No of Holders	No of Shares	%
1-1,000	1	1,000	1,270	491,028	0.0409
1,001-10,000	1,001	10,000	2,652	12,172,978	1.0144
10,001-100,000	10,001	100,000	689	22,331,653	1.8610
100,001-1,000,000	100,001	1,000,000	119	35,539,109	2.9616
1,000,001 & Over	Over	1,000,001	20	1,129,465,232	94.1221
Total			**4,750**	**1,200,000,000**	**100.0000**

3. Categories of Shareholders

	No. of share Holders	Holding	%
Local Individuals	4,518	65,090,617	5.4242
Local Institutions	225	1,133,144,073	94.4287
Foreign Individuals	5	218,500	0.0182
Foreign Institutions	2	1,546,810	0.1289
	4,750	**1,200,000,000**	**100**

Shareholders Information Contd...

4. Public Holding

The percentage of shares held by the public being **10.00%**, comprising of **4,746** shareholders. The Float adjusted market capitalization as at 31st December 2024 - **Rs. 839,930,000.00**

* The Float adjusted market capitalization of the Company falls under **Option 2** of Rule 7.14.i (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option

5. Directors' & CEO's Shareholding as at 31 December 2024

		No. of Shares	%
01.	Mr K A K P Gunawardena	--	--
02.	Mrs K U Amarasinghe	--	--
03.	Mrs V G S S Kotakadeniya	--	--
04.	Mr W R A Dharmaratne	--	--
05.	Mr I Wijesiriwardane	--	--
06.	Mr H A Karunaratne	--	--

6. Share Prices for The Year

Market Price Per Share	**As at 31st December 2024 Rs.**
Highest during the year	7.50
Lowest during the year	5.30
As at end of the year	7.00

7. Share Trading

	As at 31st December 2024 Rs.
No. of Shares Traded during the year	52,422,424
Value of Shares Traded during the year	339,235,900.10
Number of Transactions during the year	10,108

Quarterly Analysis

Statement of Profit or Loss

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	**2,957,161,669**	**2,467,251,117**	**2,657,021,423**	**2,288,601,936**	**2,821,094,045**	**2,582,205,106**	**2,594,547,879**	**2,290,432,030**	**11,029,825,001**	**9,628,490,189**
	-	-	-	-	-	-	-		-	-
Gross written premium	3,284,314,251	3,012,419,047	2,353,229,037	2,162,131,398	3,196,184,270	2,700,266,436	2,268,072,719.80	2,087,898,563	11,101,800,278	9,962,715,444
Premiums ceded to reinsurers	**2,670,659**	**(379,361,995)**	**(557,970,461)**	**(320,635,549)**	**(800,663,660)**	**(372,590,590)**	**(659,579,208)**	**(1,271,339,801)**	**(2,015,542,669)**	**(2,343,927,935)**
Net written premium	3,286,984,910	2,633,057,052	1,795,258,576	1,841,495,849	2,395,520,610	2,327,675,846	1,608,493,512	816,558,762	9,086,257,609	7,618,787,509
Net change in reserves for unearned premium	**(903,205,726)**	**(713,813,107)**	**241,729,060**	**(64,908,153)**	**(131,144,229)**	**(292,838,115)**	**345,161,172**	**856,016,938**	**(447,459,723)**	**(215,542,437)**
Net earned premium	2,383,779,184	1,919,243,945	2,036,987,637	1,776,587,696	2,264,376,381	2,034,837,731	1,953,654,684	1,672,575,700	8,638,797,886	7,403,245,072
Other Revenue	-	-	-	-	-	-	-		-	-
Investment income	433,118,518	461,617,893	452,028,885	451,561,654	432,646,041	493,949,442	531,722,233	434,423,550	1,849,515,677	1,841,552,538
Fees and commission income	122,520,426	78,984,886	96,967,201	61,840,868	125,722,746	73,140,349	108,758,157	60,576,937	453,968,530	274,543,039
Other income	**17,743,540**	**7,404,393**	**71,037,700**	**(1,388,282)**	**(1,651,123)**	**(19,722,416)**	**412,806**	**122,855,843**	**78,624,909.50**	**109,149,539**
Total other revenue	573,382,485	548,007,172	620,033,786	512,014,240	556,717,664	547,367,374	640,893,196	617,856,330	2,382,109,117	2,225,245,116
Net benefits and claims	-	-	-	-	-	-	-		-	-
Net insurance claims and benefits	(1,470,009,235)	(1,378,900,823)	(1,326,094,473)	(1,361,474,395)	(1,828,931,293)	(1,293,790,640)	(1,585,302,446)	(1,190,772,874)	(6,210,337,447)	(5,224,938,733)
Underwriting and net acquisition costs	**(226,192,738)**	**(105,875,338)**	**(33,127,472)**	**29,370,055**	**(37,002,507)**	**(34,759,436)**	**60,396,225**	**115,335,786**	**(235,926,492)**	**4,071,067**
Total net benefits and claims	(1,696,201,973)	(1,484,776,161)	(1,359,221,946)	(1,332,104,340)	(1,865,933,800)	(1,328,550,076)	(1,524,906,221)	(1,075,437,089)	(6,446,263,939)	(5,220,867,666)
Other operating and administrative expenses	(999,263,482)	(871,098,449)	(868,538,956)	(814,256,670)	(1,105,056,481)	(807,954,494)	(1,062,831,065)	(885,537,362)	(4,026,771,968)	(3,378,846,976)
Share of loss of equity accounted investees	**52,436,733**	**(11,752,180)**	**5,587,703**	**(6,049,763)**	**1,374,858**	**46,900,241**	**-**	**-**	**59,399,294**	**29,098,297**
Profit before tax	314,132,947	99,624,326	434,848,224	136,191,162	(148,521,377)	492,600,776	6,810,594	329,457,579	607,270,389	1,057,873,844
Income tax expense	**(78,508,864)**	**(31,152,820)**	**(128,778,156)**	**(38,798,130)**	**44,968,870**	**(75,742,465)**	**(19,862,966)**	**(135,948,714)**	**(182,181,117)**	**(281,642,128)**
Profit after tax	**235,624,083**	**68,471,507**	**306,070,068**	**97,393,033**	**(103,552,506)**	**416,858,311**	**(13,052,372)**	**193,508,866**	**425,089,273**	**776,231,716**

Ten Year Summary - Statements of Financial Position

	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.	2016 Rs.	2015 Rs.	2014 Rs.
Assets											
Intangible assets	13,280,901	11,940,036	8,620,236	18,252,138	25,811,811	31,977,470	42,274,560	11,701,872	22,198,697	36,243,044	52,151,946
Property and equipment	303,417,207	215,881,171	112,386,978	95,117,517	57,490,208	75,559,659	91,889,179	88,409,953	18,079,683	21,330,008	22,283,306
Right-of-use assets	281,646,740	133,396,721	215,288,812	257,951,967	213,932,016	181,635,564	-	-	-	-	-
Investment securities	14,607,079,742	12,918,968,278	9,001,773,857	8,443,284,045	6,784,606,909	5,044,373,700	3,809,928,644	3,423,895,744	2,714,253,334	2,352,752,064	1,696,640,706
Deferred tax assets	-	-	613,883,133	93,026,792	22,531,619	66,581,676	-	14,803,714	453,687	-	676,080
Equity accounted investees	114,238,626	28,367,175	67,771,709	67,580,581	-	-	-	-	-	-	-
Reinsurance assets	3,113,910,445	2,508,085,504	1,255,252,492	862,048,438	1,056,391,923	1,266,263,358	667,778,708	977,955,812	606,284,948	250,814,800	192,023,676
Reinsurance receivables	695,516,462	399,778,495	277,032,731	221,029,271	255,376,921	261,894,110	278,516,244	186,844,721	179,632,998	49,122,584	28,155,976
Deferred acquisition costs	284,360,688	252,454,823	221,894,612	169,673,755	172,419,529	130,432,779	140,159,356	115,846,100	58,927,518	46,233,562	30,026,644
Premiums receivable	2,460,229,126	2,068,928,244	2,065,438,062	1,331,479,343	1,136,579,952	965,963,808	788,776,554	760,266,930	597,983,688	466,253,856	414,088,147
Amounts due from related parties	16,030,042	11,185,174	25,927,615	520,308	3,136,832	866,640	893,709	1,256,609	12,254,157	2,208,765	20,754,979
Other assets	199,981,421	235,720,608	129,611,443	104,686,906	56,610,441	50,025,543	81,492,351	58,789,417	43,244,705	22,746,667	42,425,841
Cash and bank balances	303,532,361	823,869,115	467,760,605	335,989,932	106,389,855	67,436,595	93,912,767	132,342,709	160,530,417	77,723,872	22,635,291
Total assets	**22,393,223,760**	**19,608,575,344**	**14,462,642,285**	**12,000,640,993**	**9,891,278,017**	**8,143,010,902**	**5,995,622,072**	**5,772,113,581**	**4,413,843,832**	**3,325,429,223**	**2,521,862,593**
Equity and Liabilities											
Equity											
Stated capital	800,000,000	800,000,000	800,000,000	800,000,000	700,000,000	700,000,000	700,000,000	700,000,000	700,000,000	600,000,000	500,000,000
Retained earnings	5,498,219,937	5,073,130,665	4,395,082,587	3,390,787,456	2,290,143,375	1,181,326,106	614,456,160	524,837,324	357,478,308	141,859,343	200,577,977
AFS reserve	631,600,847	223,415,527	(1,183,273,731)	(201,572,264)	73,396,162	36,947,917	(20,470,911)	26,990,702	(65,763,779)	70,011,038	-
Other reserve	14,130,383	14,130,383	14,130,383	14,130,383	-	-	-	-	-	-	-
Foreign exchange reserve	37,388,276	10,916,119	30,872,749	672,444	-	-	-	-	-	-	-
Total ordinary shareholders' equity	**6,981,339,442**	**6,121,592,693**	**4,056,811,988**	**4,004,018,019**	**3,063,539,537**	**1,918,274,023**	**1,293,985,249**	**1,251,828,026**	**991,714,529**	**811,870,381**	**700,577,977**
Liabilities											
Insurance contract liabilities - Non-Life insurance	11,669,207,465	9,419,363,270	7,311,652,875	6,149,464,106	4,995,773,486	4,875,931,066	3,773,097,005	3,674,840,703	2,827,413,866	2,123,407,115	1,508,870,852
Long-term borrowings	137,648,424	141,634,768	150,854,072	78,201,112	-	-	-	-	-	-	-
Retirement benefit obligations	68,868,765	57,727,149	53,003,669	45,883,195	46,366,583	36,198,899	18,820,893	21,456,474	14,283,526	11,760,292	9,381,817
Lease liabilities	311,606,659	150,615,072	324,585,530	337,525,719	253,884,204	202,971,419	-	-	-	-	-
Reinsurance creditors	946,538,874	1,354,201,010	860,766,034	501,689,383	555,941,194	295,441,434	292,710,355	218,501,788	161,830,423	61,136,263	61,963,610
Deferred reinsurance commission income	306,406,361	313,719,614	133,334,756	100,931,395	133,787,083	119,696,990	96,227,678	149,507,482	69,169,167	54,618,992	39,316,734
Income tax liability	331,316,552	529,473,198	662,228,574	191,958,537	398,695,772	185,454,897	-	85,127,858	60,275,762	-	-
Deferred tax Liability	30,984,489	30,984,489	-	-	-	-	26,075,303	-	-	765,249	-
Amounts due to related parties	216,766,781	192,656,254	87,406,060	27,604,500	35,988,641	169,601,054	222,790,668	93,328,458	121,447,544	66,507,291	117,216,101
Other liabilities	1,142,309,874	1,067,532,603	819,169,276	562,373,970	407,301,517	336,176,976	270,500,498	276,108,704	162,748,329	177,801,758	82,239,425
Bank overdraft	250,230,075	229,075,223	2,829,451	991,057	-	3,264,144	1,414,423	1,414,088	4,960,686	17,561,883	2,296,077
Total liabilities	**15,411,884,317**	**13,486,982,650**	**10,405,830,297**	**7,996,622,974**	**6,827,738,480**	**6,224,736,879**	**4,701,636,823**	**4,520,285,555**	**3,422,129,303**	**2,513,558,843**	**1,821,284,616**
Total liabilities and equity	**22,393,223,760**	**19,608,575,344**	**14,462,642,285**	**12,000,640,993**	**9,891,278,017**	**8,143,010,902**	**5,995,622,072**	**5,772,113,581**	**4,413,843,832**	**3,325,429,223**	**2,521,862,593**

Ten Year Summary - Statements of Income

Statements of Income	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.	2016 Rs.	2015 Rs.	2014 Rs.
Gross written premium	11,101,800,278	9,962,715,444	8,551,167,194	7,284,480,441	6,112,465,552	5,301,900,060	4,519,657,192	3,962,694,713	3,241,891,279	2,572,777,787	1,887,255,220
Premium ceded to reinsurers	(2,015,542,669)	(2,343,927,935)	(1,449,226,611)	(1,160,311,023)	(1,375,603,623)	(1,033,306,750)	(783,746,346)	(778,585,386)	(603,581,300)	(370,830,475)	(300,886,769)
Net written premium	**9,086,257,609**	**7,618,787,509**	**7,101,940,583**	**6,124,169,418**	**4,736,861,929**	**4,268,593,310**	**3,735,910,846**	**3,184,109,327**	**2,638,309,979**	**2,201,947,313**	**1,586,368,451**
Net change in reserves for unearned premium	(447,459,723)	(215,542,437)	(522,490,443)	(826,816,531)	(289,254,710)	(348,317,570)	(266,758,460)	(338,341,153)	(260,417,461)	(350,112,728)	(89,291,008)
Net earned premium	**8,638,797,886**	**7,403,245,072**	**6,579,450,140**	**5,297,352,887**	**4,447,607,219**	**3,920,275,740**	**3,469,152,386**	**2,845,768,174**	**2,377,892,518**	**1,851,834,585**	**1,497,077,443**
Other income											
Investment income	1,849,515,677	1,841,552,538	1,299,714,373	616,181,954	529,446,907	423,277,048	365,343,234	332,175,249	268,819,011	198,973,742	160,745,624
Realized capital gain on disposal of Available for Sale investments		-	-	-	-	-	-	1,361,315	-	3,022,881	-
Fees and commission income	453,968,530	274,543,039	166,951,715	157,511,103	145,704,841	136,318,692	126,345,529	114,490,190	116,697,776	93,030,934	40,347,938
Realized gain on disposal of Available for Sale investments		-			-	-			-		
Other income	**78,624,910**	**99,032,684**	**61,328,811**	**6,699,492**	**4,808,887**	**8,976,886**	**8,457,021**	**1,097,057**	**7,605,190**	**4,144,388**	**5,387,795**
Total other income	**2,382,109,117**	**2,215,128,262**	**1,527,994,899**	**780,392,549**	**679,960,635**	**568,572,626**	**500,145,784**	**449,123,811**	**393,121,977**	**299,171,945**	**206,481,357**
Total income	**11,020,907,003**	**9,618,373,334**	**8,107,445,039**	**6,077,745,435**	**5,127,567,854**	**4,488,848,366**	**3,969,298,170**	**3,294,891,985**	**2,771,014,495**	**2,151,006,530**	**1,703,558,800**
Benefits, claims and expenses											
Insurance claims and benefits (net)	(6,210,337,447)	(5,225,305,523)	(3,648,094,807)	(2,667,817,232)	(1,768,350,697)	(2,135,574,306)	(2,081,139,448)	(1,660,758,596)	(1,473,765,409)	(1,165,006,911)	(816,544,513)
Underwriting and net acquisition (costs)/ income	(235,926,492)	4,071,067	(60,666,063)	(37,001,749)	42,001,227	12,958,510	72,077,512	53,894,455	73,317,152	18,545,816	(16,409,131)
Other operating and administrative expenses	(3,962,735,315)	(3,289,446,384)	(2,667,616,435)	(2,049,052,063)	(1,831,325,964)	(1,600,059,668)	(1,774,764,091)	(1,411,731,117)	(1,052,109,650)	(882,667,130)	(832,713,477)
Finance costs	(64,036,653)	(89,400,592)	(48,176,088)	(29,828,169)	(32,496,125)	(35,364,450)	(3,601,754)	(4,139,613)	(5,159,437)	(2,104,604)	-
Total benefits, losses and expenses	**(10,473,035,907)**	**(8,600,081,432)**	**(6,424,553,393)**	**(4,783,699,213)**	**(3,590,171,559)**	**(3,758,039,914)**	**(3,787,427,781)**	**(3,022,734,871)**	**(2,457,717,344)**	**(2,031,232,828)**	**(1,665,667,121)**
Share of loss of equity accounted investees (Net of tax)	59,399,294	(19,447,904)	(30,009,177)	(22,641,862)	-	-	-	-	-	-	-
Profit before income tax expense	**607,270,390**	**998,843,997**	**1,652,882,469**	**1,294,046,222**	**1,537,396,295**	**730,808,452**	**181,870,389**	**272,157,114**	**313,297,151**	**119,773,702**	**37,891,679**
Income tax expense	(182,181,117)	(281,642,128)	(253,576,734)	(176,680,802)	(425,367,732)	(155,380,065)	(92,808,315)	(81,803,094)	(96,031,389)	(34,715,810)	(12,895,414)
Profit for the year	**425,089,274**	**717,201,869**	**1,399,305,736**	**1,117,365,420**	**1,112,028,564**	**575,428,387**	**89,062,074**	**190,354,020**	**217,265,762**	**85,057,891**	**24,996,265**

Notes

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING, consequent to being a Listed Company, will be held on Monday, 23rd June 2025 at 10.30 a.m. for the following purposes.

The AGM will be held as an online audio-visual meeting with arrangements for the on-line meeting platform made at the registered office of the Company at 100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

1. To receive and consider the Report of the Directors and Statement of Accounts for the year ended 31st December, 2024 with the Report of the Auditors thereon.

2. To re-elect as a Director Mr K A K P Gunawardena who retires by rotation in terms of Article 88(i) of the Articles of Association of the Company.

3. To re-appoint as a Director, Mrs. K U Amarasinghe, who retires by rotation in terms of Article 95 of the Articles of Association of the Company.

4. To re-elect as a Director Mr W R A Dharmaratne who retires in terms of Section 210 of the Companies Act No. 7 of 2007. Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his re-election (see note 4 (a) below).

5. To re-appoint as Auditors, Deloitte Partners, Chartered Accountants for the ensuing year at a remuneration to be agreed by the Directors.

6. To approve in terms of the Companies Act No.26 of 1951 (Donations), the making of donations by the Directors as determined by them for the current financial year and until the next Annual General Meeting of the Company.

NOTE:

(1) A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/ her. A Proxy need not be a shareholder of the Company.

2) The completed Form of Proxy should be received by the Company at its Secretaries' office No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya not later than forty-eight (48) hours before the start of the meeting.

3) A Form of Proxy accompanies this Notice.

4) IMPORTANT NOTICE:

a) Special Notice has been received from a shareholder of the Company giving Notice of intention to move the following Resolution at the above Annual General Meeting :

"Resolved that Mr W R A Dharmaratne who reached the age of 70 years in 2024, be and is hereby re-elected a Director of the Company and it is further specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr W R A Dharmaratne."

b) This Annual Report and Financial Statements of the Company are available on the: Corporate Website – https://www.lolcgeneral.com/investor-relations.php and the Colombo Stock Exchange https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=LGIL.N0000.

Members may also access the Annual Report and Financial Statements on their electronic devices by scanning the **following QR code:**

Notice of Annual General Meeting Contd...

For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Secretaries on +94 117 248556 during normal office hours (8.30 a.m. to 5.00 p.m.) or email: corporateservices@lolc.com

Should Members wish to obtain a hard copy of the Annual Report, they may send a written request to the registered office of the Company by filling in the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request.

By order of the Board
LOLC GENERAL INSURANCE PLC

LOLC CORPORATE SERVICES (PVT) LTD
Secretaries

30th May 2025
Rajagiriya (in the greater Colombo)

LOLC GENERAL INSURANCE PLC

Registration No: PQ00251202
Address: No.100/1, Sri Jayewardenapura Mawatha, Rajagiriya.

CIRCULAR TO SHAREHOLDERS

Dear Shareholder,

ANNUAL GENERAL MEETING OF LOLC GENERAL INSURANCE PLC FOR THE YEAR ENDED 31ST DECEMBER 2024

As provided for by Article 58(1)(ii) of the Articles of Association, the fourth (4th) Annual General Meeting (AGM) of LOLC General Insurance PLC, consequent to listing, will be held virtually in the manner prescribed below.

A. General Details

1. The AGM of LOLC General Insurance PLC, will be conducted from the Board Room of LOLC Holdings PLC, 100/1, Sri Jayawardenapura Mawatha, Rajagiriya at 10.30am on 23rd June 2025.

2. The Board of Directors, key officials, the Company Secretaries, the External Auditors and the Legal Counsel will be present at the venue of the meeting in person and all shareholders will participate in the meeting through audio and audio visual means.

3. The Annual Report of the Company for the year ended 31st December 2024 will be available for perusal on the Company website https://www.lolcgeneral.com/investor-relations.php and Colombo Stock Exchange website on https://cse.lk/pages/company-profile/company-profile.component.html?symbol=LGIL.N0000

4. The Annual Report could also be accessed via the **QR Code** which is provided below.

5. If you wish to receive a printed copy of the Annual Report for the year ended 31st December 2024, please complete and forward us the Form of Request attached hereto (Annexure 1) by post to the registered address of the Company, No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya or e-mail to corporateservices@lolc.com or facsimile on +94 11 2865602.

B. Shareholder Participation

1. The shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

2. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio - or audio-visual means only.

3. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish their details by perfecting Annexure I to the Circular to Shareholders and forward same to corporateservices@lolc.com or by facsimile on +94 11 2865602, to reach the Secretaries not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the e-mail addresses so provided.

4. To facilitate the appointment of proxies as specified in B.1 and B.2 above, the Form of Proxy, Notice of Meeting and Registration Of Shareholder Details For Online Participation are available on the Company website https://www.lolcgeneral.com/investor-relations.php and Colombo Stock Exchange website on https://cse.lk/pages/company-profile/company-profile.component.html?symbol=LGIL.N0000

   - The Form of Proxy and the
   - Registration of Shareholder Details for Online Participation

   should be downloaded, duly completed and sent to reach the Company Secretaries via e-mail to corporateservices@lolc.com or facsimile on +94 11 2865602 or by post to the registered address of the Company No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya, not less than forty eight (48) hours before the time fixed for the meeting.

C. **Shareholders' Queries**

1. The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretaries, via e-mail to corporateservices@lolc.com or facsimile on +94 11 2865602 or by post to the registered address of the Company No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya, not less than five (5) days before the date of the meeting. This is in order to enable the Company Secretaries to compile the queries and forward same for the attention of the Board of Directors so that they could be addressed at the meeting.

2. At the AGM, the Chairman of the meeting will deal with those questions/ comments which are relevant to the agenda items in the Notice of AGM.

For any further queries on this matter, please contact Mrs. Chathurangani Seneviratne at the Company Secretarial Division of LOLC General Insurance PLC.

Telephone : 011 7248556 (ext. 2556)
E- mail : chathuranganis@lolc.com

The Board wishes to thank the shareholders of the Company for their unwavering cooperation.

Yours faithfully,
LOLC General Insurance PLC

LOLC Corporate Services (Pvt) Ltd
Secretaries

30th May 2025
Rajagiriya (in the greater Colombo)

LOLC GENERAL INSURANCE PLC

FORM OF PROXY

I/We .... of ....

.... being a member/members

of the above named Company hereby appoint ....

....

....of

.... whom failing;

Mr. K A K P Gunawardena	of Colombo or failing him
Mrs. K U Amarasinghe	of Colombo or failing her
Mrs. V G S S Kotakadeniya	of Colombo or failing her
Mr. W R A Dharmaratne	of Colombo or failing him
Mr. I Wijesiriwardana	of Colombo or failing him
Mr. H A Karunaratne	of Colombo

as my/our* Proxy to represent me/us* at the Annual General Meeting of the Company to be held as an on-line meeting on 23rd June 2025 at 10.30am and at any adjournment thereof and at every poll which may be taken in consequence thereof.

THE PREFERENCES IN THE FOLLOWING TABLE TO BE MARKED BY ORDINARY SHAREHOLDER/S ONLY.

I/We* the undersigned, ordinary shareholder(s) of the Company hereby authorize my/our* Proxy to vote for me/us* and on my/our* behalf in accordance with the preferences indicated below (please mark your preference with an 'X'):

		For	Against
01.	To re-elect as a Director, Mr K A K P Gunawardena who retires by rotation in terms of Article 88(i) of the Articles of Association of the Company.		
02.	To re-elect as a Director, Mrs K U Amarasinghe who retires by rotation in terms of Article 95 of the Articles of Association of the Company.		
03.	To re-elect as a Director Mr W R A Dharmaratne who retires in terms of Section 210 of the Companies Act No. 7 of 2007.		
04.	To re-appoint as Auditors, Deloitte Partners for the ensuing year at a remuneration to be agreed by the Directors.		
05.	To approve in terms of the Companies Act No.26 of 1951 (Donations), the making of donations by the Directors as determined by them for the current financial year and until the next Annual General meeting of the Company.		

(*please strike off inappropriate word)

dated this .... day of 2025

....
Signature of Shareholder

(please refer overleaf for instructions)

Proxy Form Contd...

Important : Please post or scan and email the Form of Proxy together with the following additional details as per the instructions given below.

CDS Account Number of the Shareholder (s)	
Shareholder's contact number/s	Land line (residence/work): Mobile :
Email address to which the on-line link should be forwarded to for the proxy holder's participation at the AGM	
Proxy holder's NIC number	

Instructions for the Completion of Form of Proxy

1. Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.

2. The completed Form of Proxy should either be:

   (i) addressed to the 'Company Secretaries' and posted or hand delivered to the registered office of the Company at 100/1, Sri Jayawardenapura Mawatha, Rajagiriya;

   or

   (ii) Scanned and emailed to the email address: corporateservices@lolc.com with the email subject titled **"LOLC General Insurance AGM Proxy"** not less than 48 hours before the time appointed for the holding of the Meeting.

3. If the Form of Proxy has been signed by an attorney, a copy of the Power of Attorney certified by a notary should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the company.

ANNEXURE I

LOLC GENERAL INSURANCE PLC
Annual General Meeting

Registration of Shareholder Details for Online Participation

To: LOLC Corporate Services (Pvt) Ltd
Secretaries to LOLC General Insurance PLC
100/1 Sri Jayewardenapura Mawatha
Rajagiriya

	Details of Shareholder		
1	Full name	1. Primary: 2. Joint * :	
3	Address/s		
4	National Identity Card Number/ Company Registration Number		
5	CDS Account Number/s		
6	Contact Number/s	Land line (Residence/Work):	Mobile:
7	Email Address/s (to which the on-line meeting link should be forwarded by the Company)		
8	Name of the Proxy Holder		
9	Proxy Holder/s' NIC/Passport No.		
10	Proxy Holder/s' Contact Number/s	Land line (Residence/Work):	Mobile:
11	Proxy Holder/S' Email		

*strike out if not applicable

I/We hereby certify that the details given above are true and accurate and are furnished for the purpose of enabling my/our online participation at the Annual General Meeting. I/We acknowledge that the Company shall have the right to disable my/our participation in the event the above information furnished are found to be incorrect or inconsistent with shareholding records.

................................/......................
Shareholder's signature & Date

................................/......................
Shareholder's signature & Date

Note:

1. It is mandatory for the shareholder/s to provide the email address in the space provided above in order to forward the log in information to facilitate the online participation at the meeting.

2. Duly completed registration of Shareholder Details Form should be forwarded to corporateservices@lolc.com or by facsimile on 011-2865602, to reach the Company Secretaries **not less than five (05)** days before the date of the meeting.

Only registered shareholders and registered proxy holders will be permitted to log in and participate in the AGM on-line

LOLC GENERAL INSURANCE PLC

Registration No: PQ00251202
Address: No.100/1, Sri Jayewardenapura Mawatha, Rajagiriya.

FORM OF REQUEST

To : LOLC Corporate Services (Pvt) Ltd
Secretaries to LOLC General Insurance PLC
No: 100/1,Sri Jayawardenapura Mawatha,
Rajagiriya

REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2024

I ………………………………………………………………………………………………… being a shareholder of the Company wish to receive a printed copy of the Annual Report 2024. My details are as follows;

Full Name of the Shareholder : ……

……

Address : ……

……

Contact no : …………………………………………………………

NIC/PP/BR No : …………………………………………………………

……………………………………………
Signature of the Shareholder

Date : ………………………

Stakeholder Feedback Form

LOLC General Insurance PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

Contact Information

Name: ....

Email: ....

Phone: ....

Company/Organization: ....

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- [ ] Shareholder
- [ ] Customer
- [ ] Community
- [ ] Public Authority
- [ ] Employee
- [ ] Student
- [ ] Regulatory Body
- [ ] Journalist
- [ ] Service Provider
- [ ] Supplier
- [ ] Special Interest Group

General Feedback

1. How would you rate your overall satisfaction with the Company's communication practices?

- [ ] Very Satisfied
- [ ] Satisfied
- [ ] Neutral
- [ ] Dissatisfied
- [ ] Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- [ ] Always
- [ ] Often
- [ ] Sometimes
- [ ] Rarely
- [ ] Never

3. How effective do you find the Company's use of its website and social media for communication?

- [ ] Very Effective
- [ ] Effective
- [ ] Neutral
- [ ] Ineffective
- [ ] Very Ineffective

Specific Feedback

1 What specific aspects of the Company's communication do you find most useful?

- [ ] Financial Reports
- [ ] Annual Reports
- [ ] Press Releases
- [ ] Investor Briefings
- [ ] Social Media Updates
- [ ] Website Content
- [ ] Other (please specify): ....

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- [ ] Very Accessible
- [ ] Accessible
- [ ] Neutral
- [ ] Inaccessible
- [ ] Difficult to Access

3. How effectively does the Company address your concerns and queries?

- [ ] Very Effective
- [ ] Effective
- [ ] Neutral
- [ ] Ineffective
- [ ] Very Ineffective

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- [ ] Very Useful
- [ ] Useful
- [ ] Neutral
- [ ] Not Useful
- [ ] Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments (e.g., mergers, acquisitions, new products)?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- [ ] Very Confident
- [ ] Confident
- [ ] Neutral
- [ ] Not Confident
- [ ] Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

....

....

Submission

Please return the completed form to:
Investor Relations/ Communications

LOLC General Insurance PLC,
100/1 Sri Jayawardenapura Mawatha, Rajagiriya, Sri Lanka
Email: DulipS@lolc.com and SusaanB@lolc.com

Corporate Information

Name of the Company
LOLC General Insurance PLC

Company Registration Number
PQ 00251202

Date of Incorporation
20th September 2011

Legal Form
A Public Quoted Company with limited liability
(Listed on 31st December 2021)

Directors
K A K P Gunawardena
Non Executive Chairman

Mrs K U Amarasinghe
Non Executive Director

Mrs V G S S Kotakadeniya
Non Executive Director

W R A Dharmaratne
Non Executive Independent Director

I Wijesiriwardana
Non Executive Independent Director

H A Karunaratna
Non Executive Independent Director

Registered Office
100/1, Sri Jayawardenapura Mawatha
Rajagiriya
Tel:+94 11 7248248
Fax: +94 112865602
Website: https://www.lolcgeneral.com

Business Address
No 258, M Vincent Perera Mawatha,
Colombo 14
Tel : +94 115008080
Fax : +94 112559408

Company Secretaries
LOLC Corporate Services (Private) Limited

Auditors
Deloitte Partners - Chartered Accountants

Registrars
Central Depository Systems (Pvt) Ltd

Bankers
Citi Bank NA
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Pan Asia Bank PLC
Sampath Bank PLC
Amana Bank PLC
Seylan Bank PLC
DFCC Bank PLC
NDB Bank PLC
MCB Bank
Bank of Ceylon
HDFC Bank

www.lolcgeneralinsurance.com

LOLC GENERAL INSURANCE PLC
No. 100/1, Sri Jayewardenepura Mawatha, Rajagiriya, Sri Lanka.
Tel: +94 117 248 248 (General)
Fax: +94 112 865 606