FINANCIAL CAPITAL

OUR FINANCIAL STRENGTH: POWERING LONG-TERM SUCCESS

"Financial capital forms the foundation of our operations and future growth. It enables us to invest with confidence, pursue strategic priorities, and sustain long-term value creation. The effective management of these resources is essential to maintaining financial resilience, delivering meaningful returns, and upholding the trust of our stakeholders, each of which is central to our continued success."

Rs. 25,750 Mn
GWP
(2024: Rs. 21,647 Mn)

Rs. 3,400 Mn
Surplus from Life Insurance Fund
(2024: Rs. 3,000 Mn)

Rs. 108.3 Bn
Assets Under Management
(2024: Rs. 95.6 Bn)

Rs. 92.8 Bn
Life Fund
(2024: Rs. 77.5 Bn)

Key Highlights

SDGs Impacted

- Despite the new business strain from new partnership business volumes, policyholder surplus increased by double digits, supported by substantial cost efficiencies, and sustained operational improvements.
- Divested the 22% stake in Fairfirst as part of strategic reallocation of capital to support long term growth priorities.
- Made significant financial investments in sustainability initiatives and clean energy consumption to strengthen the organisation's environmental footprint
- Declared the first and final dividend for the year 2025, amounting to Rs. 2,946 Mn.

Value Creation Process

Inputs

- Financial capital from shareholders
- New business premiums
- Funds under management
- Earnings retained after dividend distribution

Value Creation

- Investment management
- Sales management
- Budgetary control, expense optimisation
- Cash flow, solvency, and liquidity management
- Sound risk management,
- Compliance Framework, and Internal policies and procedures

Outputs

- 19% increase in GWP
- 13% increase in surplus
- 20% increase in Life fund
- 13% increase in Assets Under Management (AUM)

Outcomes

- GWP growth
- Stable Capital Adequacy Ratio
- Returns to shareholders and policyholders

Focus Area	KPI	GRI
Drive sustainable new business growth Refer page 59	**27%** growth in first year premium	-
Maintain high-quality business Refer page 59	**17%** Renewal premium	-
Maximise investment returns in a low-interest environment Refer page 88	**Rs. 12.4 Bn** Net investment income (2024: Rs. 11.8 Bn)	-
Enhance cost efficiency and operational productivity	**23%** Expense ratio *(Other operating, administrative and selling expenses)*	-
Deliver profitable growth and strong shareholder returns Refer page 91	**Rs. 3.4 Bn** Surplus **Rs. 5.00** Dividend per share	-
Maintain a strong and resilient financial position Refer page 255	**215%** CAR **Rs. 35.7 Bn** Total available capital *(Minimum capital required Rs. 500 Mn)*	-

Risks

- Investment market volatility
- Competitive pressure on growth and costs
- Regulatory and changes to reporting requirements require significant effort and resources
- Financial challenges in transitioning to low-carbon operations
- Physical climate risks disrupting branch operations, causing impact to new business and premium collection
- Disaster-related claim surges are impacting combined ratios

Opportunities

- Improve cost efficiencies as a Digital-first insurer
- Higher demand for life insurance driven by increasing acute climate risks
- Reduce risk in catastrophe exposure through reinsurance
- Shift to digital payment platforms for faster premium collections

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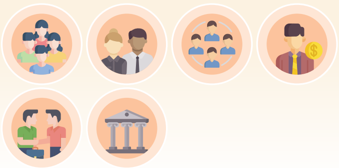
Related Stakeholders



Relevant Material Topics

Financial Stability & Profitability

Systemic Risk Management

Management Approach

Financial capital underpins our ability to operate, grow, and deliver long-term value. It fuels our investment activities, supports our strategic priorities, and shapes our overall business trajectory. Effective stewardship of these resources is essential to ensure sustainable performance and maintain the confidence of our stakeholders.

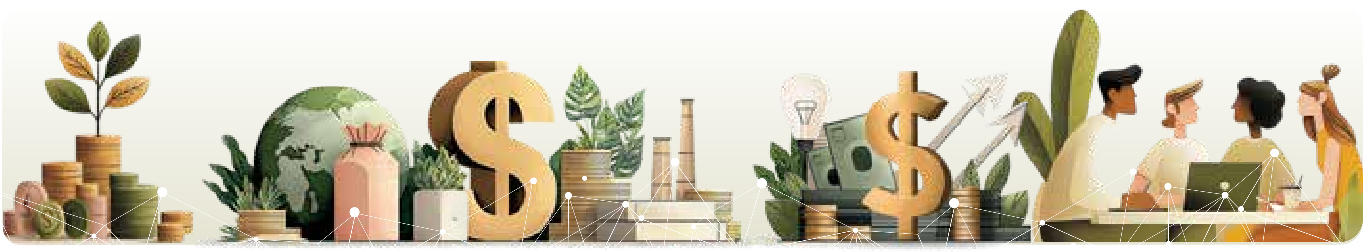
We are committed to driving consistent top-line and earnings growth, maintaining robust capital buffers, and maximising shareholder value through disciplined and responsible financial management. Our approach emphasises prudent capital allocation, proactive risk management, and maintaining sufficient liquidity to support both business expansion and resilience during periods of volatility.

Financial Performance

The financial performance metrics presented below highlight the revenue generated, the profitability achieved, and the costs incurred during the period. Detailed explanations of key income statement line items are provided in the sections that follow.

Rs. Mn	2025	2024	YoY Change	2023
Gross Written Premium (GWP)	25,750	21,647	19%	18,867
Premium ceded to the reinsurers	(1,698)	(1,492)	14%	(1,033)
Net investment income	12,351	11,757	5%	10,817
Net Insurance benefits and claims	(7,830)	(6,718)	17%	(6,718)
Underwriting and net acquisition cost	(4,906)	(4,000)	23%	(3,544)
Other operating, administrative and selling expenses	(5,838)	(4,910)	19%	(4,377)
Profit from operations	4,965	4,891	2%	4,944
EBITDA	5,953	5,890	1%	5,799
Surplus	3,400	3,000	13%	2,800
Profit before tax	5,169	5,228	-1%	5,256
Profit for the year	3,370	3,741	-10%	3,758
Ratios				
Investment Yield	16%	17%	-6%	18%
Cession Ratio	6.6%	6.9%	-4%	5.5%
Claim Ratio (% of NWP)	33%	33%	-2%	38%
Net acquisition cost Ratio (% of GWP)	19%	18%	3%	19%
Expense Ratio*	23%	23%	0%	23%
Return on Equity (ROE)	14%	16%	-8%	20%

**Other operating, administrative and selling expenses*

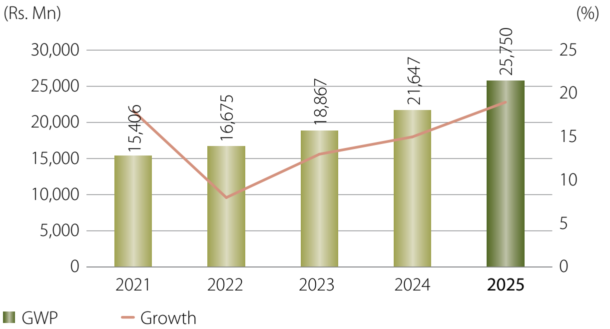


Gross Written Premium (GWP)

Represents the total sum of premiums collected by an insurance company during a specific period before any adjustments for discounts or refunds.

For the year ended 31 December 2025, total Gross Written Premium grew by 19% to Rs. 25,750 Mn (2024: Rs. 21,647 Mn). The growth was driven primarily by the continued expansion of individual policies, which contributed Rs. 25,023 Mn, reflecting a 20% increase over the previous year. First Year Premiums grew by 27%, supported by higher new business acquisition, while Renewal Premiums rose by 17%, reflecting strong policy persistency.

Gross written premium



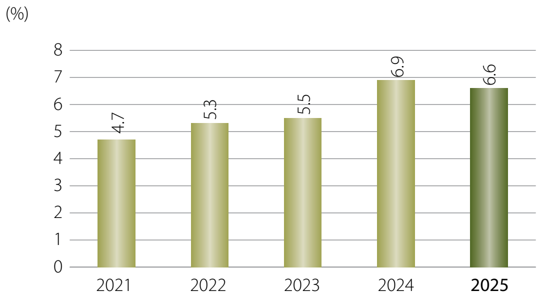
Premium Ceded to Reinsurers

We transfer a portion of our risk to reinsurers, which lowers our overall exposure and enables competitive pricing for accessing varied markets. This reinsurance strategy, as part of our risk management policy, involves partnering with four reinsurers to protect the balance sheet, reduce earnings volatility, and optimise capital use.

Premium ceded to reinsurers increased to Rs. 1,698 Mn in 2025, compared to Rs. 1,492 Mn in 2024, reflecting a 14% growth. This increase was directly aligned with the expansion in the underlying GWP mix, particularly the strong growth in individual life policies during the year.

Despite the higher absolute ceded premium, the cession ratio improved, declining from 6.9% in 2024 to 6.6% in 2025.

Cession Rate



Net Investment and Other Income

Comprises income generated from the investment portfolio managed both internally and by external fund managers to settle our liabilities and generate business profits.

Net investment income increased to Rs. 12,351 Mn in 2025, reflecting a 5% growth over the previous year. The improvement was mainly driven by the interest income from Treasury bonds, which increased by Rs. 751 Mn during the year.

Net realised gains increased by Rs. 445 Mn (52%) to Rs. 1,308 Mn in 2025. The growth was mainly driven by significantly higher realised gains from equity securities.

Refer Management of Investments on page 88

Net Insurance Benefits and Claims

The compensation paid or accrued in line with a formal request (claim) by a policyholder for a covered loss or policy event after setting off amounts recovered from reinsurers in relation to the claim.

Total Benefits and claims increased by Rs. 1,112 Mn in 2025 compared to 2024, driven by higher net benefits and claims across all categories. Surrenders rose by Rs. 655 Mn and maturity payouts increased by Rs. 359 Mn as more policies reached maturity during the year. Other claims comprising death, disability, stage payments, and annuities also recorded a modest increase of Rs. 141 Mn.

Rs. Mn	2021	2022	2023	2024	2025
Net Insurance Benefits and Claims (Rs. Mn.)	4,610	5,699	6,718	6,718	7,830
As a % of NWP	31%	36%	38%	33%	33%

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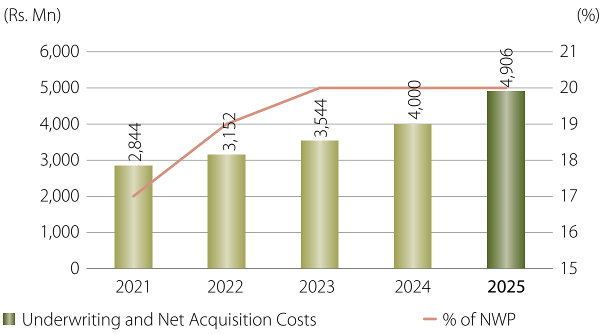
Underwriting and Net Acquisition Costs

Represent the expenses incurred by insurance companies to acquire customers, specifically commissions and incentives paid to intermediaries, less any commission revenue received from reinsurers for ceded business.

Underwriting and net acquisition costs increased by Rs. 906 Mn in 2025 compared to 2024, mainly aligned with the growth in GWP. Incentive expenses rose significantly, particularly within the Agency and Bancassurance segments, reflecting higher business volumes and performance-linked payouts.

Underwriting and Net Acquisition Costs

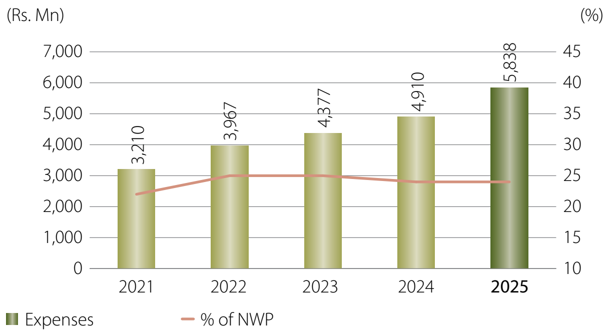


Other Operating, Administrative and Selling Expenses

Costs incurred to manage the business and generate future and current revenues.

Other operating and administrative expenses increased by 19% in 2025 compared to 2024, driven by higher employee benefits, SLFRS 17/SLFRS 09 implementation expenses and contractual payments for partnerships. Expense ratio maintained at 23% despite escalation in cost base.

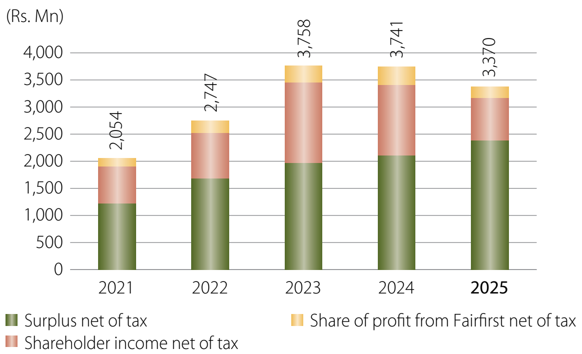
Operating, Administration and Other Expenses



Profit After Tax (PAT)

PAT amounted to Rs. 3,370 Mn in 2025, 10% decrease compared to 2024. The degrowth was mainly attributable to the loss of associate share of income due to divestment of Fairfirst and the resulting capital gains tax recorded.

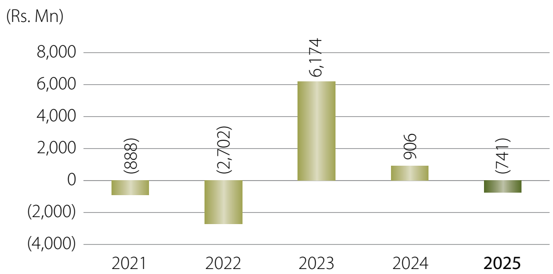
Profit After Tax



Other Comprehensive Income

Other Comprehensive Income (OCI) recorded for the year was impacted by the drop in interest rates by 60 bps on average. This also negatively impacted the fair value of available - for - sale financial assets.

Other Comprehensive Income



Financial Position

The statement of financial position presents the Company's assets, liabilities, and equity as at 31 December 2025. A discussion of the material line items is provided below.

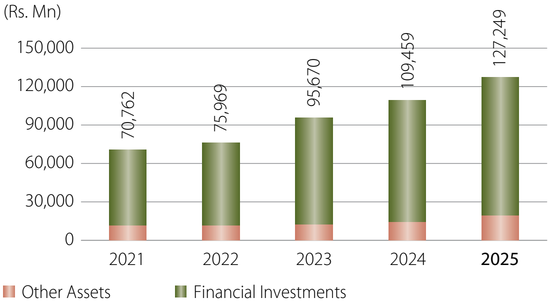
Rs. Mn.	2025	2024	YoY Change	2023
Total Assets	127,249	109,459	16%	95,670
Financial Investments	108,253	95,567	13%	83,420
Total Liabilities	103,876	85,791	21%	71,509
Life Fund	92,807	77,514	20%	64,130
Capital Adequacy Ratio (CAR)	215%	264%	-19%	291%
Determination 1 – Admissible Assets Over Liabilities	15,290	14,131	8%	9,939

Total Assets

Total assets increased by 16% YoY to Rs.127,249 Mn as at December 2025, mainly driven by the recognition of intangible assets arising from the exclusive partnership. Financial investments recorded significant growth of Rs. 12.7 Bn, supported by positive business cash flows, interest income, and favourable mark to market movements in the equity portfolio. These increases were partly offset by the derecognition of the investment in associate following the divestment of the Company's 22% stake in Fairfirst Insurance Ltd.

Total Assets

(Rs. Mn)

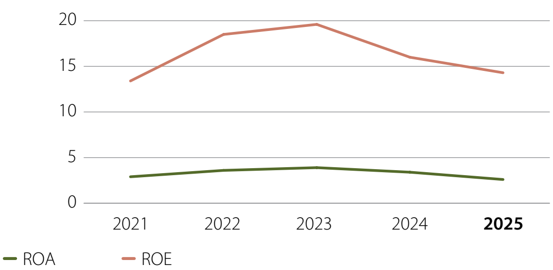


Return on Assets (ROA) and Return on Equity (ROE)

ROA & ROE drop mainly due to the lower profit recorded for the year due to Fairfirst divestment

ROA & ROE

(%)

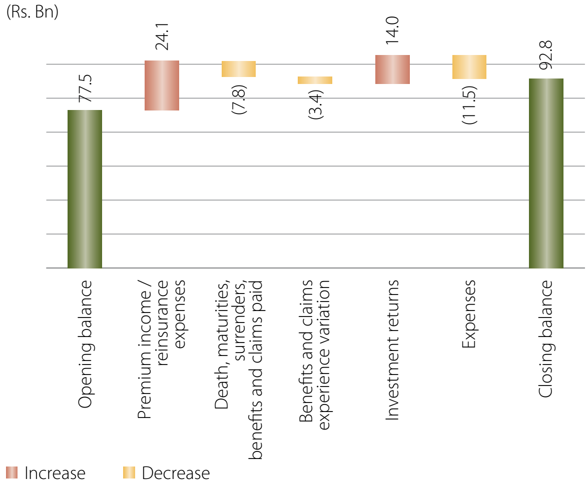


Total Liabilities

Total liabilities increased significantly to Rs. 103,876 Mn from Rs. 85,791 Mn, largely driven by a Rs. 15.36 Bn increase in insurance contract liabilities due to higher fund inflows. During the year other liabilities rose by 53% resulting from future contractual obligations payable for exclusive partnership.

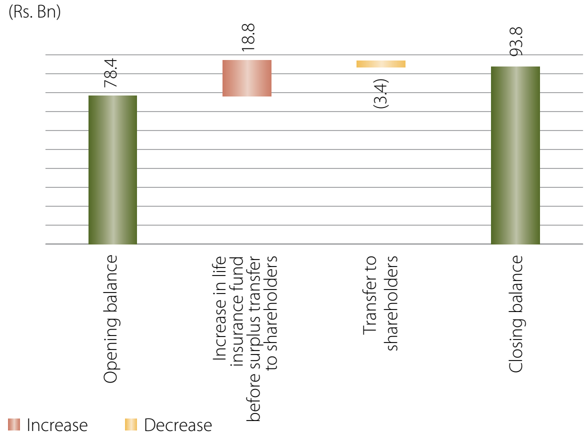
Movement of the Life Fund

(Rs. Bn)



Movement in Insurance Contract Liabilities

(Rs. Bn)



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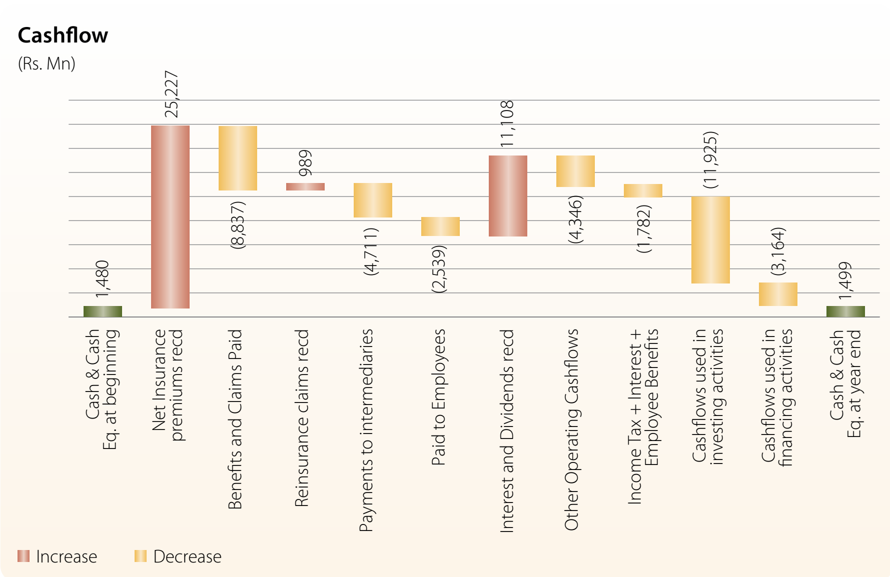
Cash Flow

Cash flow indicates cash generated from operating activities, cash deployed in investing activities and cash used in financing activities. The analysis of cash flow indicates the ability to adapt and survive in changing operating contexts and generate sufficient cash for future expansions.

Rs. Mn.	2025	2024	YoY Change	2023
Net cash flow generated from operating activities	15,108	13,662	11%	10,412
Net cash flow used in investing activities	11,925	7,592	57%	10,301
Net cash used in financing activities	3,164	5,307	-40%	118
Cash and cash equivalents at the end of the year	1,499	1,480	1%	717



During the year under review, the Company was able to maintain its cash balance, despite the investments in new business partnerships. This was driven by higher premium collections and effective management of expense outflows.

Way Forward

Objectives	2026 Short-term target	Medium to Long-term target
Revenue	Accelerate quality sales through partnerships	Sustainable, above market growth
Capital strength	Maintain solvency buffer	Build capital surplus and resilience
Investments	Optimise yield with controlled risk	Advanced ALM and diversifies portfolio
Efficiency	Reduce costs through digitisation	Industry-leading expense structure
Value creation	Continue the strategy on new business profitability	Maximise embedded and shareholder value

SLFRS 17 AND SLFRS 9 TRANSFORMATION

Implementing SLFRS 17 and SLFRS 9 enhance the clarity, consistency, and economic relevance of financial reporting, especially in how revenue, insurance liabilities, and investment performance are measured and presented. Alongside this, the company is shifting from traditional volume-based indicators to value-driven KPIs that better reflect service quality, long-term profitability, and future cash flows.

SLFRS 17 Financial Data

BBA · PAA · VFA measurement models

Key Performance Indicators

Value Added

CSM Growth & Release
Contractual Service Margin
Tracks unearned future profit and the pace at which it is recognised into P&L.

Profit Margin & NB Acquisition Ratio
New Business Value
Measures profitability and distribution cost efficiency of new contracts written.

New Business CSM
NB CSM
Value of profitable new contracts added to the portfolio in the period.

Loss Component
Onerous Contracts
Flags contracts where expected claims exceed premiums - immediate P&L charge.

P&L Performance

Profit from Operations
Insurance Service Result
Net underwriting profitability: insurance revenue less incurred claims and expenses.

Insurance Revenue / Gross Premium
Revenue Earning Ratio
Shows how much of written premium has been earned as SLFRS 17 insurance revenue.

Combined Ratio
Claims + Expenses / Revenue
Core underwriting efficiency measure. Below 100% confirms profitable operations.

Balance Sheet Position

Comprehensive Equity
Total Equity (SLFRS 9/17)
Total equity including OCI movements from financial assets and insurance contracts.

Proportion — PVCF | CSM | RA
Liability Mix
Splits insurance liability into fulfilment cashflows, future profit, and risk compensation.

Change in Comprehensive Equity
Annualised Equity Growth
Monitors shareholder value creation including all fair value and insurance contract movements.

Decision Engine

- Trend analysis
- Segment comparison
- Scenario modelling
- Board reporting

Strategic Decisions Enabled

Pricing & Product Design
CSM growth & loss component flag where to reprice or exit unprofitable segments.

Portfolio Management
NB CSM and combined ratio identify high-value lines to grow and weak lines to review.

Reserving & Capital
PVCF/CSM/RA split guides solvency capital allocation and reinsurance strategy.

Investor Communication
Insurance revenue and CSM release replace GWP as primary earnings quality signals.

Performance Targets
Profit margin and acquisition ratio.

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SLFRS 17 AND SLFRS 9 TRANSFORMATION

The transition from SLFRS 4 to SLFRS 17 and from SLAS 39 to SLFRS 9 introduces a major upgrade in the Company's financial reporting framework. Under SLFRS 17, insurance contracts are classified into cohorts and measured using one of three approaches—the General Measurement Model, the Variable Fee Approach, or the Premium Allocation Approach & improving transparency and comparability. Key components such as the Contractual Service Margin (CSM), Risk Adjustment (RA), and Present Value of Future Cash Flows (PVFCF) are now explicitly reported, giving better visibility into profitability and risk.

Initial Adoption

SLFRS 4

LKAS 39

SLFRS 17

This is an accounting regime change and there are no changes to the underlying fundamentals of the business.

Impact on Financial Statements

SLFRS 4 Results

General Measurement Model

Technical result: Income + Expenses

- CSM (Contractual Service Margin) Release
- RA (Risk Adjustment) Release
- Expected and Actual Cashflow Change
- Loss Component Recognition
- Net expenses from reinsurance contracts

Financial Result

- Income from Financial Investments
- Insurance finance expense & income

LKAS 9

- Classification and Measurement
- Impairment

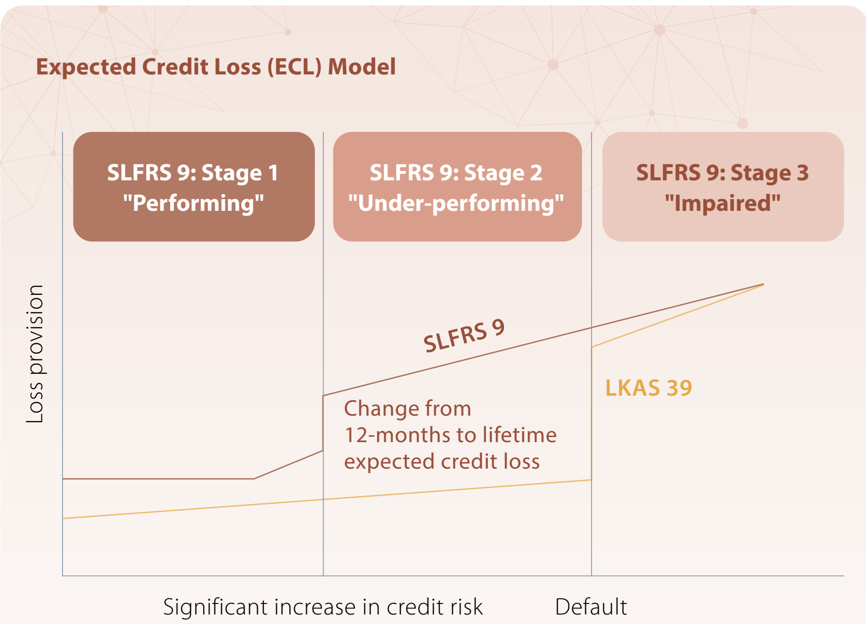
	LKAS 39 Categories	LKAS 39 Measurement	SLFRS 9 Measurement Categories
Assets	Held-to-Maturity Loans & Receivables	Amortised Cost	Amortised Cost
Assets	Available-for-Sale Fair Value through P&L	Fair Value	Fair Value through Other Comprehensive Income (OCI) Fair Value through P&L
Liabilities	Fair Value through P&L	Fair Value through P&L	Fair Value through P&L
Liabilities	Other Financial Liabilities	Amortised Cost	Other Financial Liabilities

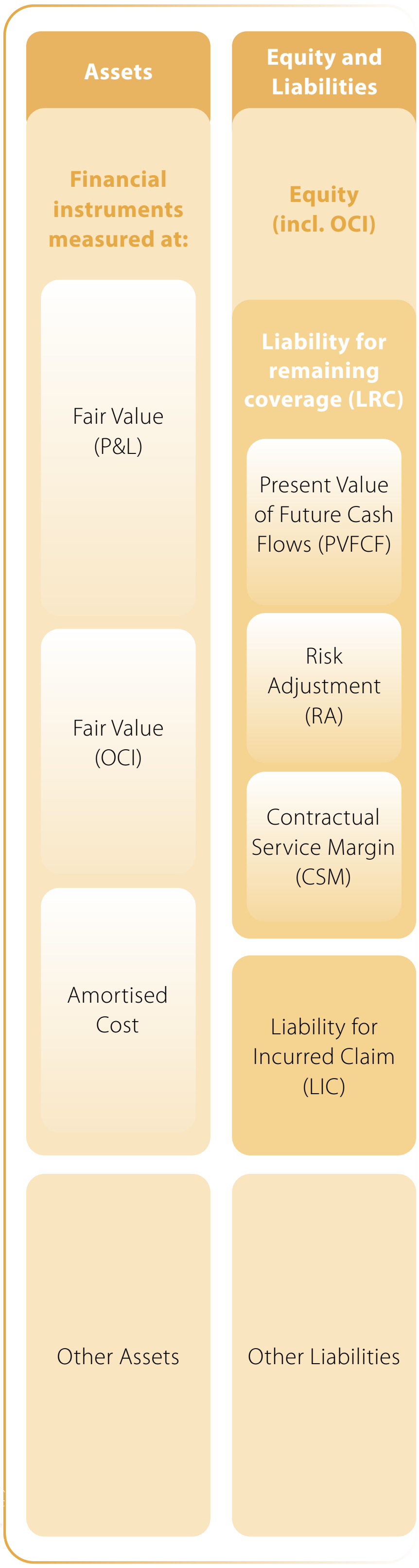
New Classification Criteria

Impairment Model Changes

SLFRS 9 further refines asset classification and brings in an expected credit loss model, improving consistency between assets and liabilities. These changes increase earnings volatility and require stronger data quality, tighter coordination between actuarial and finance teams, and deeper analysis of value drivers. Going forward, management will focus more on CSM trends, new business value, RA levels, asset–liability matching, and discount rate impacts to guide the business effectively under the new standards.

Variable Fee Approach	Premium Allocation Approach	SLFRS 17 Results
→ CSM (Contractual Service Margin) Release → RA (Risk Adjustment) Release → Expected and Actual Cashflow Change → Loss Component Recognition → Net expenses from reinsurance contracts	→ Movement in Insurance Contract Liabilities → Loss component → Non-attributable expenses → Net expenses from reinsurance contracts	Insurance result: Revenues + Services
→ Income from Financial Investments → Underlying assets finance income / expenses → Insurance finance expense & income	→ Income from Financial Investments → Insurance finance expense & income	Financial Result





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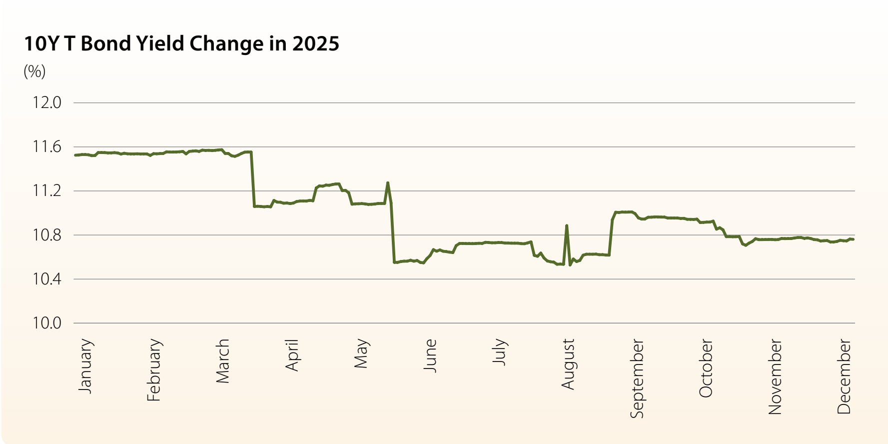
MANAGEMENT OF INVESTMENTS

By the end of 2025, UA managed investment assets totalling LKR 108 Bn, reflecting a strong 13% year-on-year growth. The Company's investment strategy remains centred on delivering sustainable long term asset expansion, competitive risk adjusted returns, and maintaining prudent solvency levels. Assets are allocated across clearly defined funds according to their liability profiles and managed in line with each fund's Investment Policy Statement, with full adherence to regulatory requirements.

A declining interest-rate environment shaped market dynamics during the year, with the 10-year Treasury bond rate falling by more than 75 basis points. In response, UA increased its allocation to equities, which delivered strong performance throughout the year. The Company also reinforced its commitment to sustainability by investing in green bonds and continues to assess emerging opportunities in this area.

UA entered into a strategic Bancassurance partnership with Sampath Bank PLC, which involved an upfront fee. To facilitate this payment, assets were realised, resulting in a substantial capital gain for the Shareholders' Fund.



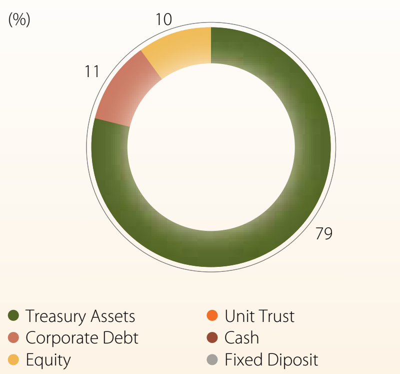
The total investment portfolio (excluding unit-linked funds) recorded an overall fund yield of 16% in 2025, reflecting disciplined asset allocation, strong equity market performance, and tactical realisation of fixed-income gains.

Rs. 108 Bn
Investment Assets

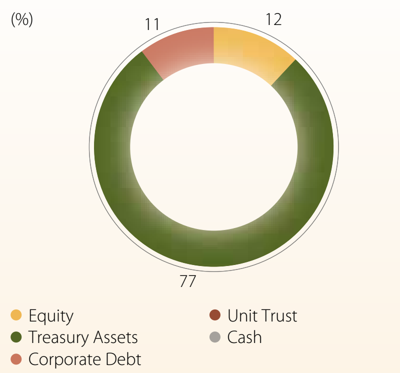
Key factors that influenced asset management in 2025

Declining interest rates	Lower reinvestment yields reduced the overall fund return but enabled the realisation of fixed-income capital gains.
Attractive equity market performance	The ASPI delivered strong returns during the year, and UA's increased allocation to equities contributed positively to investment income and portfolio gains.
Upfront Bancassurance partnership payment	This generated significant realised gains in 2025 but reduced recurring interest income due to the sale of income-generating assets.
Higher-than-expected business cash flows	Strengthened investment income but slightly diluted the overall portfolio yield as surplus cash was invested at lower rates.
Improved macroeconomic environment	Low inflation and greater economic stability encouraged selective increases in risk-asset exposure, enhancing overall returns.

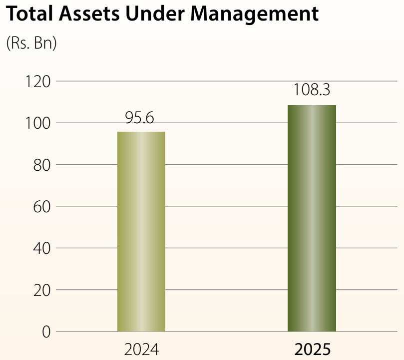
Total Asset Allocation (Excluding Unit Linked)



Policyholder's Fund Asset Allocation



Total Assets Under Management



Policyholder Funds

UA managed Rs. 97 Bn under policyholder funds, reflecting 18% growth during the year. Higher business inflows, equity market appreciation, and the impact of lower interest rates on asset valuation supported fund expansion.

The policyholder portfolio delivered a solid yield in 2025, enabling the company to pay an attractive dividend rate to its policyholders. UA remains committed to providing superior policyholder returns through prudent, forward-looking investment strategies aligned with evolving macroeconomic conditions.

External asset managers continue to play a role in equity management, with 12% of total investments managed externally. In early 2025, UA increased allocations to one of its managers, contributing to an average 33% return generated by both managers and supporting higher realised equity gains during the year.

UA also invested Rs. 600 Mn green bonds during 2025, reinforcing its sustainability agenda.

Shareholders' Fund

UA managed Rs. 11 Bn under the Shareholders' Fund. Total AUM declined by 19%, primarily due to the upfront Bancassurance partnership payment. Despite this, the fund delivered a strong return in 2025, well above general fixed-income market rates, supported by robust realised gains from fixed-income assets and favourable market movements.

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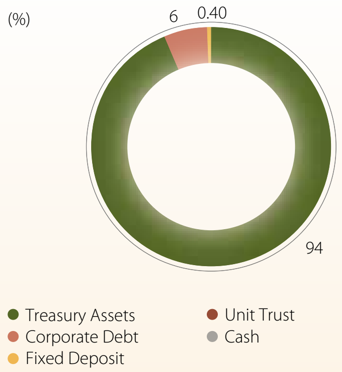
MANAGEMENT OF INVESTMENTS

Shareholders Fund



Unit-Linked Assets

As of year,-end 2025, UA managed Rs. 793 Mn in unit-linked assets, reflecting a modest 1% year-on-year growth. The Company operates three unit-linked funds:

Unit-Linked Fixed (FIXD)

A fully fixed-income portfolio

Unit-Linked Managed (MNGD)

A balanced fund

Unit-Linked Equity (EQTY)

A predominantly equity-based fund (approx. 90% equity exposure)

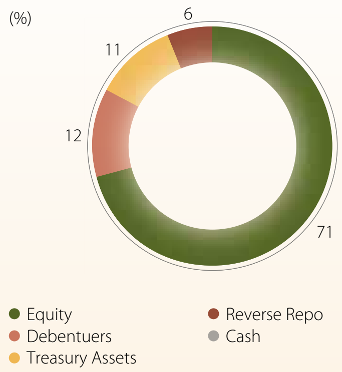
Performance in 2025 was strong across all funds:

9.90%
FIXD

19.30%
MNGD

33.67%
EQTY

Unit-Linked Funds 2025



SHARE INFORMATION

Union Assurance PLC (UA) continued to reinforce its long term value creation commitment by delivering transparent, data driven insights into its market performance.

Rs. 45,552 Mn
Market Capitalisation

Rs. 5.72
Earnings Per Share

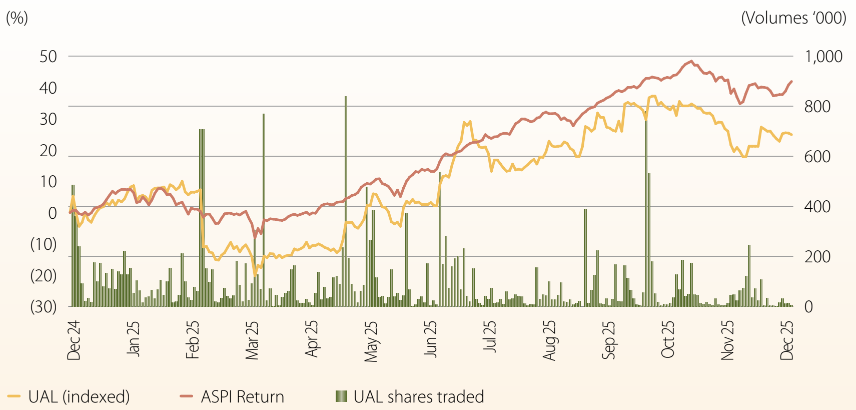
The following Share Information section provides a clear view of how the Company's market position, trading dynamics, and valuation indicators evolved during 2025. This reflects our continued accountability to shareholders through timely, accurate, and comprehensive disclosures.

Share Performance

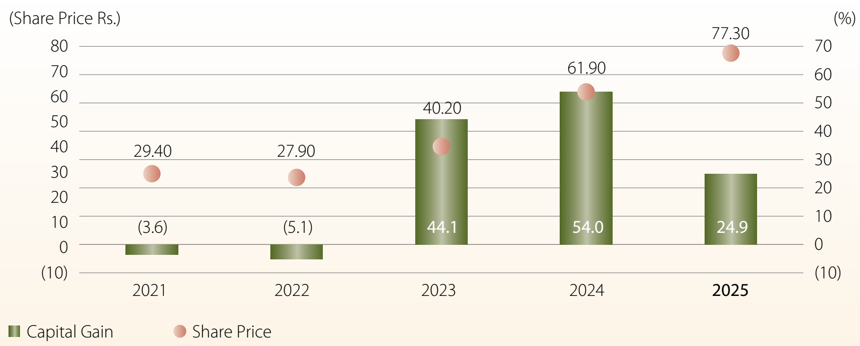
UA is listed on the Colombo Stock Exchange under the ticker UAL.N0000 and recorded a market capitalisation of Rs. 45.55 Bn as at 31 December 2025. The Company maintained 589,285,720 shares in issue throughout the year.

A detailed analysis of the Company's share price movements, liquidity, and overall market performance for the period is presented below.

ASPI vs UA Share Performance



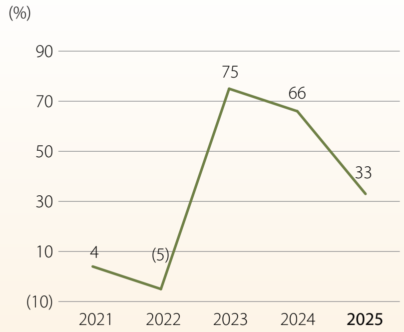
UA's share price closed the year at Rs. 77.30, marking a 25% year-on-year appreciation. While this represents solid absolute growth, the return trailed the broader ASPI, which delivered a considerably stronger performance during 2025. Over the year, the share traded within a range of Rs. 49.00 to Rs. 86.50, with an average daily trading volume of 92,984 shares, indicating healthy liquidity. UA's beta of 1.02 as at 4Q 2025 reflects a price movement pattern broadly aligned with the overall market, signifying moderate sensitivity to market-wide volatility.



Total Shareholder Return

UA's Total Shareholder Return for the year reached 33%, reflecting solid value delivery to shareholders. However, this performance was below the broader market, with the ASPI Total Return Index recording a stronger 49% for 2025, underscoring the wider market uplift experienced during the period.

Total Shareholder Return



Trading Statistics

During the year, 22,130,208 UA shares were traded across 17,802 transactions, reflecting sustained investor interest and active market participation. The average daily turnover increased to Rs. 6,187,499 in 2025, up from Rs. 5,540,402 in 2024, indicating stronger investor confidence and enhanced liquidity in UA shares.

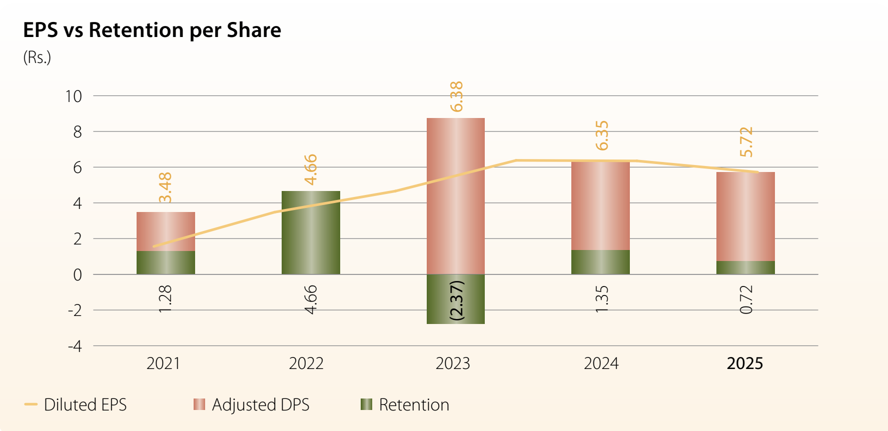
FINANCIAL CAPITAL

SHARE INFORMATION

	2025	2024
Number of transactions	17,802	15,363
Number of shares traded	22,130,208	26,793,268
Value of shares traded	1,472,624,805	1,313,075,165
Shares traded as a percentage of total shares in issue (%)	3.76%	4.55%
Market Capitalisation (Rs. Mn)	45,552	36,477
Percentage of Market Capitalisation (%)	0.56%	0.64%
Gross Dividend (Rs. Mn)	2,946	2,946

EPS Vs. Retention Per Share

The fully diluted earnings per share (EPS) for the year amounted to Rs. 5.72 in 2025, reflecting a 9.9% decline from Rs. 6.35 in 2024. This movement was primarily driven by a marginal contraction in profit for the period. From a capital formation perspective, retained earnings continue to serve as a key internal source of funding, supporting the Company's growth initiatives while maintaining robust solvency buffers and overall balance sheet strength.



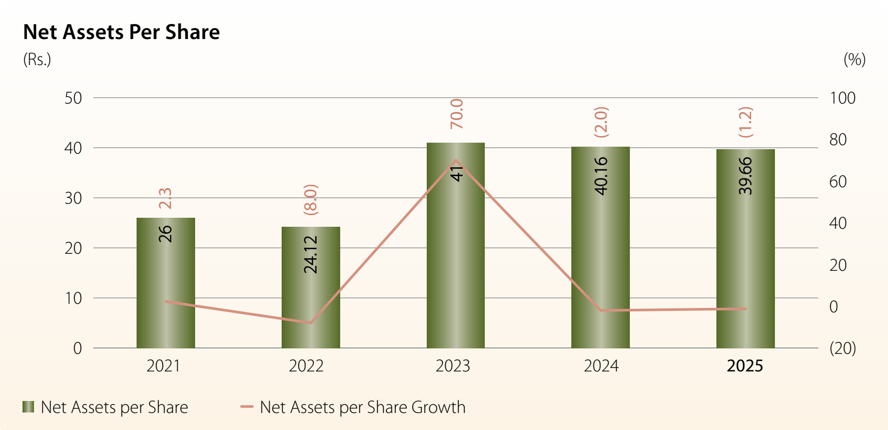
Price Earnings Ratio (PER) and Price to Book Ratio

The Price-to-Earnings Ratio (PER) increased to 13.52 times, up from 9.75 times in 2024, largely driven by the upward movement in the share price. This positioned UA at a premium relative to both the sector PER of 8.33 times and the market PER of 10.73 times, reflecting investor confidence in the Company's stable earnings profile and long-term growth prospects.

Similarly, the Price-to-Book (PB) ratio rose to 1.95 times, compared to 1.54 times in the previous year. This uplift exceeds the sector PB ratio of 1.14 times and the market PB ratio of 1.45 times, signalling a positive market re-rating of the Company's intrinsic value and its future earning potential.

Net Assets Per Share (NPS)

Net Assets per Share declined by 1.2% to Rs. 39.66, primarily reflecting the impact of a reduction in the market valuation of financial investments. This decline was mainly attributable to reduced unrealised gains on available-for-sale treasury assets, reflecting movements in market yields during the period.



Dividend Yield

UA's dividend policy is designed to balance sustainable capital strength with consistent shareholder returns. The policy prioritises the maintenance of a robust Capital Adequacy Ratio, while aiming to deliver a dividend payout that reflects the Company's earnings growth and long-term value creation.

Rs. 4,153 Mn
Cash Earnings

6%
Shareholder Dividend Yield

Summary Company Indicators

	Unit	2025	2024	2023
Market Capitalisation	(Rs. Mn)	45,552	36,477	23,689
Diluted EPS	(Rs.)	5.72	6.35	6.38
Price/Earnings Ratio	(Diluted)	13.52	9.75	6.30
Price to Book Value	(Times)	1.95	1.54	0.98
Price/Cash Earnings	(Times)	10.97	8.28	5.51
Dividend Yield	(%)	6%	8%	22%
Dividend Payout Ratio	(%)	87%	79%	137%
Net Assets Per Share	(Rs.)	39.66	40.16	41.00
Total Shareholder Return	(%)	33%	66%	75%

Distribution and Composition of Shareholders

The Company maintains a diversified shareholder base spread across a wide geographical footprint, comprising both individual and institutional investors. As at 31 December 2025, 2,808 registered individual shareholders accounted for 94.93% of the total shareholder count, with the majority being residents of Sri Lanka. Institutional shareholders represented 5.07% of the Company's shareholdings.

Ownership remains highly concentrated among the largest investors, with the top 20 shareholders collectively holding 95.87% of UA's share capital. The Directors did not hold any shares in the Company in their personal capacity as at 31 December 2025.

Composition of Shareholders

	As at 31 December 2025				As at 31 December 2024			
	No. of Shareholders	%	No. of shares	%	No. of Shareholders	%	No. of shares	%
Directors & spouses:	-	-	-	-	-	-	-	-
Resident:								
Individuals	2,782	94.05	38,543,553	6.54	2,230	93.27	39,556,043	6.71
Institutions	145	4.90	547,522,031	92.91	140	5.86	547,574,667	92.92
Non-Resident:								
Individuals	26	0.88	1,707,599	0.29	17	0.71	989,908	0.17
Institutions	5	0.17	1,512,537	0.26	4	0.17	1,165,102	0.20
Total	2,958	100.00	589,285,720	100.00	2,391	100.00	589,285,720	100.00

FINANCIAL CAPITAL

SHARE INFORMATION

Distribution of Shareholders

Range of Shareholders	As at 31 December 2025				As at 31 December 2024			
	No. of Shareholders	%	No. of shares	%	No. of Shareholders	%	No. of shares	%
Less than 1,000	1,628	55.04	410,671	0.07	1,169	48.89	296,377	0.05
1,001 to 10,000	884	29.89	3,616,522	0.61	771	32.25	3,339,014	0.57
10,001 to 100,000	379	12.81	11,834,106	2.01	380	15.89	12,010,160	2.04
100,001 to 1,000,000	59	1.99	15,032,872	2.55	64	2.68	17,794,804	3.02
Over 1,000,000	8	0.27	558,391,549	94.76	7	0.29	555,845,365	94.33
Total	2,958	100.00	589,285,720	100.00	2,391	100.00	589,285,720	100.00

Public Shareholding

The Company is listed on the Colombo Stock Exchange (CSE), and its public shareholding structure complies with the exchange's listing requirements. The percentage of shares held by the public, the number of public shareholders, and the float-adjusted market capitalisation are presented below.

Range of Shareholders	As at 31 December 2025				As at 31 December 2024			
	No. of Shareholders	No. of Shares	% of Total Holding	Compliant under option 1 - float adjusted market Capitalisation (Rs. Bn)	No. of Shareholders	No. of Shares	% of Total Holding	Compliant under option 1 - float adjusted market Capitalisation (Rs. Bn)
Public Shareholding	2,957	58,928,570	10%	4.6	2,390	58,928,570	10%	3.6

Directors' Shareholding

	31.12.2025	31.12.2024
Mr. Krishan Niraj Jayasekara Balendra - Chairman	Nil	Nil
Mr. Suresh Rajendra (Retired w.e.f. 31 Dec 2025)	Nil	Nil
Mr. Daminda Prabath Gamlath	Nil	Nil
Mr. Dumith Hemantha Fernando	Nil	Nil
Mr. Stephen Anthony Appleyard	Nil	Nil
Mr. Pasan Thaminda Wanigasekara	Nil	Nil
Ms. Christine Malkanthi Lakshmi Dias Bandaranaike	Nil	N/A
Mr. Subasinghe Arachige Jude Senath Wijewardana Jayatilake	Nil	N/A

CEO's Shareholding

	31.12.2025	31.12.2024
Mr. Subasinghe Arachige Jude Senath Wijewardana Jayatilake	Nil	Nil

Twenty Largest Shareholders

Name of Shareholder	As at 31 December 2025		As at 31 December 2024	
	No. of shares	%	No. of shares	%
John Keells Holdings PLC	530,357,150	90.0%	530,357,150	90.0%
Mr. S. N. P. Palihena	14,000,000	2.4%	14,000,000	2.4%
People's Leasing & Finance PLC / Mr. L. P. Hapangama	5,442,538	0.9%	3,415,510	0.6%
J. B. Cocoshell (PVT) LTD	3,573,256	0.6%	3,698,495	0.6%
Corporate Holdings (Private) Limited A/C No. 01	1,513,730	0.3%	1,513,730	0.3%
Standard Chartered Bank DIFC Branch S/A EFG Hermes UAE L.L.C	1,250,275	0.2%	957,460	0.2%
Mr. J. P. Paul	1,174,600	0.2%	-	0.0%
Mrs. A. Selliah	1,080,000	0.2%	1,080,000	0.2%
Mr. J. D. Bandaranayake & Miss N. Bandaranayake & Dr. Mrs. V. Bandaranayake	905,929	0.2%	665,190	0.1%
Mr. J. D. Bandaranayake & Dr. Mrs. V. Bandaranayake & Miss I. Bandaranayake	884,377	0.2%	665,190	0.1%
People's Leasing & Finance PLC / Mr. L. H. L. M. P Haradasa	696,867	0.1%	637,380	0.1%
Dr. S. Selliah	580,000	0.1%	580,000	0.1%
Mr. J. W. Nanayakkara	562,500	0.1%	562,500	0.1%
Mr. H. A. D. Ratnapala	562,500	0.1%	562,500	0.1%
Arunodhaya Industries (Private) Limited	400,000	0.1%	400,000	0.1%
Mr. S. Sivajeevan	400,000	0.1%	375,000	0.1%
Arunodhaya (Private) Limited	400,000	0.1%	400,000	0.1%
Odyssey Capital Partners (Private) Limited	400,000	0.1%	475,000	0.1%
Arunodhaya Investments (Private) Limited	400,000	0.1%	400,000	0.1%
Mr. N. D. Kurukulasuriya	390,000	0.1%	390,000	0.1%
Others	24,311,998	4.1%	28,150,615	4.8%
Total number of shares issued	589,285,720	100.0%	589,285,720	100.0%