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Union Assurance PLC
Condensed Interim Financial Statements
For the Nine Months Ended 30 September 2026

INCOME STATEMENT

For the period ended 30 September	Note	2026 Rs. '000	2025 Rs. '000	Change %
Gross written premium	7	**20,827,130**	18,462,228	13
Premium ceded to reinsurers		**(1,494,732)**	(1,261,626)	18
Net written premium		**19,332,398**	17,200,602	12
Other revenue				
Net investment income		**10,539,766**	9,056,123	16
Net realised gain / (loss)		**(60,523)**	1,005,373	(106)
Net fair value gain / (loss)		**(239,532)**	1,700,179	(114)
Other income		**17,025**	23,139	(26)
Gain on disposal of equity accounted investee		**-**	43,919	(100)
Total other revenue		**10,256,736**	11,828,733	(13)
Total net revenue		**29,589,134**	29,029,335	2
Benefits, claims and expenses				
Net insurance benefits and claims paid		**(6,527,578)**	(5,773,087)	13
Net change in insurance claims outstanding		**27,189**	32,549	(16)
Change in insurance contract liabilities		**(13,669,699)**	(13,771,866)	(1)
Underwriting and net acquisition costs (net of reinsurance)		**(3,443,739)**	(3,610,628)	(5)
Other operating, administrative and selling expenses		**(4,438,108)**	(4,086,154)	9
Depreciation and amortisation		**(465,471)**	(570,731)	(18)
Total benefits, claims and expenses		**(28,517,406)**	(27,779,917)	3
Profit from operations		**1,071,728**	1,249,418	(14)
Share of results of equity accounted investee, net of tax		**-**	203,792	(100)
Profit before tax		**1,071,728**	1,453,210	(26)
Income tax expenses	8	**(325,347)**	(677,309)	(52)
Profit for the period		**746,381**	775,901	(4)
Earnings per share				
Basic (Rs.)		**1.27**	1.32	(4)
Diluted (Rs.)		**1.27**	1.32	(4)

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 September	2026 Rs. '000	2025 Rs. '000	Change %
Profit for the period	**746,381**	775,901	(4)
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	**(233,480)**	(60,762)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	**-**	15,112	
Reclassification of company's share of accumulated other comprehensive income of equity accounted investee	**-**	(43,919)	
Net change in fair value of available for sale financial assets transferred to the income statement	**-**	(248,261)	
	(233,480)	(337,830)	(31)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	**(2,140,944)**	(440,723)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	**(32,616)**	(41,240)	
	(2,173,560)	(481,963)	351
Other comprehensive income, net of tax	**(2,407,040)**	(819,793)	194
Total comprehensive income for the period, net of tax	**(1,660,659)**	(43,892)	3,684

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

INCOME STATEMENT

For the Quarter ended 30 September	Note	2026 Rs. '000	2025 Rs. '000	Change %
Gross written premium		**7,437,362**	6,857,395	8
Premium ceded to reinsurers		**(504,159)**	(432,294)	17
Net written premium		**6,933,203**	6,425,101	8
Other revenue				
Net investment income		**3,664,642**	3,126,501	17
Net realised gains		**24,364**	699,579	(97)
Net fair value gain / (loss)		**(697,680)**	1,066,878	(165)
Other income		**7,156**	9,639	(26)
Gain on disposal of equity accounted investee		**-**	43,919	(100)
Total other revenue		**2,998,482**	4,946,516	(39)
Total net revenue		**9,931,685**	11,371,617	(13)
Benefits, claims and expenses				
Net insurance benefits and claims paid		**(2,504,261)**	(2,185,321)	15
Net change in insurance claims outstanding		**117,792**	38,116	209
Change in contract liabilities - Life Fund		**(4,349,996)**	(5,808,385)	(25)
Underwriting and net acquisition costs (net of reinsurance)		**(1,186,871)**	(1,371,665)	(13)
Other operating, administrative and selling expenses		**(1,514,764)**	(1,500,186)	1
Depreciation and amortisation		**(145,736)**	(202,323)	(28)
Total benefits, claims and expenses		**(9,583,836)**	(11,029,764)	(13)
Profit from operations		**347,849**	341,853	2
Share of results of equity accounted investee, net of tax		**-**	32,974	(100)
Profit before tax		**347,849**	374,827	(7)
Income tax expenses		**(105,707)**	(401,925)	(74)
Profit / (Loss) for the quarter		**242,142**	(27,098)	994
Earnings per share				
Basic (Rs.)		**0.41**	(0.05)	994
Diluted (Rs.)		**0.41**	(0.05)	994

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 September	2026 Rs. '000	2025 Rs. '000	Change %
Profit / (Loss) for the quarter	**242,142**	(27,098)	994
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	**(60,651)**	(58,581)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	**-**	4,677	
Reclassification of company's share of accumulated other comprehensive income of equity accounted investee	**-**	(43,919)	
	(60,651)	(97,823)	(38)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	**(486,694)**	(389,382)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	**(1,358)**	(2,403)	
	(488,052)	(391,785)	
Other comprehensive income, net of tax	**(548,703)**	(489,608)	12
Total comprehensive income for the quarter, net of tax	**(306,561)**	(516,706)	(41)

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

STATEMENT OF FINANCIAL POSITION

As at	Note	30.09.2026 Rs. '000	31.12.2025 Rs. '000
Assets			
Intangible assets		**7,124,837**	7,274,896
Property, plant and equipment		**3,482,929**	3,383,567
Right of use assets		**544,443**	508,588
Financial investments	10	**115,816,929**	108,252,636
Loans to life policyholders		**3,244,332**	2,858,074
Reinsurance receivable		**650,490**	526,145
Premiums receivable		**1,230,745**	1,032,595
Receivables and other assets		**1,914,945**	1,714,282
Cash in hand and at bank		**1,714,368**	1,698,143
Total assets		**135,724,018**	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		**950,752**	3,357,792
Other reserves		**113,123**	86,684
Retained earnings		**10,623,234**	12,823,282
Total equity		**18,791,944**	23,372,593
Liabilities			
Insurance contract liabilities	12	**107,527,337**	93,758,787
Insurance contract liabilities - Unit Linked		**732,456**	807,777
Lease liabilities		**533,940**	510,588
Employee benefit liabilities		**297,114**	284,384
Reinsurance payables		**862,861**	603,586
Other liabilities		**6,767,890**	7,712,135
Bank overdraft		**210,476**	199,076
Total liabilities		**116,932,074**	103,876,333
Total equity and liabilities		**135,724,018**	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

S A J S W Jayatilake
Director / Chief Executive Officer

Colombo
03 November 2026

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Reserves				Retained earnings	Total
			Revaluation reserve	Reserve on merger	Other reserves			
					Available for sale reserve	Other capital reserves		
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	-	-	-	-	-	-	775,901	775,901
Other comprehensive income for the period								
Net change in fair value of available for sale financial assets	-	-	-	-	(309,023)	-	-	(309,023)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(481,963)	-	-	(481,963)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	15,112	-	-	15,112
Reclassification of company's share of accumulated other comprehensive income of equity accounted investee	-	-	-	-	(43,919)	-	-	(43,919)
Total other comprehensive income	-	-	-	-	(819,793)	-	-	(819,793)
Total comprehensive income for the period	-	-	-	-	(819,793)	-	775,901	(43,892)
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	-	-	-	-	-	11,648	-	11,648
Transfer of equity defined benefit plans of equity accounted investee from other capital reserve to retained earnings	-	-	-	-	-	6,086	(6,086)	-
Total contributions and distributions	-	-	-	-	-	17,734	(2,952,514)	(2,934,780)
Balance as at 30 September 2025	1,000,000	3,381,934	2,555,360	16,752	3,436,184	77,555	10,221,534	20,689,319

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

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Reserves				Retained earnings	Total
			Revaluation reserve	Reserve on merger	Other reserves			
					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	-	-	-	-	-	-	746,381	746,381
Other comprehensive income for the period								
Net change in fair value of available for sale financial assets	-	-	-	-	(233,480)	-	-	(233,480)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(2,173,560)	-	-	(2,173,560)
Total other comprehensive income	-	-	-	-	(2,407,040)	-	-	(2,407,040)
Total comprehensive income for the period	-	-	-	-	(2,407,040)	-	746,381	(1,660,659)
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	-	-	-	-	-	26,439	-	26,439
Total contributions and distributions	-	-	-	-	-	26,439	(2,946,429)	(2,919,990)
Balance as at 30 September 2026	1,000,000	3,381,934	2,722,901	16,752	950,752	96,371	10,623,234	18,791,944

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

STATEMENT OF CASH FLOWS

For the period ended 30 September	Note	2026 Rs. '000	2025 Rs. '000
Cash flows from operations			
Insurance premiums received		**20,628,979**	18,493,945
Reinsurance premiums paid		**(374,041)**	(272,894)
Insurance benefits and claims paid		**(7,353,014)**	(6,471,947)
Reinsurance claims received		**825,436**	698,861
Payments to intermediaries to acquire insurance contracts		**(3,433,266)**	(3,481,164)
Cash paid to and on behalf of employees		**(2,288,661)**	(1,934,509)
Interest received		**9,837,302**	8,239,963
Dividends received		**289,516**	214,237
Other operating cash flows		**(3,533,003)**	(3,495,208)
Cash generated from operating activities	A	**14,599,248**	11,991,284
Interest paid		**(42,947)**	(44,168)
Income tax paid		**(1,179,513)**	(1,005,279)
Employee benefits paid		**(27,537)**	(10,405)
Net cash flow from operating activities		**13,349,251**	10,931,432
Cash flows used in investing activities			
Purchase of investments		**(26,773,459)**	(47,315,854)
Maturity proceeds of investments		**6,193,902**	12,981,843
Proceeds from sale of investments		**10,635,934**	28,436,840
Proceeds from sale of Investment in equity accounted investee		**-**	2,638,080
Purchase of property, plant and equipment		**(190,102)**	(253,291)
Purchase of intangible assets		**(114,838)**	(5,109,071)
Proceeds from sale of property, plant and equipment		**6,934**	3,086
Net cash used in investing activities		**(10,241,629)**	(8,618,367)
Net cash inflow before financing activities		**3,107,622**	2,313,065
Cash flows used in financing activities			
Dividends paid to equity holders of the Company		**(2,946,175)**	(2,946,125)
Settlement of lease liabilities		**(156,622)**	(184,375)
Net cash used in financing activities		**(3,102,797)**	(3,130,500)
Net increase in cash and cash equivalents		**4,825**	(817,435)
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	**1,503,892**	662,439

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

STATEMENT OF CASH FLOWS

For the period ended 30 September	2026 Rs. '000	2025 Rs. '000
NOTE A.		
Reconciliation of profit before taxation with cash from operating activities		
Profit before tax	**1,071,728**	1,453,210
Non - cash items included in profit before tax		
Depreciation and amortisation	**465,471**	570,731
Provision for employee benefits	**40,266**	34,457
Net realised (gains) / losses	**60,523**	(1,005,373)
Net fair value (gains) / losses	**239,532**	(1,700,179)
Gain on sale of property, plant and equipment	**(2,130)**	(859)
Amortisation of financial investments	**(454,049)**	(586,459)
Amortisation of lease liabilities	**42,676**	44,044
Scrip dividend income	**(30,093)**	(8,970)
Share of results of equity accounted investee	**-**	(203,792)
Gain on disposal of equity accounted investee	**-**	(43,919)
Interest expense	**271**	124
Share based payment expenses	**26,439**	11,648
Profit before working capital changes	**1,460,634**	(1,435,337)
Net change in operational assets		
Net change in reinsurance assets	**(124,345)**	(76,187)
Net change in premiums receivable	**(198,150)**	31,718
Net change in receivables and other assets	**(427,442)**	(481,274)
Net change in operational liabilities		
Net change in life insurance contract liabilities	**13,693,229**	13,675,632
Net change in reinsurance liabilities	**259,275**	264,119
Net change in other liabilities	**(63,953)**	12,613
Cash generated from operating activities	**14,599,248**	11,991,284
NOTE B.		
Cash and cash equivalents at the end of the period		
Cash in hand and at bank	**1,714,368**	895,580
Bank overdraft	**(210,476)**	(233,141)
Cash and cash equivalents at the end of the period	**1,503,892**	662,439

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	30.09.2026 Rs. '000	31.12.2025 Rs. '000
Assets			
Intangible assets		**448,171**	487,864
Property, plant and equipment		**3,482,929**	3,383,567
Right of use assets		**544,443**	508,588
Financial investments		**104,780,553**	97,417,502
Loans to life policyholders		**3,244,332**	2,858,074
Reinsurance receivable		**650,490**	526,145
Premiums receivable		**1,230,745**	1,032,595
Receivables and other assets		**1,950,000**	1,422,349
Cash in hand and at bank		**1,674,178**	1,650,737
Total assets		**118,005,841**	109,287,421
Reserves and liabilities			
Reserves			
Revaluation reserve		**2,247,041**	2,247,041
Available for sale reserve		**653,777**	2,827,337
Other reserves		**(49,237)**	(49,237)
Total reserves		**2,851,581**	5,025,141
Liabilities			
Insurance contract liabilities	12	**107,527,337**	93,758,787
Insurance contract liabilities - Unit Linked		**732,456**	807,777
Lease liabilities		**533,940**	510,588
Employee benefit liabilities		**297,114**	284,384
Reinsurance payables		**862,861**	603,586
Other liabilities		**4,990,076**	8,098,082
Bank overdraft		**210,476**	199,076
Total liabilities		**115,154,260**	104,262,280
Total reserves and liabilities		**118,005,841**	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 nine months ended 30 September 2026 were authorised for issue by the Board of Directors on 03 November 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 September 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.

In accordance with the Statement of Alternative Treatment (SoAT) and the subsequent letter dated 28 October 2026 issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), insurers have been granted the option to prepare the interim financial statements by applying SLFRS 4 Insurance Contacts for the first three quarters of 2026. The Company has opted to apply SLFRS 4 - Insurance Contracts in preparing these interim financial statements.

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.

Estimated Impact on Financial Statement of Applying SLFRS 17 and SLFRS 9

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.

Transition adjustment and Impact on Equity

The Company has carried out an assessment of the impact from the adoption of SLFRS 9 and SLFRS 17. As management is currently in the process of validating the results, and the assessment remains ongoing, quantitative disclosures have not been included however, the Company does not expect a material impact on total equity as at the transition date.

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 September Rs. '000	2026 Policyholder Fund	2026 Shareholder Fund	2026 Total	2025 Policyholder Fund	2025 Shareholder Fund	2025 Total
Segment revenue						
Gross Written Premium	**20,827,130**	**-**	**20,827,130**	18,462,228	-	18,462,228
Net Written Premium	**19,332,398**	**-**	**19,332,398**	17,200,602	-	17,200,602
Total Investment Income and Other Revenue	**9,229,197**	**1,027,539**	**10,256,736**	10,616,315	1,212,418	11,828,733
Total Net Revenue	**28,561,595**	**1,027,539**	**29,589,134**	27,816,917	1,212,418	29,029,335
Total Claims and Expenses	**(14,891,896)**	**44,189**	**(14,847,707)**	(14,045,051)	37,000	(14,008,051)
Change in Contract Liabilities	**(13,669,699)**	**-**	**(13,669,699)**	(13,771,866)	-	(13,771,866)
Share of results of equity accounted investee, net of tax	-	-	-	-	203,792	203,792
Segment Profit Before Tax	**-**	**1,071,728**	**1,071,728**	-	1,453,210	1,453,210
Income Tax Expenses	**-**	**(325,347)**	**(325,347)**	-	(677,309)	(677,309)
Segment Profit After Tax	**-**	**746,381**	**746,381**	-	775,901	775,901

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

As at 30 September Rs. '000	2026 Policyholder Fund	2026 Shareholder Fund	2026 Total	2025 Policyholder Fund	2025 Shareholder Fund	2025 Total
Segment Assets	**118,005,841**	**17,718,177**	**135,724,018**	109,287,421	17,961,505	127,248,926
Segment Equity and Reserves	**2,851,581**	**15,940,363**	**18,791,944**	5,025,142	18,347,451	23,372,593
Segment Liabilities	**115,154,260**	**1,777,814**	**116,932,074**	100,864,667	3,011,666	103,876,333

7 Gross Written Premium

For the period ended 30 September	2026 Rs. '000	2025 Rs. '000
Conventional	**20,822,859**	18,455,785
Unit linked	**4,271**	6,443
Total gross written premium	**20,827,130**	18,462,228

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 September	2026 Rs. '000	2025 Rs. '000
Income tax expense	(325,347)	(364,788)
Capital gain tax on disposal of equity accounted investee	-	(312,521)
Current tax expense for the period	**(325,347)**	(677,309)

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	30.09.2026 Rs. '000	31.12.2025 Rs. '000
Held to maturity financial assets (HTM)	**46,720,022**	48,222,643
Loans and receivables (L&R)	**20,154,115**	13,267,646
Available for sale financial assets (AFS)	**37,256,450**	34,774,562
Financial assets at fair value through profit or loss (FVTPL)	**11,686,342**	11,987,785
Total financial investments	**115,816,929**	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	30.09.2026 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	30.09.2026 Rs. '000	31.12.2025 Rs. '000
Life insurance fund	**106,478,878**	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	**715,056**	617,900
Total insurance contract liabilities	**107,527,337**	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	30.09.2026 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	**13,636,032**	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	**97,924**	92,993
Balance as at period end - Conventional Life insurance	**107,174,424**	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	**35,363**	55,435
Transfer to shareholders	**-**	(55,335)
Net change in unclaimed benefits	**(769)**	(4,353)
Balance as at period end - Non unit fund of linked Life insurance	**352,913**	318,319
	107,527,337	93,758,787

13 Audit of the Interim Financial Statements

Figures for the nine 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 September	2026 Rs. '000	2025 Rs. '000
Investment in shares	**775,413**	1,330,235
Payable for shared services	**(9,022)**	(38,892)

For the period ended 30 September	Transaction amount during the period	
	2026 Rs. '000	**2025 Rs. '000**
Receiving of services	**(103,901)**	(154,920)
Dividend income received	**10,476**	5,972
Dividend paid	**(2,651,786)**	(2,651,786)
Purchase of intangible assets	**(9,772)**	-
Net Purchase of share Investments	**314,276**	283,864

Transactions with companies under common control

As at 30 September	2026 Rs. '000	2025 Rs. '000
Debenture, share Investments and distribution rights	**471,872**	664,849
Payable for shared services	**(3,809)**	(3,272)

For the period ended 30 September	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Purchase of goods	**(5,653)**	(7,450)
Receiving of services	**(395,175)**	(203,751)
Purchase of property, plant and equipment	**(4,883)**	(62,183)
Interest received	**28,536**	28,540
Dividend received	**6,137**	1,867
Net Purchase of share Investments	**46,014**	217,038

Transaction with Associates

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

For the period ended 30 September	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Receiving of services	-	(237)

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

As at 30 September	2026 Rs. '000	2025 Rs. '000
Investment in Unit Trusts	-	171,211

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September	Transaction amount during the period	
	2026 Rs. '000	2025 Rs. '000
Rendering / (Receiving) of services	**(12,651)**	(23,094)
Purchase of Unit trust investments	-	171,211
Transactions with Key Management Personnel (KMP)		
Rendering / (Receiving) of services	-	-
Transactions with Close Family Members of KMP		
Rendering / (Receiving) of services	-	-

16 Capital and Other Commitments

The capital commitments approved and contracted as at the reporting date were Rs. 124 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.

VAT on Financial Services relating to year of assessment 2019

The IRD has raised an assessment on the Company for the year of assessment 2019, assessing the Life insurance business to pay a VAT on Financial Services liability of Rs. 108 million along with a Rs. 54 million penalty totalling to Rs. 162 million. The Company has lodged a valid appeal with the Tax appeals commission against the assessment. The Tax appeals commission decided the case in favour of the company.

VAT on Financial Services relating to year of assessment 2024

The Department of Inland Revenue has raised an assessment on the Company for the year of assessment 2024, assessing the Life insurance business to pay VAT on Financial services liability of Rs. 558 million along with a Rs. 262 million penalty totaling to Rs. 820 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

SSCL on Financial Services relating to year of assessment 2024

The Department of Inland Revenue has raised an assessment on the Company for the year of assessment 2024, assessing the Life insurance business to pay SSCL on Financial services liability of Rs. 78 million along with a Rs. 46 million penalty totaling to Rs. 124 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

18 Share Information

Market Price Per Share

For the quarter ended 30 September	2026 Rs. '000	2025 Rs. '000
Last traded	68.00	78.40
Highest price per share for the period	75.60	83.00
Lowest price per share for the period	67.90	63.00

19 Net Assets Per Share

As at	30.09.2026 Rs. '000	31.12.2025 Rs. '000
Net assets per share	31.89	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	30.09.2026	31.12.2025
Ordinary shares	589,285,720	589,285,720

NOTES TO THE FINANCIAL STATEMENTS

21 Twenty Largest Shareholders

		As at 30 September 2026		As at 30 June 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	**5,573,090**	**0.9**	5,557,665	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**	1,326,975	0.2
7	MR. J.P. Paul	**1,116,700**	**0.2**	1,092,131	0.2
8	Mrs. A. Selliah	**1,100,000**	**0.2**	1,100,000	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	**740,000**	**0.1**	710,000	0.1
12	People's Leasing & Finance PLC / L.H.L.M.P. Haradasa	**591,498**	**0.1**	591,498	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**	548,956	0.1
16	Mr. M.A.Omar & Mrs. M.Ashroff Omar	**507,174**	**0.1**	462,321	0.1
17	Arunodhaya Investments (Private) Limited	**450,000**	**0.1**	450,000	0.1
18	Arunodhaya (Private) Limited	**450,000**	**0.1**	450,000	0.1
19	Arunodhaya Industries (Private) Limited	**450,000**	**0.1**	450,000	0.1
20	Mr. S. Sivajeevan	**425,000**	**0.1**	400,000	0.1
	Other	**23,876,580**	**3.9**	24,016,427	3.9
		589,285,720	**100**	589,285,720	100

22 Dividends Paid

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

23 Directors' Shareholdings

No. of shares as at	30.09.2026 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	30.09.2026	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	30.09.2026	31.12.2025
Public shareholding (%)	10.00	10.00
Public shareholders	3,318	2,957
Compliant under option 1 - float adjusted market capitalization (Rs. Bn)	4.0	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.

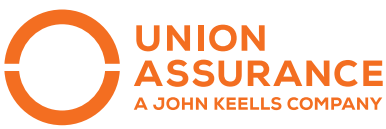
Lawyers
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Bankers
Sampath Bank PLC
Nations Trust Bank PLC
Union Bank Colombo PLC
Seylan Bank PLC
Pan Asia Banking Corporation PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank AG
DFCC Bank PLC
Hatton National Bank PLC
Housing Development 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;
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