THE MOST

Union Assurance PLC
Condensed Interim Financial Statements
For the Six Months Ended 30 June 2026

INCOME STATEMENT

For the period ended 30 June	Note	2026 Rs. '000	2025 Rs. '000	Change %
Gross written premium	7	**13,389,768**	11,604,833	15
Premium ceded to reinsurers		**(990,573)**	(829,332)	19
Net written premium		**12,399,195**	10,775,501	15
Other revenue				
Net investment income		**6,875,124**	5,929,622	16
Net realised gain/(loss)		**(84,887)**	305,794	(128)
Net fair value gains		**458,148**	633,301	(28)
Other income		**9,869**	13,500	(27)
Total other revenue		**7,258,254**	6,882,217	5
Total net revenue		**19,657,449**	17,657,718	11
Benefits, claims and expenses				
Net insurance benefits and claims paid		**(4,023,317)**	(3,587,766)	12
Net change in insurance claims outstanding		**(90,603)**	(5,567)	1,528
Change in insurance contract liabilities		**(9,319,703)**	(7,963,481)	17
Underwriting and net acquisition costs (net of reinsurance)		**(2,256,868)**	(2,238,963)	1
Other operating, administrative and selling expenses		**(2,923,344)**	(2,585,968)	13
Depreciation and amortisation		**(319,735)**	(368,408)	(13)
Total benefits, claims and expenses		**(18,933,570)**	(16,750,153)	13
Profit from operations		**723,879**	907,565	(20)
Share of results of equity accounted investee, net of tax		**-**	170,818	(100)
Profit before tax		**723,879**	1,078,383	(33)
Income tax expenses	8	**(219,640)**	(275,384)	(20)
Profit for the period		**504,239**	802,999	(37)
Earnings per share				
Basic (Rs.)		**0.86**	1.36	(37)
Diluted (Rs.)		**0.86**	1.36	(37)

The notes form an integral part of these interim financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June	2026 Rs. '000	2025 Rs. '000	Change %
Profit for the period	**504,239**	802,999	(37)
Other comprehensive income			
Items that are or may be reclassified subsequently to income statement			
Fair value reserve (available for sale financial assets)			
Net change in fair value of available for sale financial assets	**(172,829)**	(2,181)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	10,435	
Net change in fair value of available for sale financial assets transferred to the income statement	-	(248,261)	
	(172,829)	(240,007)	(28)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	**(1,654,250)**	(51,341)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	**(31,258)**	(38,837)	
	(1,685,508)	(90,178)	1,769
Other comprehensive income, net of tax	**(1,858,337)**	(330,185)	463
Total comprehensive income for the period, net of tax	**(1,354,098)**	472,814	(386)

The notes form an integral part of these interim financial statements.

INCOME STATEMENT

For the Quarter ended 30 June	Note	2026 Rs. '000	2025 Rs. '000	Change %
Gross written premium		**6,713,199**	5,869,372	14
Premium ceded to reinsurers		**(509,094)**	(428,328)	19
Net written premium		**6,204,105**	5,441,044	14
Other revenue				
Net investment income		**3,591,472**	3,018,381	19
Net realised gains/(losses)		**(63,661)**	22,784	(379)
Net fair value gains		**1,334,339**	915,516	46
Other income		**4,288**	6,494	(34)
Total other revenue		**4,866,438**	3,963,175	23
Total net revenue		**11,070,543**	9,404,219	18
Benefits, claims and expenses				
Net insurance benefits and claims paid		**(1,866,397)**	(1,777,445)	5
Net change in insurance claims outstanding		**(89,071)**	18,225	589
Change in contract liabilities - Life Fund		**(6,006,831)**	(4,597,081)	31
Underwriting and net acquisition costs (net of reinsurance)		**(1,132,917)**	(1,157,108)	(2)
Other operating, administrative and selling expenses		**(1,467,511)**	(1,409,414)	4
Depreciation and amortisation		**(166,268)**	(193,034)	(14)
Total benefits, claims and expenses		**(10,728,995)**	(9,115,857)	18
Profit from operations		**341,548**	288,362	18
Share of results of equity accounted investee, net of tax		-	85,806	(100)
Profit before tax		**341,548**	374,168	(9)
Income tax expenses		**(103,715)**	(87,661)	18
Profit for the quarter		**237,833**	286,507	(17)
Earnings per share				
Basic (Rs.)		**0.40**	0.49	(17)
Diluted (Rs.)		**0.40**	0.49	(17)

The notes form an integral part of these interim financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Quarter ended 30 June	2026 Rs. '000	2025 Rs. '000	Change %
Profit for the quarter	**237,833**	286,507	(17)
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Fair value reserve (available for sale financial assets)			
Net change in fair value of available for sale financial assets	**(107,653)**	11,710	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	**-**	24,038	
Net change in fair value of available for sale financial assets transferred to the income statement	**-**	(1,376)	
	(107,653)	34,372	(413)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	**(1,136,249)**	32,963	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	**-**	-	
	(1,136,249)	32,963	
Other comprehensive income, net of tax	**(1,243,902)**	67,335	(1,947)
Total comprehensive income for the quarter, net of tax	**(1,006,069)**	353,842	(384)

The notes form an integral part of these interim financial statements.

STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Assets			
Intangible assets		**7,197,471**	7,274,896
Property, plant and equipment		**3,498,269**	3,383,567
Right of use assets		**561,500**	508,588
Financial investments	10	**112,164,027**	108,252,636
Loans to life policyholders		**3,088,579**	2,858,074
Reinsurance receivable		**514,024**	526,145
Premiums receivable		**1,104,071**	1,032,595
Receivables and other assets		**1,903,531**	1,714,282
Cash in hand and at bank		**1,491,663**	1,698,143
Total assets		**131,523,135**	127,248,926
Equity and liabilities			
Equity			
Stated capital		**1,000,000**	1,000,000
Restricted regulatory reserve	11	**3,381,934**	3,381,934
Revaluation reserve		**2,722,901**	2,722,901
Available for sale reserve		**1,499,455**	3,357,792
Other reserves		**104,994**	86,684
Retained earnings		**10,381,092**	12,823,282
Total equity		**19,090,376**	23,372,593
Liabilities			
Insurance contract liabilities	12	**103,140,176**	93,758,787
Insurance contract liabilities - Unit Linked		**775,930**	807,777
Lease liabilities		**545,495**	510,588
Employee benefit liabilities		**299,585**	284,384
Reinsurance payables		**633,274**	603,586
Other liabilities		**6,850,787**	7,712,135
Bank overdraft		**187,512**	199,076
Total liabilities		**112,432,759**	103,876,333
Total equity and liabilities		**131,523,135**	127,248,926

The notes form an integral part of these interim financial statements.
I certify that the above financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Himani Weerasekera
Chief Financial Officer

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

K N J Balendra
Chairperson

D P Gamlath
Director

Colombo
14 August 2026

STATEMENT OF CHANGES IN EQUITY

			Reserves					
					Other reserves			
Rs. '000	Stated capital	Restricted regulatory reserve	Revaluation reserve	Reserve on merger	Available for sale reserve	Other capital reserves	Retained earnings	Total
Balance as at 1 January 2025	1,000,000	3,381,934	2,555,360	16,752	4,255,977	59,821	12,398,147	23,667,991
Profit for the period	-	-	-	-	-	-	802,999	802,999
Other comprehensive income for the period								
Net change in fair value of available for sale financial assets	-	-	-	-	(250,442)	-	-	(250,442)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(90,178)	-	-	(90,178)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	10,435	-	-	10,435
Total other comprehensive income	-	-	-	-	(330,185)	-	-	(330,185)
Total comprehensive income for the period	-	-	-	-	(330,185)	-	802,999	472,814
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2024	-	-	-	-	-	-	(2,946,428)	(2,946,428)
Share based payments	-	-	-	-	-	7,765	-	7,765
Total contributions and distributions	-	-	-	-	-	7,765	(2,946,428)	(2,938,663)
Balance as at 30 June 2025	1,000,000	3,381,934	2,555,360	16,752	3,925,792	67,586	10,254,718	21,202,142

The notes form an integral part of these interim financial statements.

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Reserves		Other reserves		Retained earnings	Total
			Revaluation reserve	Reserve on merger	Available for sale reserve	Other capital reserves		
Balance as at 1 January 2026	1,000,000	3,381,934	2,722,901	16,752	3,357,792	69,932	12,823,282	23,372,593
Profit for the period	-	-	-	-	-	-	504,239	504,239
Other comprehensive income for the period								
Net change in fair value of available for sale financial assets	-	-	-	-	(172,829)	-	-	(172,829)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(1,685,508)	-	-	(1,685,508)
Total other comprehensive income	-	-	-	-	(1,858,337)	-	-	(1,858,337)
Total comprehensive income for the period	-	-	-	-	(1,858,337)	-	504,239	(1,354,098)
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2025	-	-	-	-	-	-	(2,946,429)	(2,946,429)
Share based payments	-	-	-	-	-	18,310	-	18,310
Total contributions and distributions	-	-	-	-	-	18,310	(2,946,429)	(2,928,119)
Balance as at 30 June 2026	1,000,000	3,381,934	2,722,901	16,752	1,499,455	88,242	10,381,092	19,090,376

The notes form an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS

For the period ended 30 June	Note	2026 Rs. '000	2025 Rs. '000
Cash flows from operations			
Insurance premiums received		**13,318,293**	11,649,284
Reinsurance premiums paid		**(364,725)**	-
Insurance benefits and claims paid		**(4,600,505)**	(4,051,815)
Reinsurance claims received		**577,188**	464,049
Payments to intermediaries to acquire insurance contracts		**(2,285,681)**	(2,210,032)
Cash paid to and on behalf of employees		**(1,650,698)**	(1,333,512)
Interest received		**6,128,712**	5,233,584
Dividends received		**196,661**	142,978
Other operating cash flows		**(2,425,144)**	(2,331,543)
Cash generated from operating activities	A	**8,894,101**	7,562,993
Interest paid		**(28,832)**	(29,658)
Income tax paid		**(804,589)**	(711,973)
Employee benefits paid		**(11,267)**	(5,974)
Net cash flow from operating activities		**8,049,413**	6,815,388
Cash flows used in investing activities			
Purchase of investments		**(17,012,845)**	(35,850,297)
Maturity proceeds of investments		**3,864,350**	12,744,384
Proceeds from sale of investments		**8,222,141**	24,011,078
Purchase of property, plant and equipment		**(171,906)**	(95,125)
Purchase of intangible assets		**(90,335)**	(5,099,816)
Proceeds from sale of property, plant and equipment		**1,926**	2,152
Net cash used in investing activities		**(5,186,669)**	(4,287,624)
Net cash inflow before financing activities		**2,862,744**	2,527,764
Cash flows used in financing activities			
Dividends paid to equity holders of the Company		**(2,946,175)**	(2,945,742)
Settlement of lease liabilities		**(111,485)**	(143,157)
Net cash used in financing activities		**(3,057,660)**	(3,088,899)
Net increase in cash and cash equivalents		**(194,916)**	(561,135)
Cash and cash equivalents at the beginning of the period		**1,499,067**	1,479,874
Cash and cash equivalents at the end of the period	B	**1,304,151**	918,739

The notes form an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS

For the period ended 30 June	2026 Rs. '000	2025 Rs. '000
NOTE A.		
Reconciliation of profit before taxation with cash from operating activities		
Profit before tax	**723,879**	1,078,383
Non - cash items included in profit before tax		
Depreciation and amortisation	**319,735**	368,408
Provision for employee benefits	**26,468**	22,476
Net realised (gains) / losses	**84,887**	(305,794)
Net fair value gains	**(458,148)**	(633,301)
Gain on sale of property, plant and equipment	**(239)**	(609)
Amortisation of financial investments	**(281,594)**	(421,495)
Amortisation of lease liabilities	**28,832**	29,634
Scrip dividend income	**(19,118)**	(8,970)
Share of results of equity accounted investee	**-**	(170,818)
Interest expense	**-**	24
Share based payment expenses	**18,310**	7,765
Profit before working capital changes	**443,012**	(34,297)
Net change in operational assets		
Net change in reinsurance assets	**12,121**	(62,851)
Net change in premiums receivable	**(71,476)**	44,451
Net change in receivables and other assets	**(586,058)**	(604,919)
Net change in operational liabilities		
Net change in life insurance contract liabilities	**9,349,542**	7,949,155
Net change in reinsurance liabilities	**29,688**	348,090
Net change in other liabilities	**(282,728)**	(76,636)
Cash generated from operating activities	**8,894,101**	7,562,993
NOTE B.		
Cash and cash equivalents at the end of the period		
Cash in hand and at bank	**1,491,663**	1,091,736
Bank overdraft	**(187,512)**	(172,997)
Cash and cash equivalents at the end of the period	**1,304,151**	918,739

For the purpose of the cash flow statement, cash and cash equivalent consist of cash in hand & at bank, net of outstanding bank overdraft as shown above.

The notes form an integral part of these interim financial statements.

LIFE INSURANCE FUND STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Assets			
Intangible assets		**480,551**	487,864
Property, plant and equipment		**3,498,269**	3,383,567
Right of use assets		**561,500**	508,588
Financial investments		**101,155,954**	97,417,502
Loans to life policyholders		**3,088,579**	2,858,074
Reinsurance receivable		**514,024**	526,145
Premiums receivable		**1,104,071**	1,032,595
Receivables and other assets		**1,924,691**	1,422,349
Cash in hand and at bank		**1,425,405**	1,650,737
Total assets		**113,753,044**	109,287,421
Reserves and liabilities			
Reserves			
Revaluation reserve		**2,247,041**	2,247,041
Available for sale reserve		**1,141,829**	2,827,337
Other reserves		**(49,237)**	(49,237)
Total reserves		**3,339,633**	5,025,141
Liabilities			
Insurance contract liabilities	12	**103,140,176**	93,758,787
Insurance contract liabilities - Unit Linked		**775,930**	807,777
Lease liabilities		**545,495**	510,588
Employee benefit liabilities		**299,585**	284,384
Reinsurance payables		**633,274**	603,586
Other liabilities		**4,850,171**	8,098,082
Bank overdraft		**168,780**	199,076
Total liabilities		**110,413,411**	104,262,280
Total reserves and liabilities		**113,753,044**	109,287,421

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting Entity

Union Assurance PLC ('the Company') is a public limited liability company incorporated and domiciled in Sri Lanka and the ordinary shares of the Company are listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at No. 20, St. Michael's Road, Colombo 03.

The Company's controlling entity and ultimate parent undertaking is John Keells Holdings PLC which is incorporated in Sri Lanka.

2 Approval of Financial Statements

The interim financial statements for the six months ended 30 June 2026 were authorised for issue by the Board of Directors on 14 August 2026.

3 Presentation of Financial Statements

These financial statements have been presented in compliance with the requirements of the companies Act No. 07 of 2007 and amendments thereto and Regulation of Insurance Industry (RII) Act No. 43 of 2000, Statement of Recommended Practice (SORP) issued by ICASL and the listing rules of the Colombo Stock Exchange.

4 Basis of Preparation and Changes To The Company's Accounting Policies

4.1 Basis of Preparation

The interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 – Interim Financial Reporting. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025. Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company. The same accounting policies have been followed in preparation of these interim financial statements as stated in the Audited Financial Statements for the year ended 31 December 2025.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

4.2 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the period were not materially different from the transaction prices at the date of initial recognition. All listed equity instruments were measured based on the market prices as at 30 June 2026 and classified as level 1 as per the fair value hierarchy. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy during the reporting period.

5 SLFRS 9 - Financial Instruments and SLFRS 17 - Insurance Contracts

SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. It replaces LKAS 39 - Financial Instruments: Recognition and Measurement.

Based on the proposed implementation of SLFRS 17 - Insurance contracts the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 9 until the adoption of SLFRS 17, which is financial period beginning on or after 1 January 2026.

According to the Statement of Alternative Treatment (SOAT) issued by the Institute of Chartered Accountants of Sri Lanka on the presentation of the Interim Financial Statements, the option has been granted to prepare the interim financial statements of the first two quarters of 2026 as per the application of SLFRS 4 Insurance Contacts. The Company has used the above temporary exemption.

Accordingly, for this interim period:

- Insurance contracts continue to be recognised, measured, and presented in accordance with SLFRS 4 Insurance Contracts.
- SLFRS 9 Financial Instruments has not been applied, consistent with the SoAT requirement that SLFRS 9 shall not be applied during interim periods where SLFRS 4 is continued.

The adoption of SLFRS 9 & SLFRS 17 standards is expected to have a material impact on the Company's financial position, financial performance, and related disclosures.

As per the SLFRS 9, financial assets will be reclassified based on business model assessments and contractual cash flow characteristics. The introduction of the Expected Credit Loss (ECL) model may accelerate impairment recognition compared to existing practices.

SLFRS 17 replaces SLFRS 4 and introduces a comprehensive and consistent measurement framework for insurance and reinsurance contracts. The Standard establishes principles for recognition, measurement, presentation, and disclosure, with the objective of improving transparency and comparability.

The Company measures its insurance contracts and reinsurance contracts held using appropriate measurement models based on product characteristics. The primary measurement models applied by the Company are the General Measurement Model (GMM) and the Variable Fee Approach (VFA).

Key concepts introduced by SLFRS 17 include the fulfilment cash flows, risk adjustment for non financial risk, and the Contractual Service Margin (CSM), which have been determined in accordance with the requirements of SLFRS 17. The Company has elected to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income, in order to reduce earnings volatility arising from changes in interest rates.

On transition, the Company will apply the fair value approach due to the unavailability of complete and reliable historical data. Transition adjustments arising from the adoption of both SLFRS 17 and SLFRS 9 have been recognized directly in opening equity at the date of initial application, ensuring consistency between the measurement of insurance liabilities and the underlying financial assets.

SLFRS 17 results in significant changes to profit recognition patterns, establishes a clear distinction between insurance service results and insurance finance income or expenses, and requires separate presentation of insurance and reinsurance contracts in the financial statements. Accordingly, Insurance revenue under SLFRS 17 will no longer correspond to gross written premiums.

The Company has implemented the relevant accounting policies and methodologies required for SLFRS 17 and SLFRS 9 including appropriate governance structures, systems, and internal controls have been established, and the Company is substantially ready for go live. The implementation program has been supported by independent external actuarial and accounting expert consultants.

Management is currently in the process of validating the results arising from the application of these standards. As this validation process is still ongoing, no quantitative disclosures have been included in these interim financial statements.

6 Operating Segment

The Company is one legal entity however for Management purposes and to comply with the regulatory framework, the Company is organised into business units based on their products and services and has two reportable operating segments. These segments are managed separately because they require different operational, risk management and marketing strategies. All operating results are reviewed regularly by the Chief Executive Officer (CEO) and Corporate Management to make decisions regarding resource allocation and assess its performance, and for which financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June Rs. '000	2026 Policyholder Fund	2026 Shareholder Fund	2026 Total	2025 Policyholder Fund	2025 Shareholder Fund	2025 Total
Segment revenue						
Gross Written Premium	13,389,768	-	13,389,768	11,604,833	-	11,604,833
Net Written Premium	12,399,195	-	12,399,195	10,775,501	-	10,775,501
Total Investment Income and Other Revenue	6,583,072	675,182	7,258,254	6,011,731	870,486	6,882,217
Total Net Revenue	18,982,267	675,182	19,657,449	16,787,232	870,486	17,657,718
Total Claims and Expenses	(9,662,564)	48,697	(9,613,867)	(8,823,751)	37,079	(8,786,672)
Change in Contract Liabilities	(9,319,703)	-	(9,319,703)	(7,963,481)	-	(7,963,481)
Share of results of equity accounted investee, net of tax	-	-	-	-	170,818	170,818
Segment Profit Before Tax	-	723,879	723,879	-	1,078,383	1,078,383
Income Tax Expenses	-	(219,640)	(219,640)	-	(275,384)	(275,384)
Segment Profit After Tax	-	504,239	504,239	-	802,999	802,999

All revenues are from external customers. There is no revenue from transactions between operating segments

As at 30 June Rs. '000	2026 Policyholder Fund	2026 Shareholder Fund	2026 Total	2025 Policyholder Fund	2025 Shareholder Fund	2025 Total
Segment Assets	113,753,044	17,770,091	131,523,135	109,287,421	17,961,505	127,248,926
Segment Equity and Reserves	3,339,633	15,750,743	19,090,376	5,025,142	18,347,451	23,372,593
Segment Liabilities	110,413,411	2,019,348	112,432,759	100,864,667	3,011,666	103,876,333

7 Gross Written Premium

For the period ended 30 June	2026 Rs. '000	2025 Rs. '000
Conventional	13,386,994	11,600,319
Unit linked	2,774	4,514
Total gross written premium	13,389,768	11,604,833

8 Income Tax Expense

Current tax

Gains and profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No. 24 of 2017 and other amendments in line with Inland Revenue (Amendment) Act No. 45 of 2022. As per this section, an income tax rate of 30% is applicable on gains and profits which is the aggregate of;

- Surplus distributed to shareholders from the Life insurance policyholders fund as certified by the actuary.
- Investment income of the shareholder fund less any expenses incurred in the production of such income.
- Surplus distributed to a Life insurance policyholder who shares profits of an entity engaged in the business of life insurance.

Amount Recognised in the Profit or Loss

For the period ended 30 June	2026 Rs. '000	2025 Rs. '000
Income tax expense	(219,640)	(275,384)
Current tax expense for the period	(219,640)	(275,384)

9 Profits From Life Insurance

No surplus transfer has been made from the life insurance fund to the Income Statement during the period under review

10 Financial Investments

As at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Held to maturity financial assets (HTM)	47,091,321	48,222,643
Loans and receivables (L&R)	16,310,732	13,267,646
Available for sale financial assets (AFS)	35,989,434	34,774,562
Financial assets at fair value through profit or loss (FVTPL)	12,772,540	11,987,785
Total financial investments	112,164,027	108,252,636

11 Restricted Regulatory Reserve

Based on the direction issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) dated 20 March 2018 and subsequent approval, the Company has transferred Rs. 3,382 million attributable to non - participating fund and non unit fund of unit linked business from life policyholder fund to life shareholder fund (SHF). The distribution of one - off surplus to shareholders, held as part of the Restricted Regulatory Reserve under equity in the statement of financial position is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL. The one - off surplus in the SHF is represented by government debt securities as per the direction of the IRCSL.

As at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Transfer of one - off surplus from non participating fund	3,393,900	3,393,900
Transfer from shareholder fund for the one - off deficit created in the non-unit fund of unit linked life insurance contracts	(11,966)	(11,966)
	3,381,934	3,381,934

12 Insurance Contract Liabilities

As at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Life insurance fund	102,110,392	92,807,484
One - off surplus arising from changing policy liability valuation relating to participating fund	435,046	435,046
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	(101,643)	(101,643)
Claim payables	696,381	617,900
Total insurance contract liabilities	103,140,176	93,758,787

The one off surplus retained in Insurance Contract Liabilities comprises of Rs. 432.5 million attributable to participating business and Rs. 2.5 million attributable to unit linked fund.

NOTES TO THE FINANCIAL STATEMENTS

12.1 Movement In Insurance Contract Liabilities

As at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Conventional life insurance fund		
Balance as at 1 January	93,440,468	78,076,935
Increase in life insurance fund before surplus transfer to shareholders	9,279,200	18,637,793
Transfer to shareholders	-	(3,344,665)
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	-	(22,588)
Net change in unclaimed benefits	80,954	92,993
Balance as at period end - Conventional Life insurance	102,800,622	93,440,468
Non Unit Fund of Linked Life Insurance Contracts		
Balance as at 1 January	318,319	322,572
Increase in non unit fund of linked life insurance before surplus transfer to shareholders	23,707	55,435
Transfer to shareholders	-	(55,335)
Net change in unclaimed benefits	(2,472)	(4,353)
Balance as at period end - Non unit fund of linked Life insurance	339,554	318,319
	103,140,176	93,758,787

13 Audit of the Interim Financial Statements

Figures for the six months are provisional and unaudited.

14 Comparative Information

The presentation and classification in the financial statements are amended where appropriate to ensure comparability with the current period.

15 Related Party Transactions

The nature of the related parties in the current period is similar to those reported in the audited financial statements for the year ended 31 December 2025.

Transactions with the Ultimate Parent

As at 30 June	2026 Rs. '000	2025 Rs. '000
Investment in shares	829,932	1,412,861
Payable for shared services	(17,229)	(25,668)

For the period ended 30 June	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Receiving of services	(79,574)	(85,882)
Dividend income received	10,476	5,972
Dividend paid	(2,651,786)	(2,651,786)
Purchase of intangible assets	(9,772)	-
Net Purchase / (Sale) of share Investments	321,842	345,766

Transactions with companies under common control

As at 30 June	2026 Rs. '000	2025 Rs. '000
Debenture, share Investments and distribution rights	**573,042**	524,038
Payable for shared services	**(5,237)**	(9,322)

For the period ended 30 June	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Purchase of goods	**(4,403)**	(5,476)
Receiving of services	**(294,937)**	(195,189)
Sale /(Purchase) of property, plant and equipment	**(5,915)**	(23,571)
Interest received	**18,629**	18,632
Dividend received	**5,413**	1,867
Net Purchase / (Sale) of share Investments	**(79,996)**	84,474

Transaction with Associates

As at 30 June	2026 Rs. '000	2025 Rs. '000
Amount receivable / (payable)	**-**	-

For the period ended 30 June	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Receiving of services	**-**	(171)

Companies controlled / jointly controlled / significantly influenced by KMP and their close family members

For the period ended 30 June	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Rendering / (Receiving) of services	**(6,892)**	(9,871)
Transactions with Key Management Personnel (KMP)		
Rendering / (Receiving) of services	**-**	-
Transactions with Close Family Members of KMP		
Rendering / (Receiving) of services	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

16 Capital and Other Commitments

The capital commitments approved and contracted as at the reporting date were Rs. 133 million.

17 Contingencies

There has been no change in the contingencies, which were disclosed in the audited financial statements for the year ended 31 December 2025 other than the following.

Income tax relating to year of assessment 2010/11, 2011/12 and 2015/16

The court of appeal delivered the order for Y/A 2010/11, 2011/12 and 2015/16 in favour of the company allowing the company to deduct all management expenses against the investment income of the life insurance business. Inland Revenue Department appealed to Supreme Court against the said order.

18 Share Information

Market Price Per Share

For the quarter ended 30 June	2026 Rs. '000	2025 Rs. '000
Last traded	**74.50**	64.00
Highest price per share for the period	**82.00**	67.50
Lowest price per share for the period	**69.00**	49.00

19 Net Assets Per Share

As at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Net assets per share	**32.40**	39.66

Net assets per share has been calculated based on the number of shares in issue as at each reporting date.

20 Stated Capital

Number of shares as at	30.06.2026	31.12.2025
Ordinary shares	**589,285,720**	589,285,720

21 Twenty Largest Shareholders

		As at 30 June 2026		As at 31 March 2026	
		No. of Shares	%	No. of Shares	%
1	John Keells Holdings PLC	**530,357,150**	**90.0**	530,357,150	90.0
2	Mr. S.N.P. Palihena	**14,000,000**	**2.4**	14,000,000	2.4
3	People's Leasing & Finance PLC / L.P. Hapangama	**5,557,665**	**0.9**	5,459,070	0.9
4	J.B. Cocoshell (PVT) LTD	**3,133,867**	**0.5**	3,133,867	0.5
5	Corporate Holdings (Private) Limited A/C No.01	**1,513,730**	**0.3**	1,513,730	0.3
6	Standard Chartered Bank DIFC Branch S/A EFG HERMES UAE L.L.C	**1,326,975**	**0.2**	1,250,275	0.2
7	Mrs. A. Selliah	**1,100,000**	**0.2**	1,100,000	0.2
8	MR. J.P. Paul	**1,092,131**	**0.2**	1,005,109	0.2
9	Mr. J.D. Bandaranayake & Miss. N. Bandaranayake & Dr. (Mrs.) V. Bandaranayake	**1,017,095**	**0.2**	1,017,095	0.2
10	Mr. J.D. Bandaranayake & Dr. (Mrs.) V. Bandaranayake & Miss. I. Bandaranayake	**982,905**	**0.2**	982,905	0.2
11	Dr. S. Selliah	**710,000**	**0.1**	650,000	0.1
12	People's Leasing & Finance PLC / L.H.L.M.P. Haradasa	**591,498**	**0.1**	686,867	0.1
13	Mr. J.W. Nanayakkara	**562,500**	**0.1**	562,500	0.1
14	Mr. H.A.D. Ratnapala / Hewa Algiriyage Dias	**562,500**	**0.1**	562,500	0.1
15	Amana Bank PLC/ Hi-Line Trading pvt LTD	**548,956**	**0.1**	275,000	0.1
16	Mr. M.A.Omar & Mrs. M.Ashroff Omar	**462,321**	**0.1**	350,000	0.1
17	Arunodhaya Investments (Private) Limited	**450,000**	**0.1**	400,000	0.1
18	Arunodhaya (Private) Limited	**450,000**	**0.1**	430,000	0.1
19	Arunodhaya Industries (Private) Limited	**450,000**	**0.1**	400,000	0.1
20	Odyssey Capital Partners (Private) Limited	**400,000**	**0.1**	400,000	0.1
	Other	**24,016,427**	**3.9**	24,749,652	3.9
		589,285,720	**100**	589,285,720	100

22 Dividends Paid

For the period ended 30 June	2026 Rs. '000	2025 Rs. '000
Final dividend for 2025 - 5.00 (2024 - 5.00)	**2,946,429**	2,946,429

NOTES TO THE FINANCIAL STATEMENTS

23 Directors' Shareholdings

No. of shares as at	30.06.2026 Rs. '000	31.12.2025 Rs. '000
Mr. K. N. J. Balendra (Chairperson)	Nil	Nil
Mr. D. P. Gamlath	Nil	Nil
Mr. D. H. Fernando	Nil	Nil
Mr. S. A. Appleyard	Nil	Nil
Mr. P. T. Wanigasekara	Nil	Nil
Ms. C. M. L. D. Bandaranaike	Nil	Nil
Mr. Senath Jayatilake - Appointed w.e.f 23 February 2026	Nil	N/A

24 Chief Executive Officer's Shareholding

No. of shares as at	30.06.2026	31.12.2025
Mr. Senath Jayatilake	Nil	Nil

25 Public Shareholding

The Company is listed on the Colombo Stock Exchange and the percentage of shares held by the public, the number of public shareholders and the float adjusted market capitalization is as given below:

As at	30.06.2026	31.12.2025
Public shareholding (%)	10.00	10.00
Public shareholders	3,286	2,957
Compliant under option 1 - float adjusted market capitalization (Rs. Bn)	4.4	4.6

26 Events After The Reporting Period

There have been no events subsequent to the reporting date, which require disclosure in the interim financial statements.

CORPORATE INFORMATION

Name of Company
Union Assurance PLC

Legal Form
A public limited liability company incorporated in Sri Lanka on 8 January 1987 and registered under the Companies Act No. 07 of 2007 and quoted on the Colombo Stock Exchange since 1988.

Company Registration Number
PQ 12

Tax Payer Identification Number (TIN)
134001372

Directors
K. N. J. Balendra - Chairperson

D. H. Fernando

S. A. Appleyard

D. P. Gamlath

P. T. Wanigasekara

C. M. L. Dias Bandaranaike

S. A. J. S. W Jayatilake - Appointed w.e.f 23 February 2026

Human Resources and Compensation Committee
D. H. Fernando - Chairperson
K. N. J. Balendra - Appointed w.e.f 01 January 2026

P. T. Wanigasekara

Nominations and Governance Committee
D. H. Fernando - Chairperson
K. N. J. Balendra
P. T. Wanigasekara

Related Party Transactions Review Committee
P. T. Wanigasekara - Chairperson
S. A. Appleyard
D. H. Fernando
C. M. L. D. Bandaranaike

Board Audit and Compliance Committee
P. T. Wanigasekara - Chairperson

D. H. Fernando

S. A. Appleyard

C. M. L. D. Bandaranaike

Investment Committee
J. G. A. Cooray - Chairperson
P. T. Wanigasekara
Senath Jayatilake
Himani Weerasekera
Malaka Mihindukulasuriya
Angelo Keil

SLFRS-17 Steering Committee
S. A. Appleyard - Chairperson
Sherin Cader

Secretaries and Registrars
Keells Consultants (Private) Limited
117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.

Auditors
Messrs. KPMG (Chartered Accountants)
PO Box 186,
32A, Sir Mohamed Macan Markar Mawatha, Colombo 3.

Appointed Actuaries
Willis Towers Watson India Private Limited
Unitech Business Park, 2nd Floor
Tower-B, South City 1, Sector 41
Gurgaon-122002
India.

Lawyers
The Legal Department
John Keells Holdings PLC
117, Sir Chittampalam A Gardiner Mawatha,
Colombo 2.

Bankers
Sampath Bank PLC
Nations Trust Bank PLC
Union Bank Colombo PLC
Seylan Bank PLC
Pan Asia Banking Corporation PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank AG
DFCC Bank PLC
Hatton National Bank PLC
Housing Development Finance Corporation
National Development Bank PLC
National Savings Bank
People's Bank
Standard Chartered Bank

Reinsurance Panel
RGA
Hannover Re
Munich Re
Partner Re

Registered Office of the Company
20, St Michael's Road,
Colombo 3.

Investor Relations
All investor queries should be directed to;
Investor relations hotline 011-2990314
e-mail: investorrelations@unionassurance.com

Union Assurance PLC
20, St. Michael's Road, Colombo 03, Sri Lanka.
+94 11 2990990
www.unionassurance.com