INTELLECTUAL CAPITAL

OUR EXPERTISE, AND TECHNOLOGY: POWERING CONTINUOUS IMPROVEMENT AND GROWTH

Building on the strong foundations established in 2024, Union Assurance further strengthened its Intellectual Capital in 2025 by converting strategic digital investments, strengthened governance frameworks, and institutional knowledge into measurable performance gains, enhanced operational resilience, and sustained industry leadership. Intellectual Capital remains a core pillar of the Company's competitive advantage, underpinned by resilient digital platforms, advanced analytics, mature information security capabilities, and robust governance practices. Collectively, these capabilities continue to enhance productivity, reinforce stakeholder trust, foster innovation, and support long term sustainable growth.

Rs. 141 Mn
Investment in Technology

20,000+
New Clicklife users

170+
Interactive Dashboards for Data Analytics

99.9%
Average Data Centre Availability

Key Highlights

Key Highlights	SDGs Impacted
Introduced industry first end-to-end digital Agent life cycle management system	8, 9
Developed industry first seamless Bancassurance 2.0 digital integration with Sampath Bank PLC	9
Obtained ISO/IEC 27001:2022 certification for compliant information security management system as industry first	9

GRI 418-1 b

Value Creation Process

Inputs

- Rs. 141 Mn investment in technology
- Investment in employee training and development
- Contractual relationships

Value Creation

- Digitalisation and automation of processes

Outputs

- Secure systems
- Awards and accolades
- New products

Outcomes

- Enhanced customer experience
- Brand loyalty
- Engaged workforce

Focus Area	KPI	GRI
Investment in digital platforms, automation, and advanced analytics Refer pages 144 - 147	• New investments in intangible assets	
Strengthening IT governance, risk management, and compliance frameworks Refer page 148	• External party accreditations – ISO/IEC 27001:2022	GRI 418
Safeguarding the confidentiality, integrity, and availability of information assets Refer page 148	• No. of Data breach incidents reported during the year - 0	

Risks

- Shift in customer expectations.
- Escalating operational expenditures.
- Strengthening competitive landscape.

Opportunities

- Drive product innovation to align with evolving customer expectations.
- Enhance cost efficiency through automation and streamlined processes.
- Pursue market expansion opportunities and cultivate strategic ties.

Related Stakeholders

Relevant Material Topics

Customer Privacy

Digitisation of Business Processes

INTELLECTUAL CAPITAL

Capital Trade-offs

While sustained investments in digitalisation and automation may exert short term pressure on financial resources, these initiatives are expected to deliver material long term benefits through productivity gains, operational efficiencies, and structural cost optimisation, supporting improved margins and sustainable value creation.

Digitalisation and innovation continue to enhance customer satisfaction through more responsive, transparent, and personalised engagement. In parallel, strategic partnerships with intermediaries, service providers, and technology partners are strengthening supplier and partner capital, contributing to a more resilient, collaborative, and dependable value chain.

We remain focused on developing a skilled, agile, and future ready workforce by investing in continuous learning and professional development, fostering mentoring and leadership capability, and promoting knowledge sharing across the organisation. These initiatives strengthen expertise, engagement, and retention while enabling effective adoption of digital and analytical capabilities.

Our strategic shift towards digitalisation supports a progressively paperless operating environment, reducing resource consumption and operational waste. This contributes meaningfully to our sustainability objectives by lowering our environmental footprint while improving process efficiency and service delivery.

Management Approach

We proactively develop and strengthen our intellectual capital through a strong culture of innovation and targeted investments in people, processes, technology, and brand. These investments are fundamental to our long term strategy, enabling sustained growth, operational excellence, and the creation of durable stakeholder value.

Our management approach is underpinned by a clear commitment to accelerating digitalisation, strengthening IT governance and cyber resilience, embedding advanced analytics, and enhancing distribution enablement. During 2025, these initiatives progressed decisively from targeted implementation to organisation-wide execution and maturity, embedding intellectual capital as a strategic enabler across the organisation.

Driving efficiency and superior customer experiences through digitalisation

Agile systems, streamlined processes, and a strong digital foundation underpin our ability to adapt rapidly to a changing business environment. Digitalisation has fundamentally transformed the way we operate, enabling greater operational efficiency, more effective resource utilisation, and stronger cross functional collaboration to deliver superior customer experiences consistently.

During the year, we continued to invest in advanced technology and specialised expertise to accelerate our digital transformation journey. These investments strengthened our operational resilience, enhanced scalability, and improved responsiveness across customer and distribution touchpoints.

99.9%
Average Data Centre Availability

Enhancing the Digital Value Proposition for Customers

Expanding the Clicklife Digital Ecosystem

Building on the Clicklife enhancements introduced in 2024, we expanded the ecosystem in 2025, evolving it into a comprehensive digital health, wellness, and protection platform. This evolution extended Clicklife beyond a transactional engagement tool into a holistic, customer-centric ecosystem aligned with everyday health and insurance needs.

The expanded platform strengthened customer engagement through intuitive, self driven digital journeys, encouraged proactive adoption of wellness and protection solutions, and deepened long term customer relationships. By delivering seamless, integrated experiences across health management, lifestyle, and insurance touchpoints, Clicklife reinforced customer trust, increased platform stickiness, and supported sustained value creation.

20,000+
New users during the year

Suwamaga+ and AI-Driven Wellness & Nutrition Tracking

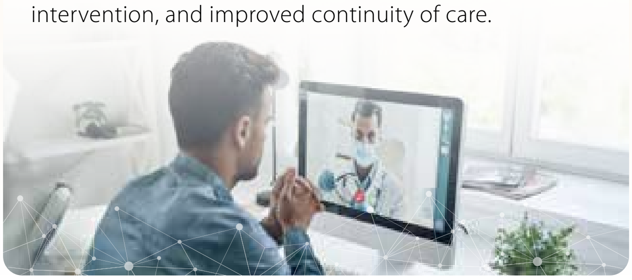
Clicklife is the first application in Sri Lanka's insurance industry to enable customers to track calorie and free sugar intake in alignment with World Health Organisation (WHO) dietary guidelines. The platform promotes healthier lifestyle choices by encouraging free sugar consumption to be maintained below 10% of total daily energy intake for adults and children, and below 5% for additional health benefits.

The AI-powered calorie and sugar tracking capability within Clicklife Suwamaga+ supports Union Assurance's Corporate Social Responsibility (CSR) agenda by proactively contributing to diabetes prevention, improved nutritional awareness, and better long-term health outcomes among customers and the wider community. By embedding preventive health tools into everyday digital engagement, Clicklife enables individuals to make informed decisions that support sustained well-being and reduced lifestyle-related health risks.

Clicklife Digital Telemedicine Feature

A pivotal enhancement to Clicklife in 2025 was the introduction of embedded telemedicine. Customers with health covers such as Health 360 can now access free monthly online doctor consultations directly through the Clicklife app, complemented by in-app medicine ordering, eliminating the need for platform switching.

This capability expanded the role of life insurance beyond reactive indemnification to proactive, accessible healthcare support, enabling greater convenience, early intervention, and improved continuity of care.



Clicklife Challenges – Gamified Engagement

To promote healthier lifestyles and deepen customer engagement, Union Assurance introduced the Clicklife Challenge feature in 2025. Designed to support both individual and team-based participation, the initiative increases application engagement while encouraging sustained positive behavioural change. FN-IN-410b.2

Beyond well-being outcomes, Clicklife Challenge also functions as a strategic customer acquisition and conversion tool, enabling corporate partners to launch customised challenges for their employees and communities. This capability extends the overall value of the Clicklife ecosystem by strengthening partner relationships, increasing platform adoption, and reinforcing Union Assurance's positioning at the intersection of insurance, wellness, and digital engagement.

Intelligent Interactive Voice Response (IVR) Implementation

The Intelligent IVR system demonstrated consistent adoption and stable performance throughout 2025 Q4, efficiently managing customer interactions and contributing to improved contact-centre productivity and service efficiency.

Key highlights included:

- The system handled **10%** of all incoming calls, successfully managing **2,257** customer interactions out of **22,786** total calls without requiring human agent intervention
- Monthly IVR usage remained within the **9%–11%** range, reflecting reliable system performance and sustained customer adoption
- By independently resolving over **2,200** customer interactions, the IVR reduced agent workload and supported operational efficiency
- A gradual increase in usage from **9%** in October to **11%** in December indicates growing customer confidence and comfort with self-service options

INTELLECTUAL CAPITAL

Advancing Bionic Distribution for Unrivalled Distribution

In 2025, we advanced our Bionic Distribution model through the deployment of two industry-first capabilities: the end-to-end digital Agent Life Cycle Management System (AMS) and seamless Bancassurance 2.0 digital integration with Sampath Bank PLC. Together, these initiatives significantly enhanced scalability, productivity, accountability, and data-driven decision-making across the Company's distribution ecosystem.

These platforms collectively enabled:

- Faster, data-driven decision-making across distribution channels
- AI-driven performance insights, enhancing transparency and accountability
- Reduced reliance on manual intervention through end-to-end automation
- Scalable growth without proportional increases in operating costs

Industry-First Digital Agent Life Cycle Management System

Delivering on the advisor enablement commitments articulated in 2024, we implemented the UA Agent Management System (AMS) in 2025, Sri Lanka's first fully digitised, end-to-end Agent life cycle management platform. AMS replaced paper-intensive, fragmented workflows across advisor onboarding, servicing, and policy reallocation with a secure, automated, and scalable digital solution.

Key achievements in 2025 included:

- Reduction in advisor onboarding turnaround time from four days to 15–20 minutes
- Digitisation of over 3,000 advisor code issuances annually, eliminating more than 100,000 A4 pages
- Industry-first real-time integration with the Sri Lanka Insurance Institute (SLII) for examination verification
- Digitisation of nine advisor self-service requests, reducing fulfilment time from 2–3 days to 5–10 minutes
- Automation of over 6,000 policy reallocations per month, preventing orphaned policies and enhancing service continuity
- Embedded audit trails, digital agreements, and certificate-based encryption, strengthening governance and information security

The platform has become a foundational enabler of the Company's Bionic Distribution strategy, reinforcing efficiency, compliance, and sustainable growth.

Fully digitised - capacity for **4,000+** agent code issuance & seamless reallocations

100% paperless **760 $kgCO_2$** avoids annually

15–20mins vs. 4 days | Fastest in the market

5–10mins | 9 self-services digitised

Net annual benefit **Rs. 3 Mn** | 44% ROI | Payback in 3 years

Industry First Seamless Bancassurance 2.0 Digital Integration with Sampath Bank PLC

In 2025, we achieved a significant industry milestone by delivering Sri Lanka's first core banking integrated Bancassurance 2.0 model in strategic partnership with Sampath Bank PLC. This initiative transformed a previously manual, fragmented Bancassurance process into a fully digitised, real-time lead-to-proposal journey through the seamless integration of Sampath Bank's Finacle core banking system with Union Assurance's Lead Management System (LMS).

The solution enabled end to end automation, real time data exchange, and embedded governance controls, significantly enhancing speed, transparency, and accountability across the Bancassurance value chain.

Key achievements in 2025 included:

- Automated, real time lead generation from over 220 bank branches, eliminating manual lead collation
- Removal of manual routing and reconciliation processes, delivering over 900 man hours in annual operational savings
- Instant lead assignment and tracking, enabling faster customer engagement and improved conversion outcomes
- Deployment of nine customised, real time dashboards, providing comprehensive pipeline visibility and performance insights
- Introduction of AI driven performance insight emails for more than 220 branch managers, strengthening accountability and decision making
- Fully PDPA compliant consent management embedded directly into operational workflows, reinforcing regulatory compliance and customer trust

Within its first year of operation, the platform enabled six fold scalability, established a repeatable and scalable blueprint for future Bancassurance partnerships, and strengthened transparency, collaboration, and trust with Sampath Bank PLC. This capability now serves as a strategic enabler of Union Assurance's Bionic Distribution model, supporting sustainable growth while maintaining operational efficiency and governance excellence.

Operational Efficiency
900+
man hours saving per Annum

Industry First Real time lead flow
2.5K +
leads/month, Scaled 6x volume

Performance Visibility Delivered tailor-made dashboards
AI-powered
insights

100%
PDPA compliant

Industry-First Innovations

Seamless Bancassurance Digital Integration

Direct integration with Finacle core banking to real-time transfer leads into UA.

Seamless Lead-to-Proposal Digital Journey

In-house engineered, end-to-end digital customer onboarding flow

AI-Powered Performance Management

AI insights for bank management & sales network

GRI 418-1 c

INTELLECTUAL CAPITAL

Information Technology Governance and Cyber Security LA

Information Technology (IT) Governance remains a critical enabler of a resilient, secure, and well controlled operating environment at Union Assurance. The governance framework is designed to safeguard the confidentiality, integrity, and availability of information assets, while ensuring that technology investments and controls consistently support the Company's strategic objectives and long term value creation.

Alignment with Business Strategy

Union Assurance ensures continuous alignment between IT objectives and corporate strategy through regular evaluation and oversight. During the year, IT policies and control frameworks were further strengthened and updated in line with the ISO/IEC 27001 Information Security Management System (ISMS), the Centre for Internet Security (CIS) Critical Security Controls, and Zero Trust security principles. These enhancements provide a robust and future ready foundation for protecting information assets, supporting digital growth initiatives, and sustaining stakeholder confidence.

IT Risk Management

The IT risk management framework adopts a structured, risk based approach, prioritising risks based on their potential impact and likelihood. Formal processes are in place to identify, analyse, evaluate, and mitigate information security and technology related risks. Accountability for managing IT and information security risks is embedded across business and support functions, reinforcing a proactive, organisation wide culture of resilience and risk ownership.

Resource and Performance Management

Technology performance is monitored across strategic initiatives, project delivery, infrastructure utilisation, and the effectiveness of Disaster Recovery (DR) and Business Continuity Plan (BCP) testing. Continuous oversight of operational performance and service delivery is supported through security dashboards and monitoring tools, providing real time visibility into system performance, incidents, and security related events.

Value Delivery

IT investments are governed through clearly defined policies, controls, and Key Result Areas (KRAs) to ensure optimal utilisation of financial and technological resources. This disciplined governance approach ensures that technology initiatives deliver measurable business value, support enterprise priorities, and enhance service quality and operational efficiency across the organisation.

Integration and Assurance

IT governance is embedded within Union Assurance's broader corporate governance and assurance framework. Relevant stakeholders across business, risk, compliance, and internal assurance functions are actively involved in IT related decision making. Integrated, end to end processes reduce hidden risks, improve consistency, and strengthen overall organisational governance and accountability.

Regulatory Compliance

Regulatory and statutory requirements are embedded within IT policies and standards and are subject to ongoing assessment through periodic reviews and audits. This ensures sustained compliance with regulatory obligations and the continued effectiveness of internal controls governing technology and information security.

Information Security Certification and Maturity (ISMS)

Union Assurance became the first life insurance company in Sri Lanka to achieve ISO/IEC 27001:2022 certification, demonstrating the maturity and robustness of its Information Security Management System. During 2025, the Company successfully completed the ISO/IEC 27001:2022 surveillance audit, supporting the continued maintenance of this globally recognised certification.

In parallel, ISMS policies and procedures were aligned with the CIS Critical Security Controls, strengthening the IT control environment through the adoption of prescriptive, best practice cybersecurity measures to enhance cyber resilience, governance, and operational assurance.

This certification and alignment validate our strong commitment to protecting critical information assets, including customer data, financial information, intellectual property, employee records, and data entrusted by third parties and reinforce the Company's leadership position and benchmark setting role in information security within the insurance industry.

Cyber Security HC-MC-230a.1

Cyber security remains a critical priority within the Company's IT governance framework amid the increasing scale and sophistication of global cyber threats. The Board exercises strong oversight of cyber security readiness, with cyber risk forming a standing agenda item of the Board Audit and Compliance Committee (BACC).

A comprehensive Cyber Security Policy, aligned with JKH Group standards, is in place to guide the Company's security posture. Security operations are supported by a managed Security Operations Centre (SOC), leveraging advanced security intelligence platforms to enhance threat detection, continuous monitoring, and incident response capabilities.

The Company operates a modern, Zero Trust–based security architecture incorporating Secure Web Gateway, Advanced Threat Protection, Data Loss Prevention (DLP), and Zero Trust Network Access (ZTNA). These controls strengthen protection against unauthorised access and enable secure hybrid and remote working across the enterprise.

The cyber security programme remains aligned with the Centre for Internet Security (CIS) Controls at Implementation Group 2 (IG2), reinforcing a mature, risk-based approach to cyber resilience.

During 2025, we maintained our **ISO/IEC 27001:2022** certification. The Information Security Management System (ISMS) continues to be aligned with CIS Controls, strengthening the overall IT control environment through the adoption of prescriptive and prioritised security measures. This alignment enhances data protection, operational resilience, cybersecurity maturity, and information security governance.

In parallel, we further strengthened our privacy and data protection framework in line with the Personal Data Protection Act 09 of 2022 - PDPA (as amended). Key initiatives were undertaken during the year, and actions are ongoing to close gaps identified through the PDPA gap assessment. Moreover, we are evaluating the feasibility of aligning our privacy processes for potential certification under ISO/IEC 27701, the Privacy Information Management System (PIMS).

Rs. 37 Mn
Total expenditure on cyber security and internal controls related to IT

Rs. 9 Mn
Expenditure on standards and certifications on processes and quality to strengthen internal controls

Strengthening Business Continuity Planning

Our Business Continuity Plan (BCP) is structured to support swift restoration of operations following any disruption. It is aligned with the Disaster Recovery Institute International's Professional Practices, ISO 22301:2019, and the Business Continuity Guidelines issued by the Insurance Regulatory Commission of Sri Lanka. In 2025, several initiatives were carried out to assess the strength and effectiveness of the BCP in line with these standards and guidelines. These included:

- Reviewing the risk assessment, business impact analysis, and recovery objectives
- Conducting a comprehensive evaluation of the BCP across all functions
- Carrying out desk top exercises and call tree drills
- Executing IT drills and testing IT system recovery

Strengthening Data Analytics Capabilities

Data analytics continued to play a pivotal role in supporting the Company's digital transformation agenda during 2025, with a strong emphasis on scaling insight generation, improving operational efficiency, and embedding advanced analytics into core business processes.

Our data analytics ecosystem was further expanded to over **170** interactive dashboards, enabling enhanced data visibility, real-time performance monitoring, and faster, more informed decision-making across strategic and operational functions.

AI-powered dashboards were introduced to support the Bancassurance partnership with Sampath Bank PLC, providing branch managers with actionable insights and data-driven recommendations. These capabilities contributed to improved sales effectiveness, customer engagement, and frontline performance management.

In parallel, 7-month persistency monitoring was implemented as a leading performance indicator to proactively identify risks and drive timely interventions, thereby strengthening overall policy quality and supporting improvements in 13-month LIMRA persistency.

Harnessing Tacit knowledge

In 2025, we placed strong emphasis on strengthening our collective tacit knowledge, the shared expertise, skills, experience, business insight, and research capabilities of our employees through focused talent acquisition and development initiatives. We expanded our mentoring programmes, introduced strategically crafted upskilling opportunities, and provided comprehensive learning and development pathways, reinforcing a culture of continuous knowledge sharing.

Our recruitment approach prioritises candidates who align closely with our organisational values, ensuring a solid cultural fit and long-term cohesion. In addition, our enhanced employee value proposition, supported by effective retention initiatives and data-driven HR practices, contributed to maintaining a stable, motivated, and highly engaged workforce.

INTELLECTUAL CAPITAL

215
Employees with over 10 years experience at UA

A diverse workforce

Research and Innovation

We continued to strengthen our Research and Development (R&D) capabilities by fostering a culture of continuous innovation. As part of this effort, we prioritised high impact R&D initiatives that generated new insights and supported the creation of advanced technologies and innovative products. This sustained focus on R&D and ongoing product development enabled us to preserve our competitive advantage. Consequently, we introduced outstanding new products that effectively address shifting customer expectations and market trends, supported by strong marketing strategies and deep industry understanding.

Memorandums of Understanding (MOUs)

- MOU with Happy Mind to promote employee mental well being
- MOU with SLIM to Certify the Insurance Advisors

Strengthening Our Brand

> In 2025, Union Assurance continued to build powerful momentum in advancing its brand vision of "Empowering Human Progress by Protecting What Matters Most." Entering the second year of this renewed brand direction, the Company sharpened its strategic focus on progress, guiding individuals, families, and communities towards greater stability, resilience, and long-term aspirations.

Second Phase of the Brand Campaign

Building on the success of Union Assurance's first brand campaign following the launch of its new brand vision in 2024, the Company has rolled out the second phase of the campaign island-wide to further strengthen its brand proposition and deepen engagement with customers.

Infusing Brand Identity Across All Communications

Every communication piece and campaign consistently reflects our brand identity and messaging. This integration spans Above The Line (ATL) and Below The Line (BTL) channels, including television, TV+, radio, outdoor advertising, cinema, activations, and digital platforms, ensuring a unified and impactful brand presence across all touchpoints.

Award-Winning Brand Campaign

UA triumphed at the Dragons of Sri Lanka Awards 2025, securing a Gold Dragon for its transformative campaign "Exit Insurance. Enter Progress." The award, presented under the Brand Building and Awareness category, recognised campaigns that challenge conventional norms and deliver measurable impact through creativity and strategic insight.

BLOG IT Symposium

Union Assurance organised the 'Union Assurance Blog It Symposium 2025', marking a significant milestone as the first-ever event of its kind in the Life Insurance sector. The event, open to the public, welcomed renowned figures from the literary world and featured an engaging lineup of events including a dynamic panel discussion and specialised workshops aimed at sharing knowledge and inspiring the next generation of writers.

Continuation of Circle of Well-being

Circle of Well-being by Union Assurance is a YouTube talk show that covers key aspects of financial, emotional, and physical well-being to help individuals lead more balanced and fulfilling lives.

Further, UA continued to enhance brand engagement through unique employee-focused initiatives, including Salad Rush, Paint to Express, and the 10 km Cycling event.

Please refer Human capital on page 116 for more information

Unique Brand Engagement Programmes

Union Assurance engaged in unique brand engagement programmes that allows stakeholders to assimilate with the brand vision and purpose. Each activity looked at providing a fun and engaging template to provide a great brand experience.

SLASSCOM FitHit 2025 - Powered by Union Assurance

For the second consecutive year, Union Assurance has demonstrated its unwavering commitment to empowering progress of all Sri Lankans by proudly partnering with 'SLASSCOM FitHit 2025,' powered by Union Assurance.

Designed to inspire individuals to pursue their fitness goals, SLASSCOM FitHit 2025 powered by Union Assurance provided a platform for participants to prioritise their health, embrace an active lifestyle, and foster a sense of community and vitality.

INTELLECTUAL CAPITAL

Our Awards and Recognitions

We have earned multiple awards and continue to be celebrated at leading industry events for our outstanding performance across diverse business areas.

Union Assurance Wins at the 6th Indian Chamber Emerging Asia Conclave and Awards 2025

Union Assurance Continues to Be Among the Top 50 Most Valuable Brands in Sri Lanka

Gold at Dragons of Sri Lanka Awards 2025

First Insurer to Earn the YouTube Silver Play Button

John Keells Chairperson's Award for Disruptive Innovation

Union Assurance Becomes First Life Insurer in Sri Lanka to Achieve ISO/IEC 27001:2022 Certification

Please refer page 20 for more details about Awards & Recognition

Way Forward

Objectives	2026 Short-term target	Medium to Long-term target
Life Operations Transformation	Embed AI-assisted intelligence into underwriting and claims workflows to support risk summarisation, exception handling, fraud signal detection, and ambiguity identification, while retaining human accountability and decision ownership.	Establish highly efficient, intelligence enabled Life Operations characterised by faster turnaround times, improved risk outcomes, consistent decision making, and scalable operating capacity.
Expansion of Clicklife Digital Ecosystem	Enhance Clicklife with targeted health, wellness, protection, and digital purchase capabilities to increase self service adoption and insurance uptake, particularly across priority customer journeys and younger customer segments.	Evolve Clicklife into a fully integrated digital "super app" supporting embedded insurance, protection services, wearable enabled health and wellness engagement, and pay as you live propositions across the customer lifecycle.
Bionic Distribution Enablement	Strengthen analytics driven visibility across all distribution channels, align advisor and partner day in the life workspaces, and improve execution consistency through insight led performance management.	Enable a fully integrated bionic distribution model powered by advanced analytics, seamless partner integration, and predictive performance and productivity management.
Enterprise Data and Intelligence Capabilities	Introduce AI powered, conversational access to enterprise insights, enabling employees to interact with data intuitively and accelerate high quality, insight driven decision making.	Evolve enterprise intelligence into a multimodal experience integrating conversational, visual, and emerging interaction models to deliver contextual, real time decision support across the organisation.
Cyber Resilience and Privacy Governance	Advance Zero Trust implementation, strengthen threat detection and response capabilities, and embed security and privacy controls across operational and digital platforms.	Achieve mature cyber resilience and privacy governance aligned with ISO/IEC 27701, reinforcing customer trust, regulatory compliance, and long term organisational sustainability.