

INTERIM FINANCIAL STATEMENTS

For the period ended 31 December 2025

Classification:Public

Union Bank Hits LKR 2.2 Bn PBT and Doubles Bottom Line in FY 2025
27 February 2025, Colombo, Sri Lanka

Union Bank announced a milestone financial performance for the FY 2025, emerging as one of the fastest-growing banks in the country complemented by a standout bottom-line performance with the group Profit Before All Taxes reaching LKR 2.2 Bn and doubling its Profit After Tax (PAT) to LKR 660 Mn highlighting the success of its strategic transformation plans.

The Bank's Gross Income surged to LKR 18.2 Bn supported by a strengthened Net Interest Income (NII) of LKR 5,638 Mn and a substantial Net Fee and Commission Income of LKR 1,545 Mn, reflecting a diversified and resilient revenue base. The Net loan portfolio climbed by 36% to LKR 110.8 Bn, maintaining the aggressive momentum seen in the previous year where the Bank significantly outpaced industry averages. This expansion was complemented by a robust growth in the deposit base, which reached LKR 118.8 Bn a 15% increase, signaling deep-rooted public confidence and the success of the Bank's energised, sales-driven culture. The Bank maintained a comfortable Total Capital Ratio of 13.2%, remaining well above regulatory requirements and ensuring a stable foundation for future lending. The Total Assets of the Group grew from LKR 155.6 Bn to LKR 184.8 Bn, a 19% growth. The Union Bank Group consists of UB Finance Plc and National Asset Management Limited.

Dinesh Weerakkody, Chairman of Union Bank, stated that the Bank's 2025 performance reflects the strategic and structural transformation following the entry of its new investor. He noted that stronger governance, an improved financial position, and a sharper focus on core banking segments have positioned the Bank to deliver sustainable and resilient long-term value.

Directing the Bank's forward-looking vision, Dilshan Rodrigo, Director/Chief Executive Officer of Union Bank, stated that the Bank has firmly established itself as a top-tier contender by staying close to our customers and embracing a digital-first philosophy. The growth of our loan book is a direct reflection of our commitment to 'Transforming Lives' through innovation, service excellence, and expanded digital accessibility. By championing the SME sector as a catalyst for economic growth, we continue to drive a forward-looking vision that empowers our communities.

STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	BANK						GROUP					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited	Change %	31.12.2025 LKR '000	31.12.2024 LKR '000	Change %	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited	Change %	31.12.2025 LKR '000	31.12.2024 LKR '000	Change %
Gross Income	**18,235,567**	**16,450,684**	**11**	**5,035,935**	**4,126,811**	**22**	**20,914,792**	**18,677,455**	**12**	**5,731,656**	**4,693,179**	**22**
Interest income	15,130,283	14,008,163	8	4,191,284	3,435,753	22	17,386,361	15,974,939	9	4,704,290	3,931,020	20
Less: Interest expenses	9,492,299	9,181,644	3	2,534,775	2,182,149	16	10,644,848	10,358,394	3	2,846,221	2,434,157	17
Net interest income	**5,637,984**	**4,826,519**	**17**	**1,656,509**	**1,253,602**	**32**	**6,741,513**	**5,616,545**	**20**	**1,858,069**	**1,496,863**	**24**
Fee and commission income	2,010,347	1,543,796	30	538,357	441,806	22	2,213,064	1,678,780	32	599,253	473,294	27
Less: Fee and commission expenses	465,132	391,417	19	127,049	102,439	24	495,234	417,988	18	122,397	109,231	12
Net fee and commission income	**1,545,215**	**1,152,379**	**34**	**411,308**	**339,367**	**21**	**1,717,830**	**1,260,792**	**36**	**476,855**	**364,064**	**31**
Net fair value gains / (losses) on:												
- financial assets at fair value through profit or loss	1,350	133,668	(99)	(25,182)	87,085	(129)	10,969	129,448	(92)	(23,382)	72,590	(132)
Net gains / (losses) on derecognition of financial assets:												
- at fair value through profit or loss	210,321	410,152	(49)	22,760	11,904	91	210,321	427,326	(51)	22,760	29,079	(22)
- at fair value through other comprehensive income	386,386	326,979	18	11,874	107,095	(89)	387,120	327,577	18	12,607	107,607	(88)
Net other operating income	496,880	27,926	NM	296,844	43,168	588	706,957	139,386	407	416,128	79,588	423
Total operating income	**8,278,136**	**6,877,623**	**20**	**2,374,110**	**1,842,222**	**29**	**9,774,710**	**7,901,073**	**24**	**2,763,039**	**2,149,792**	**29**
Less: Impairment for loans and other losses	358,647	141,901	153	160,577	(78,542)	304	474,642	182,064	161	179,211	(52,219)	443
Net operating income	**7,919,489**	**6,735,722**	**18**	**2,213,533**	**1,920,764**	**15**	**9,300,068**	**7,719,009**	**20**	**2,583,827**	**2,202,011**	**17**
Less: Personnel expenses	2,649,983	2,425,758	9	647,254	634,491	2	3,153,502	2,775,329	14	782,638	710,986	10
Depreciation and amortisation	955,844	814,325	17	181,232	219,781	(18)	1,051,609	895,383	17	207,229	241,051	(14)
Other expenses	2,473,239	2,287,444	8	651,098	641,320	2	2,902,470	2,678,192	8	762,661	762,384	0
Total operating expenses	**6,079,066**	**5,527,527**	**10**	**1,479,584**	**1,495,592**	**(1)**	**7,107,581**	**6,348,904**	**12**	**1,752,528**	**1,714,421**	**2**
Results from operating activities	**1,840,423**	**1,208,195**	**52**	**733,950**	**425,172**	**73**	**2,192,487**	**1,370,105**	**60**	**831,298**	**487,590**	**70**
Share of profit of equity accounted investees, net of tax	86,652	(1,471)	NM	14,971	8,517	76	-	-	-	-	-	-
Profit before value added tax (VAT) & social security contribution Levy (SSCL) on financial services	**1,927,075**	**1,206,724**	**60**	**748,922**	**433,689**	**73**	**2,192,487**	**1,370,105**	**60**	**831,298**	**487,590**	**70**
VAT on financial services	626,833	482,440	30	170,259	118,020	44	753,530	558,184	35	199,821	140,673	42
SSCL on financial services	87,060	67,006	30	23,647	16,393	44	104,657	78,508	33	28,735	20,520	40
Profit before tax	**1,213,182**	**657,278**	**85**	**555,016**	**299,276**	**85**	**1,334,300**	**733,413**	**82**	**602,743**	**326,397**	**85**
Less: Tax expenses	558,488	357,076	56	243,268	115,759	110	675,330	433,687	56	291,071	137,723	111
Profit after tax	**654,694**	**300,202**	**118**	**311,748**	**183,517**	**70**	**658,970**	**299,726**	**120**	**311,672**	**188,673**	**65**
Profit Attributable to:												
Equity holders of the parent	654,694	300,202	118	311,748	183,517	70	644,725	297,673	117	307,591	187,124	64
Non-controlling interest	-	-	-	-	-	-	14,245	2,053	594	4,081	1,549	163
Profit after tax	654,694	300,202	118	311,748	183,517	70	658,970	299,726	120	311,672	188,673	65
Earnings per share												
Earnings per share - Basic	0.6	0.3	118	0.3	0.2	70	0.6	0.3	117	0.3	0.2	64
Earnings per share - Diluted	0.6	0.3	118	0.3	0.2	70	0.6	0.3	117	0.3	0.2	64

** NM- "Not meaningful"*

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	BANK						GROUP					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited	Change %	31.12.2025 LKR '000	31.12.2024 LKR '000	Change %	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited	Change %	31.12.2025 LKR '000	31.12.2024 LKR '000	Change %
Profit for the period	654,694	300,202	118	311,748	183,517	70	658,970	299,726	120	311,672	188,673	65
Other comprehensive income to be reclassified to profit or loss in subsequent periods:												
Net change in fair value during the period	15,604	453,617	(97)	(41,724)	446,766	(109)	20,391	453,617	(96)	(36,937)	446,765	(108)
Reclassification to the income statement	(247,510)	(96,509)	(156)	(4,598)	(5,845)	21	(247,510)	(96,509)	(156)	(4,598)	(5,845)	21
Less: Tax effect on above	69,572	(107,132)	165	13,897	(132,276)	111	68,136	(107,132)	(164)	12,461	(132,276)	109
Share of other comprehensive income of equity accounted investees, net of tax	3,011	-	NM	3,011	-	NM	-	-	-	-	-	-
Total items that will be reclassified to the statement of profit or loss	(159,323)	249,976	(164)	(29,414)	308,644	(110)	(158,983)	249,976	(164)	(29,074)	308,643	(109)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:												
Actuarial gains and losses on defined benefit plans	(16,628)	26,665	-	(16,628)	26,665	(162)	(20,810)	26,539	(178)	(20,810)	26,443	(179)
Change in revaluation surplus	-	-	NM	(257,550)	-	NM	-	-	NM	(257,550)	-	NM
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-	-	-	(8,000)	-	-	9,654	(100)	(4,643)	-	NM
Less: Tax effect on above	4,988	(8,000)	162	82,253	(447)	NM	6,243	(10,858)	157	83,508	(7,962)	NM
Share of other comprehensive income of equity accounted investees, net of tax	(2,863)	5,717	(150)	(7,039)	-	NM	-	-	-	-	-	-
Total items that will not be reclassified to the statement of profit or loss	(14,503)	24,382	(159)	(198,963)	18,218	-	(14,567)	25,335	(157)	(199,495)	18,482	(1,179)
Other comprehensive income for the period, net of tax	(173,826)	274,358	(163)	(228,377)	326,862	(170)	(173,550)	275,311	(163)	(228,568)	327,125	(170)
Total comprehensive income for the period, net of tax	480,868	574,560	(16)	83,371	510,378	(84)	485,420	575,037	(16)	83,103	515,798	(84)
Attributable to:												
Equity holders of the parent	480,868	574,560	(16)	83,371	510,378	(84)	470,901	572,031	(18)	79,215	513,988	(85)
Non-controlling interest	-	-	-	-	-	-	14,519	3,006	383	3,889	1,810	115
Total comprehensive income for the period, net of taxes	480,868	574,560	(16)	83,371	510,378	(84)	485,420	575,037	(16)	83,103	515,798	(84)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	BANK			GROUP		
	31.12.2025	**31.12.2024**	**Change**	**31.12.2025**	**31.12.2024**	**Change**
	LKR '000	**LKR '000**	**%**	**LKR '000**	**LKR '000**	**%**
	Audited	**Audited**		**Audited**	**Audited**	
Assets						
Cash and cash equivalents	3,611,952	3,736,158	(3)	3,911,709	4,333,380	(10)
Balances with Central Bank of Sri Lanka	807,025	375,596	115	807,025	375,596	115
Placements with banks	1,865,906	1,135,072	64	1,865,906	1,135,072	64
Reverse repurchased agreements	370,074	562,470	(34)	370,074	562,470	(34)
Derivative financial instruments	101,354	44,429	128	101,354	44,429	128
Financial assets recognised through profit or loss - measured at fair value	6,127,879	4,884,509	25	6,245,426	4,994,837	25
Financial assets at amortised cost - loans and advances	110,786,384	81,202,856	36	123,661,943	89,885,133	38
Financial assets at amortised cost - debt and other instruments	16,093,548	22,863,756	(30)	16,771,211	23,874,378	(30)
Financial assets measured at fair value through other comprehensive income	23,385,583	23,322,397	0	23,420,591	23,353,910	0
Investments in real estate	-	-	-	24,958	46,225	(46)
Investments in subsidiaries	3,124,444	3,043,405	3	-	-	-
Goodwill and intangible assets	1,403,631	1,615,188	(13)	1,740,537	1,941,454	(10)
Property, plant and equipment and right of use assets	2,342,482	2,109,613	11	2,905,952	2,530,960	15
Deferred tax assets	814,344	582,376	40	863,205	654,579	32
Other assets	1,798,697	1,713,847	5	2,124,674	1,861,798	14
Total assets	**172,633,303**	**147,191,673**	**17**	**184,814,565**	**155,594,221**	**19**
Liabilities						
Due to banks	16,049,233	7,996,693	101	18,391,473	8,215,859	124
Derivative financial instruments	5,720	22,162	(74)	5,720	22,162	(74)
Repurchased agreements	14,409,249	13,197,001	9	14,409,249	13,197,001	9
Financial liabilities at amortised cost - Due to customers	118,801,447	103,740,584	15	124,821,582	110,629,257	13
Financial liabilities at amortised cost - Other borrowed funds	-	-	-	2,711,522	407,128	566
Current tax liabilities	520,470	34,978	1388	601,352	36,285	1557
Other liabilities	2,525,614	2,359,897	7	3,179,075	2,877,701	10
Total liabilities	**152,311,733**	**127,351,315**	**20**	**164,119,973**	**135,385,393**	**21**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	BANK			GROUP		
	31.12.2025	**31.12.2024**	**Change**	**31.12.2025**	**31.12.2024**	**Change**
	LKR '000	**LKR '000**	**%**	**LKR '000**	**LKR '000**	**%**
	Audited	**Audited**		**Audited**	**Audited**	
Equity						
Stated capital	16,334,782	16,334,782	-	16,334,782	16,334,782	-
Share warrants	65,484	65,484	-	65,484	65,484	-
Statutory reserve fund	324,887	292,152	11	354,492	319,758	11
FVOCI reserve	174,552	333,875	(48)	186,787	346,111	(46)
Retained earnings	3,421,865	2,771,202	23	3,339,149	2,537,465	32
ESOP reserve	-	42,863	(100)	-	42,863	(100)
Regulatory Loss Allowance Reserve	-	-	-	38,702	201,688	(81)
Total equity attributable to equity holders of the bank	**20,321,570**	**19,840,358**	**2**	**20,319,396**	**19,848,151**	**2**
Non-controlling interests	-	-		375,196	360,677	4
Total equity	**20,321,570**	**19,840,358**	**2**	**20,694,592**	**20,208,828**	**2**
Total equity and liabilities	**172,633,303**	**147,191,673**	**17**	**184,814,565**	**155,594,221**	**19**
Contingent liabilities and commitments	47,868,881	37,395,156	28	47,868,881	37,270,156	28
Net asset value per share (LKR)	18.8	18.3		18.8	18.3	
Memorandum information						
Number of Employees	1,140	1,189				
Number of Branches	56	61				

CERTIFICATION:

We, the undersigned, being the Director, Director/ Chief Executive Officer and Chief Financial Officer of Union Bank of Colombo PLC certify jointly that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;

(b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

(c) the above statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

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Shanka Abeywardene
Chief Financial Officer

Sgd.

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Dilshan Rodrigo
Director / Chief Executive Officer

Sgd.

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Dr. Dharmasri Kumaratunge
Director

Date: 27 February 2026

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2025

BANK (Audited)	Stated Capital	Share Warrants	Statutory Reserve Fund	FVOCI Reserve	Retained Earnings	ESOP Reserve	Total Equity
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 1 January 2024	16,334,782	65,484	277,142	83,899	2,461,628	41,091	19,264,026
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	300,202	-	300,202
Other comprehensive Income	-	-	-	249,976	24,382	-	274,358
Total comprehensive Income	-	-	-	249,976	324,584	-	574,560
Transactions with equity holders, recognised directly in equity							
Share based payment expense	-	-	-	-	-	1,772	1,772
Transfers during the period	-	-	15,010	-	(15,010)	-	-
Balance as at 31 December 2024	16,334,782	65,484	292,152	333,875	2,771,202	42,863	19,840,358
Balance as at 1 January 2025	16,334,782	65,484	292,152	333,875	2,771,202	42,863	19,840,358
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	654,694	-	654,694
Other comprehensive Income	-	-	-	(159,323)	(14,503)	-	(173,826)
Total comprehensive Income	-	-	-	(159,323)	640,191	-	480,868
Transactions with equity holders, recognised directly in equity							
Share based payment expense	-	-	-	-	-	344	344
Transfers during the period	-	-	32,735	-	10,472	(43,207)	-
Balance as at 31 December 2025	16,334,782	65,484	324,887	174,552	3,421,865	-	20,321,570

GROUP (Audited)	Stated Capital	Share Warrants	Statutory Reserve Fund	FVOCI Reserve	Retained Earnings	ESOP Reserve	Regulatory Loss Allowance Reserve	Total	Non-controlling Interest	Total Equity
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 1 January 2024	16,334,782	65,484	304,748	96,135	2,203,461	41,091	228,647	19,274,348	332,095	19,606,443
Total comprehensive income for the period										
Net profit for the period	-	-	-	-	297,673	-	-	297,673	2,053	299,726
Other comprehensive Income	-	-	-	249,976	24,382	-	-	274,358	953	275,311
Total comprehensive Income	-	-	-	249,976	322,055	-	-	572,031	3,006	575,037
Transactions with equity holders, recognised directly in equity										
Share based payment expense	-	-	-	-	-	1,772	-	1,772	-	1,772
New share rights issued	-	-	-	-	-	-	-	-	25,576	25,576
Transfers during the period	-	-	15,010	-	(15,010)	-	-	-	-	-
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	26,959	-	(26,959)	-	-	-
Balance as at 31 December 2024	16,334,782	65,484	319,758	346,111	2,537,465	42,863	201,688	19,848,151	360,677	20,208,827
Balance as at 1 January 2025	16,334,782	65,484	319,758	346,111	2,537,465	42,863	201,688	19,848,151	360,677	20,208,827
Total comprehensive income for the period										
Net profit for the period	-	-	-	-	644,725	-	-	644,725	14,245	658,970
Other comprehensive Income	-	-	-	(159,324)	(14,500)	-	-	(173,824)	274	(173,550)
Total comprehensive Income	-	-	-	(159,324)	630,225	-	-	470,901	14,519	485,420
Transactions with equity holders, recognised directly in equity										
Share based payment expense	-	-	-	-	-	344	-	344	-	344
Transfers during the period	-	-	34,734	-	8,473	(43,207)	-	-	-	-
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	162,986	-	(162,986)	-	-	-
Balance as at 31 December 2025	16,334,782	65,484	354,492	186,787	3,339,149	-	38,702	20,319,396	375,196	20,694,592

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	BANK		GROUP	
	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited	31.12.2025 LKR '000 Audited	31.12.2024 LKR '000 Audited
Cash flow from operating activities				
Interest received	14,928,020	13,068,063	17,206,507	15,190,718
Fees and commission receipts	1,545,213	1,152,380	1,717,828	1,260,793
Interest paid	(8,614,789)	(10,003,842)	(9,664,579)	(11,967,467)
Receipts from Other operating activities	740,404	1,039,233	980,244	1,156,194
Payments on Other operating activities	(5,986,083)	(5,499,366)	(7,012,588)	(6,374,705)
Operating cash flow before changes in operating assets & liabilities	2,612,765	(243,532)	3,227,412	(734,467)
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	(431,429)	109,280	(431,429)	109,280
Funds advanced to customers	(29,609,527)	(18,458,049)	(34,091,868)	(19,988,019)
Others	(84,852)	830,953	(241,609)	816,501
	(30,125,808)	(17,517,816)	(34,764,907)	(19,062,238)
Increase /(decrease) in operating liabilities:				
Due to other customers	15,537,169	18,483,379	14,841,957	18,651,156
Repurchased agreements	1,208,502	(12,163,695)	1,208,502	(12,163,695)
Other liabilities	271,805	(241,691)	344,782	(194,447)
	17,017,476	6,077,993	16,395,241	6,293,014
Net cash from/(used in) operating activities before income tax	(10,495,567)	(11,683,355)	(15,142,253)	(13,503,691)
Retirement benefit obligation paid	(100,447)	(108,129)	(106,525)	(111,192)
Income tax paid	(344,180)	(556,129)	(344,180)	(559,488)
Net cash from/ (used in) operating activities	(10,940,194)	(12,347,613)	(15,592,958)	(14,174,371)
Cash flow from/(used in) investing activities				
Dividends received	1,554	1,536	1,554	2,133
Net financial investment at fair value through profit or loss	(1,268,395)	1,641,200	(1,275,614)	1,774,930
Net financial assets at amortised cost - Debt and other instruments	6,711,777	7,982,917	7,044,736	9,423,898
Net financial investment at fair value through other comprehensive income	(341,652)	(2,500,335)	(345,147)	(2,509,990)
Investment in subsidiaries	-	(228,703)	-	-
Purchase of property & equipment	(416,335)	(758,921)	(583,472)	(863,584)
Purchase of intangible assets	(137,318)	(686,169)	(153,399)	(686,845)
Proceeds from sale of property & equipment	1,272	1,216	28,012	4,988
Net cash from/ (used in) investing activities	4,550,903	5,452,741	4,716,670	7,145,530
Cash flow from/(used in) financing activities				
Increase in borrowings	7,008,694	2,351,543	11,330,064	2,756,970
New share rights issued	-	-	-	25,576
Net cash from/ (used in) financing activities	7,008,694	2,351,543	11,330,064	2,782,546
Net increase/(decrease) in cash and cash equivalents	619,403	(4,543,329)	453,776	(4,246,295)
Cash and cash equivalents at beginning of the year	5,224,670	9,767,999	5,603,664	9,849,960
Cash and cash equivalents at end of the period	5,844,073	5,224,670	6,057,440	5,603,665
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	3,611,952	3,736,158	3,911,709	4,333,380
Reverse repurchased agreements	370,074	562,470	370,073	562,470
Placements with banks	1,864,902	1,134,133	1,864,902	1,135,072
Due to banks - Unfavorable balances with banks	(2,855)	(208,091)	(89,242)	(427,257)
	5,844,073	5,224,670	6,057,442	5,603,665

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

Reconciliation of liabilities arising from financing activities

For the period ended 31 Decembr 2025	**31 Dec 2025**	**Cash change - Cash flow**	**Non cash change - Foreign exchange movement**	**1 Jan 2025**
	LKR '000	**LKR '000**	**LKR '000**	**LKR '000**
BANK				
Due to banks	11,247,150	6,870,315	-	4,376,835
Less : Unfavorable balances with banks	(2,855)	205,236	-	(208,091)
Less : Interest payable	(80,593)	(66,857)	-	(13,736)
	11,163,702	**7,008,694**	**-**	**4,155,008**
GROUP				
Due to banks	13,589,391	8,993,391	-	4,596,000
Other borrowed funds	2,711,522	2,304,394	-	407,128
Less : Unfavorable balances with banks	(89,242)	338,015	-	(427,257)
Less : Interest payable	(321,173)	(305,736)	-	(15,438)
	15,890,497	**11,330,064**	**-**	**4,560,433**

For the period ended 31 December 2024	**31 Dec 2024**	**Cash change - Cash flow**	**Non cash change - Foreign exchange movement**	**1 Jan 2024**
	LKR '000	**LKR '000**	**LKR '000**	**LKR '000**
BANK				
Due to banks	3,018,936	1,183,089	-	1,835,847
Less : Unfavorable balances with banks	(44,193)	(22,174)	-	(22,019)
Less : Interest payable	(53,773)	(43,409)	-	(10,364)
	2,920,969	**1,117,506**	**-**	**1,803,463**
GROUP				
Due to banks	3,033,409	1,131,266	-	1,902,143
Less : Unfavorable balances with banks	(158,779)	(136,760)	-	(22,019)
Less : Interest payable	(53,776)	(43,411)	-	(10,365)
	2,820,854	**951,095**	**-**	**1,869,758**

EXPLANATORY NOTES

As at 31 December 2025

1 There are no changes to the accounting policies and methods of computation since the publication of the annual financial statements for the year 2025.

2 In accordance with the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka on the reclassification of the debt portfolio, the Bank has classified LKR 18,893 Mn of the debt portfolio from Fair Value through Other Comprehensive Income to Amortised Cost category on 30 June 2022 as holding these instruments in the fair value through other comprehensive income category was not commercially viable in the current economic environment. The cumulative losses from these instruments previously recognised in Other Comprehensive Income has been removed from equity and adjusted against the fair value of the financial asset at the reclassification date. Accordingly, the reclassified assets have been measured at the reclassification date as if they had always been measured at Amortised Cost. The cumulative losses and the fair value as at 31 December 2025 if the assets have continued to be measured at Fair Value through Other Comprehensive Income amounts to LKR 28 Mn and LKR 2,382 Mn respectively.

3 The Bank had issued 218,281,250 warrants to be exercised within a period of 6 years at a price of LKR 16 per warrant. Given the Bank does not have an immediate need for new capital, with the request of Culture Financial Holdings, the Board of Directors of the Bank decided to extend the exercise period of the warrants until 31 March 2025 and revise the exercise price to a price that is equivalent to the average closing price per share for the five day period that immediately precedes the exercise of warrants. The Bank has obtained the concurrence of the Central Bank of Sri Lanka and the Securities and Exchange Commission of Sri Lanka for the extension of the warrants' exercise period and the revision to the exercise price, as described above. As at 31st December 2025, with the profit recorded for the year, the minimum capital requirement of LKR20 Bn was complied with. Hence outstanding warrants are deemed to have lapsed without been exercised.

4 There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.

5 These Interim financial statements are presented in accordance with LKAS 34 - "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

6 The Group financial statements comprises of consolidation of the financial statements of the Bank and its subsidiaries, National Asset Management Limited & UB Finance PLC.

7 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements.

8 Information on Ordinary Shares

Market Value	**31.12.2025 LKR**	**31.12.2024 LKR**
Last traded price	14.90	11.70
Highest price for the quarter	18.00	12.20
Lowest price for the quarter	13.50	9.20

9. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT

9.1 Product-wise Gross Loans & Advances

	BANK		GROUP	
	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited
Term loans	69,083,888	54,819,313	75,317,071	58,858,518
Overdrafts	12,520,820	8,828,241	12,520,820	8,828,241
Trade finance	7,222,043	5,368,247	7,222,043	5,368,247
Lease and hire purchase	5,286,584	1,197,339	10,229,849	4,881,083
Factoring	440,540	402,501	667,480	632,663
Pawning & Gold loans	6,029,849	2,117,924	8,356,585	3,706,909
Credit cards	3,897,160	3,818,427	3,897,160	3,818,427
Staff loans	1,236,951	1,042,436	1,279,012	1,072,134
By Product - Local Currency	105,717,837	77,594,428	119,490,023	87,166,222
Term loans	6,213,473	4,385,314	6,213,473	4,385,314
Overdrafts	590,326	495,819	590,326	495,819
Trade finance	5,529,603	5,788,972	5,529,603	5,788,972
By Product - Foreign Currency	12,333,401	10,670,105	12,333,402	10,670,105
Total Loans and Receivables	**118,051,238**	**88,264,533**	**131,823,425**	**97,836,327**

9.2 Stage -wise impairment on loans & advances to customers

	BANK		GROUP	
	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited
Gross loans and advances (Note 9.1)	118,051,238	88,264,533	131,823,425	97,836,327
Less: Accumulated impairment under stage 1	(1,354,086)	(873,008)	(1,419,816)	(956,860)
Accumulated impairment under stage 2	(428,132)	(503,094)	(498,222)	(547,156)
Accumulated impairment under stage 3	(5,482,636)	(5,685,574)	(6,243,444)	(6,447,178)
Net value of loans and advances	**110,786,384**	**81,202,857**	**123,661,941**	**89,885,133**

9.3 Movement of impairment during the period for Loans and Advances to customers

	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
BANK				
Opening balance as at 1 January 2025	873,008	503,094	5,685,574	7,061,676
Charge/(reversal) to statement of profit or loss	481,078	(74,962)	(74,600)	331,516
Net write-off during the period	-	-	(128,338)	(128,338)
Closing Balance as at 31 December 2025	1,354,086	428,132	5,482,636	7,264,854
GROUP				
Opening balance as at 1 January 2025	956,862	547,156	6,447,178	7,951,196
Charge/(reversal) to statement of profit or loss	462,954	(48,934)	12,398	426,418
Net write-off during the period	-	-	(216,132)	(216,132)
Closing Balance as at 31 December 2025	1,419,816	498,222	6,243,444	8,161,482
BANK - (Audited)				
Opening balance as at 1 January 2024	454,376	1,124,029	5,357,137	6,935,544
Charge/(reversal) to statement of profit or loss	418,631	(620,935)	348,696	146,392
Net write-off during the year	-	-	(20,259)	(20,259)
Closing Balance as at 31 December 2024	873,007	503,095	5,685,575	7,061,677
GROUP - (Audited)				
Opening balance as at 1 January 2024	532,272	1,200,700	6,143,318	7,876,290
Charge/(reversal) to statement of profit or loss	424,589	(653,544)	414,366	185,411
Net write-off during the year	-	-	(110,506)	(110,506)
Closing Balance as at 31 December 2024	956,860	547,156	6,447,178	7,951,194

10. ANALYSIS OF DUE TO CUSTOMERS

	BANK		GROUP	
	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited	31.12.2025 LKR '000	31.12.2024 LKR '000 Audited
Local Currency Deposits				
Demand deposits	7,816,706	7,515,342	7,815,023	7,514,826
Savings deposits	16,577,923	13,810,697	15,505,519	13,808,697
Fixed deposits	73,793,266	64,522,114	80,887,488	71,413,303
Other deposits	1,277,806	1,250,326	1,277,806	1,250,326
Total	**99,465,701**	**87,098,479**	**105,485,836**	**93,987,152**
Foreign Currency Deposits				
Demand deposits	442,001	477,462	442,001	477,462
Savings deposits	4,175,972	4,332,919	4,175,972	4,332,919
Fixed deposits	14,717,773	11,831,724	14,717,773	11,831,724
Total	**19,335,746**	**16,642,105**	**19,335,746**	**16,642,105**
Total Deposits	**118,801,447**	**103,740,584**	**124,821,582**	**110,629,257**

11. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

11.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	30.09.2025 LKR '000	31.12.2024 LKR '000 Audited	30.09.2025 LKR '000	31.12.2024 LKR '000 Audited
Undrawn loan commitments	13,689,599	10,184,300	13,689,599	10,059,300
Guarantees	7,048,424	6,449,889	7,048,424	6,449,889
Documentary credit	13,824	2,441,961	13,824	2,441,961
Forward contracts	10,819,351	10,290,065	10,819,351	10,290,065
Spot contracts	852,600	54,689	852,600	54,689
Acceptances	-	2,016,840	-	2,016,840
Forward bonds	498,431	-	498,431	-
Forward borrowing	22,000	216,302	22,000	216,302
Other contingent items	1,092,329	1,199,032	1,092,329	1,199,032
By Product - Local Currency	**34,036,558**	**32,853,078**	**34,036,558**	**32,728,078**
Undrawn loan commitments	791,184	18,192	791,184	18,192
Guarantees	4,146,079	3,126,491	4,146,079	3,126,491
Documentary credit	3,766,106	1,196,843	3,766,106	1,196,843
Forward contracts	1,149,216	-	1,149,216	-
Spot contracts	78,498	-	78,498	-
Acceptances	3,405,935	90,534	3,405,935	90,534
Other contingent items	495,305	110,019	495,305	110,019
By Product - Foreign Currency	**13,832,323**	**4,542,079**	**13,832,323**	**4,542,079**
Commitments and Contingencies	**47,868,881**	**37,395,156**	**47,868,881**	**37,270,156**

11.2 Stage -wise impairment on Commitment and Contingencies

	BANK		GROUP	
	30.09.2025 LKR '000	31.12.2024 LKR '000 Audited	30.09.2025 LKR '000	31.12.2024 LKR '000 Audited
Gross Commitments and Contingencies (Note 11.1)	47,868,881	37,395,156	47,868,881	37,270,156
Less: Accumulated impairment under stage 1	(143,861)	(118,672)	(143,859)	(116,608)
Accumulated impairment under stage 2	(1,041)	(1,563)	(1,041)	(1,563)
Accumulated impairment under stage 3	(0)	(764)	0	(764)
Net value of commitments and contingencies	**47,723,979**	**37,274,158**	**47,723,981**	**37,151,221**

11.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
BANK				
Opening balance as at 1 January 2025	118,672	1,563	764	120,999
Charge/(reversal) to statement of profit or loss	25,189	(522)	(764)	23,903
Closing Balance as at 30 September 2025	143,861	1,041	0	144,902
GROUP				
Opening balance as at 1 January 2025	116,608	1,563	764	118,935
Charge/(reversal) to statement of profit or loss	27,251	(522)	(764)	25,965
Closing Balance as at 30 September 2025	143,859	1,041	(0)	144,900
BANK - (Audited)				
Opening balance as at 1 January 2024	101,583	26,652	1,149	129,384
Charge/(reversal) to statement of profit or loss	17,089	(25,088)	(385)	(8,384)
Closing Balance as at 31 December 2024	118,672	1,563	764	120,999
GROUP - (Audited)				
Opening balance as at 1 January 2024	95,881	30,151	15,745	141,777
Charge/(reversal) to statement of profit or loss	20,727	(28,587)	(14,981)	(22,841)
Closing Balance as at 31 December 2024	116,608	1,563	764	118,936

	Corporate		SME		Retail		Treasury		Other		Other Group Companies		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the period ended 30th September 2025														
Net Interest Income	**998,011**	**699,533**	**1,256,235**	**624,450**	**1,733,187**	**1,426,070**	**387,048**	**391,913**	**1,246,173**	**1,680,127**	**1,120,859**	**794,452**	**6,741,513**	**5,616,545**
Other Income	375,577	326,452	598,543	218,979	699,203	637,787	972,192	850,835	2,949	17,107	384,733	233,368	3,033,197	2,284,528
Total Net Income	**1,373,588**	**1,025,985**	**1,854,778**	**843,429**	**2,432,390**	**2,063,857**	**1,359,240**	**1,242,748**	**1,249,122**	**1,697,234**	**1,505,592**	**1,027,820**	**9,774,710**	**7,901,073**
Less : Expenses including impairments	(249,139)	198,143	1,128,888	752,641	2,594,529	1,589,353	134,183	149,570	2,840,670	2,982,343	1,133,092	858,920	7,582,223	6,530,967
Impairment	*(402,122)*	*95,459*	*203,559*	*58,823*	*659,225*	*(16,084)*	-	-	*(98,580)*	*7,231*	*112,560*	*36,635*	*474,642*	*182,064*
Depreciation & amortisation	*884*	*834*	*1,550*	*1,119*	*25,472*	*23,859*	*1,311*	*1,046*	*926,628*	*787,474*	*95,764*	*81,052*	*1,051,609*	*895,383*
Other expenses	*152,099*	*101,850*	*923,779*	*692,699*	*1,909,832*	*1,581,578*	*132,872*	*148,524*	*2,012,622*	*2,187,638*	*924,768*	*741,232*	*6,055,972*	*5,453,521*
Segmental Results	**1,622,727**	**827,842**	**725,890**	**90,788**	**(162,139)**	**474,505**	**1,225,057**	**1,093,177**	**(1,591,548)**	**(1,285,109)**	**372,500**	**168,901**	**2,192,487**	**1,370,105**
Less: VAT and SSCL on Financial Services													858,187	636,692
Less: Taxation													675,330	433,687
Profit after Taxation													**658,970**	**299,726**
Additions to property, plant and equipments and right of use assets													1,082,256	551,664
additions to intangible assets													686,845	35,530
Total additions to non-current assets													**1,769,101**	**587,194**
As at 30th September 2025														
Other Information														
Segment Assets	38,678,189	38,820,723	42,196,925	29,949,469	35,733,392	18,574,710	46,670,248	49,893,383	-	-	13,876,485	11,320,924	177,155,239	148,559,208
Unallocated													7,659,326	7,035,013
Consolidated Total Assets													**184,814,565**	**155,594,221**
Segment Liabilities	15,957,902	12,154,143	19,381,437	20,885,776	82,984,904	71,824,007	23,948,872	14,058,717	-	-	18,066,432	13,548,765	160,339,547	132,471,407
Unallocated													3,780,426	2,913,986
Consolidated Total Liabilities													**164,119,973**	**135,385,393**
For the period ended 30th September														
Cash flow from operating activities	(1,537,366)	(1,603,385)	(2,075,933)	(1,318,091)	(2,722,416)	(3,225,348)	(1,521,308)	(1,942,137)	(1,398,061)	(2,652,397)	(6,337,871)	(3,433,012)	**(15,592,956)**	**(14,174,371)**
Cash flow from investing activities	(77,405)	(216,991)	(104,521)	(178,381)	(137,071)	(436,496)	5,025,134	6,860,946	581,566	1,171,306	(571,033)	(54,854)	**4,716,670**	**7,145,530**
Cash flow from financing activities	-			-	-	-	7,008,694	2,351,543	-	-	4,321,370	431,003	**11,330,064**	**2,782,546**

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 31 December 2025

TOP 20 SHAREHOLDERS

	Name	No. of shares as at 31.12.2025	% holding
1	Culture Financial Holdings Ltd	767,558,888	70.84%
2	Vista Knowledge Pte Ltd	64,677,973	5.97%
3	Associated Electrical Corporation Ltd	28,446,137	2.63%
4	Sampath Bank PLC / Yaden Capital (Pvt)Ltd	25,881,430	2.39%
5	Mr. D.A.J. Warnakulasuriya	19,862,730	1.83%
6	Mr. C.P.A. Wijeyesekera	18,375,314	1.70%
7	Mrs. P. D. A. S Beruwalage	9,658,313	0.89%
8	Seylan Bank PLC /Sarath Kumara Wijekoon	9,270,176	0.86%
9	People's Leasing & Finance PLC/L.P. Hapangama	7,793,668	0.72%
10	Ashyaki Holdings (Pvt) Ltd	7,792,806	0.72%
11	Mr.S.P Khattar	7,323,365	0.68%
12	Mr. A.I.T.Hettiarachchi	3,848,735	0.36%
13	Ajita De Zoysa & Company Limited	3,110,183	0.29%
14	Sampath Bank PLC / Andaradeniya Estate (Pvt) Ltd	3,099,273	0.29%
15	Commercial Agencies (Ceylon) Ltd	2,973,748	0.27%
16	Seylan Bank PLC /A.P Jayasinghe	2,920,684	0.27%
17	Mr. P. Brahmanage	2,825,000	0.26%
18	Mrs. H.K.S.R Perera	2,800,000	0.26%
19	People's Leasing & Finance PLC/L.H.L.M.P Haradasa	2,540,100	0.23%
20	Assetline Finance Limited / S.K Wijekoon	2,087,055	0.19%
		992,845,578	**91.65%**
	Other shareholders	90,712,760	8.35%
	Total	**1,083,558,338**	**100.00%**

As at 31st December 2025	
Number of shares in public holding	315,986,950
Number of public shareholders	27,947
Percentage of public holding	29.16%
Market capitalisation (LKR)	16,145,019,236
Float adjusted market capitalisation	4,708,210,510
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

DIRECTORS' INDIVIDUAL HOLDING IN SHARES

Name	No. of shares held as at 31.12.2025
Mr. Dinesh Weerakkody	None
Mr. Nirvana Kumar Chaudhary	None
Mr. Dilshan Rodrigo	None
Ms. Dilshani Wijayawardana	None
Mr. Sabry Ibrahim	None
Mr. Sanjay Pokhrel	None
Dr. Dharmasri Kumaratunge	None
Mr. Mahesh Nanayakkara	None
Mr. Gyanendra Dhungana	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 31st December 2025 complied with option 4 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

MEASUREMENT OF FINANCIAL INSTRUMENTS

Bank - As at 31 December 2025 (Audited)

	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total
	LKR '000	LKR '000	LKR '000	LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,611,952	3,611,952
Balances with Central Bank of Sri Lanka	-	-	807,025	807,025
Placements with banks	-	-	1,865,906	1,865,906
Reverse repurchased agreements	-	-	370,074	370,074
Derivative financial instruments	101,354	-	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,127,879	-	-	6,127,879
Financial assets at amortised cost - loans and advances	-	-	110,786,384	110,786,384
Financial assets at amortised cost - debt and other instruments	-	-	16,093,548	16,093,548
Financial assets measured at fair value through other comprehensive income	-	23,385,583	-	23,385,583
Other financial assets	-	-	61,370	61,370
Total financial assets	**6,229,233**	**23,385,583**	**133,596,259**	**163,211,075**

	Fair Value through P&L	Amortised cost	Total
	LKR '000	LKR '000	LKR '000
LIABILITIES			
Due to banks	-	16,049,233	16,049,233
Derivative financial instruments	5,720	-	5,720
Repurchased agreements	-	14,409,249	14,409,249
Financial liabilities at amortised cost - Due to customers	-	118,801,447	118,801,447
Other financial liabilities	-	1,356,502	1,356,502
Total financial liabilities	**5,720**	**150,616,431**	**150,622,151**

Bank - As at 31 December 2024 (Audited)

	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total
	LKR '000	LKR '000	LKR '000	LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,736,158	3,736,158
Balances with Central Bank of Sri Lanka	-	-	375,596	375,596
Placements with banks	-	-	1,135,072	1,135,072
Reverse repurchased agreements	-	-	562,470	562,470
Derivative financial instruments	44,429	-	-	44,429
Financial assets recognised through profit or loss - measured at fair value	4,884,509	-	-	4,884,509
Financial assets at amortised cost - loans and advances	-	-	81,202,856	81,202,856
Financial assets at amortised cost - debt and other instruments	-	-	22,863,756	22,863,756
Financial investments at fair value through other comprehensive income	-	23,322,397	-	23,322,397
Other financial assets	-	-	36,493	36,493
Total financial assets	**4,928,938**	**23,322,397**	**109,912,401**	**138,163,736**

	Fair Value through P&L	Amortised cost	Total
	LKR '000	LKR '000	LKR '000
LIABILITIES			
Due to banks	-	7,996,693	7,996,693
Derivative financial instruments	22,162	-	22,162
Repurchased agreements	-	13,197,001	13,197,001
Financial liabilities at amortised cost - Due to customers	-	103,740,584	103,740,584
Other financial liabilities	-	1,375,702	1,375,702
Total financial liabilities	**22,162**	**126,309,980**	**126,332,142**

MEASUREMENT OF FINANCIAL INSTRUMENTS

Group - As at 31 December 2025

	Fair Value through P&L LKR '000	Fair Value through OCI LKR '000	Amortised Cost LKR '000	Total LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,911,709	3,911,709
Balances with Central Bank of Sri Lanka	-	-	807,025	807,025
Placements with banks	-	-	1,865,906	1,865,906
Reverse repurchased agreements	-	-	370,074	370,074
Derivative financial instruments	101,354	-	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,245,426	-	-	6,245,426
Financial assets at amortised cost - loans and advances	-	-	123,661,943	123,661,943
Financial assets at amortised cost - debt and other instruments	-	-	16,771,211	16,771,211
Financial assets measured at fair value through other comprehensive income	-	23,420,591	-	23,420,591
Other financial assets	-	-	73,589	73,589
Total financial assets	**6,346,780**	**23,420,591**	**147,461,457**	**177,228,828**

	Fair Value through P&L LKR '000	Amortised Cost LKR '000	Total LKR '000
LIABILITIES			
Due to banks	-	18,391,473	18,391,473
Derivative financial instruments	5,720	-	5,720
Repurchased agreements	-	14,409,249	14,409,249
Financial liabilities at amortised cost - Due to customers	-	124,821,582	124,821,582
Financial liabilities at amortised cost - Other borrowed funds	-	2,711,522	2,711,522
Other financial liabilities	-	1,897,509	1,897,509
Total financial liabilities	**5,720**	**162,231,335**	**162,237,055**

Group - As at 31 December 2024 (Audited)

	Fair Value through P&L LKR '000	Fair Value through OCI LKR '000	Amortised Cost LKR '000	Total LKR '000
ASSETS				
Cash and cash equivalents	-	-	4,333,380	4,333,380
Balances with Central Bank of Sri Lanka	-	-	375,596	375,596
Placements with banks	-	-	1,135,072	1,135,072
Reverse repurchased agreements	-	-	562,470	562,470
Derivative financial instruments	44,429	-	-	44,429
Financial assets recognised through profit or loss - measured at fair value	4,994,837	-	-	4,994,837
Financial assets at amortised cost - loans and advances	-	-	89,885,133	89,885,133
Financial assets at amortised cost - debt and other instruments	-	-	23,874,378	23,874,378
Financial assets measured at fair value through other comprehensive income	-	23,353,910	-	23,353,910
Other financial assets	-	-	58,141	58,141
Total financial assets	**5,039,266**	**23,353,910**	**120,224,170**	**148,617,346**

	Fair Value through P&L LKR '000	Amortised Cost LKR '000	Total LKR '000
LIABILITIES			
Due to banks	-	8,215,859	8,215,859
Derivative financial instruments	22,162	-	22,162
Repurchased agreements	-	13,197,001	13,197,001
Financial liabilities at amortised cost - Due to customers	-	110,629,257	110,629,257
Financial liabilities at amortised cost - Other borrowed funds	-	407,128	407,128
Other financial liabilities	-	1,797,256	1,797,256
Total financial liabilities	**22,162**	**134,246,501**	**134,268,663**

FAIR VALUE OF ASSETS AND LIABILITIES

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as discribed below;

Fair values are determined according to the following hierarchy:

Level 1 – quoted market price (unadjusted): financial instruments with quoted prices in active markets.

Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

Level 3 – valuation technique with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position:

Assets and liabilities recorded at fair value

Bank - As at 31 December 2025 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	101,354	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,127,879	-	-	6,127,879
Financial assets measured at fair value through other comprehensive income	23,383,053	-	2,530	23,385,583
Total financial assets	29,510,932	101,354	2,530	29,614,816
Financial liabilities measured at fair value				
Derivative financial instruments	-	5,720	-	5,720
Total financial liabilities	-	5,720	-	5,720

Bank - As at 31 December 2024 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	44,429	-	44,429
Financial assets recognised through profit or loss - measured at fair value	4,884,509	-	-	4,884,509
Financial assets measured at fair value through other comprehensive income	23,319,867	-	2,530	23,322,397
Total financial assets	28,204,375	44,429	2,530	28,251,335
Financial liabilities measured at fair value				
Derivative financial instruments	-	22,162	-	22,162
Total financial liabilities	-	22,162	-	22,162

Group - As at 31 December 2025 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	101,354	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,245,426	-	-	6,245,426
Financial assets measured at fair value through other comprehensive income	23,383,053	-	37,538	23,420,591
Total financial assets	29,628,479	101,354	37,538	29,767,372
Financial liabilities measured at fair value				
Derivative financial instruments	-	5,720	-	5,720
Total financial liabilities	-	5,720	-	5,720

Group - As at 31 December 2024 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	44,429	-	44,429
Financial assets recognised through profit or loss - measured at fair value	4,994,837	-	-	4,994,837
Financial assets measured at fair value through other comprehensive income	23,319,867	-	34,043	23,353,910
Total financial assets	28,314,704	44,429	34,043	28,393,176
Financial liabilities measured at fair value				
Derivative financial instruments	-	22,162	-	22,162
Total financial liabilities	-	22,162	-	22,162

FAIR VALUE OF ASSETS AND LIABILITIES

Fair value of financial assets and liabilities not carried at fair value

Bank - As at 31 December 2025

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	87,285,436	-	87,285,436	118,051,238
Financial assets at amortised cost - debt and other instruments	16,366,705	-	-	16,366,705	16,093,548
Total	16,366,705	87,285,436	-	103,652,141	134,144,786
Financial liabilities					
Due to Banks	-	7,996,693	-	7,996,693	16,049,233
Due to customers	-	77,728,425	-	77,728,425	89,788,845
Total	-	85,725,118	-	85,725,118	105,838,078

Bank - As at 31 December 2024 (Audited)

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	87,285,436	-	87,285,436	88,264,533
Financial assets at amortised cost - debt and other instruments	23,143,525	-	-	23,143,525	22,863,756
Total	23,143,525	87,285,436	-	110,428,961	111,128,289
Financial liabilities					
Due to Banks	-	7,996,693	-	7,996,693	7,996,693
Due to customers	-	77,728,425	-	77,728,425	77,604,164
Total	-	85,725,118	-	85,725,118	85,600,857

Group - As at 31 December 2025

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	100,445,555	-	100,445,555	131,823,425
Financial assets at amortised cost - debt and other instruments	17,047,396	-	-	17,047,396	16,771,211
Total	17,047,396	100,445,555	-	117,492,951	148,594,636
Financial liabilities					
Due to Banks	-	16,309,383	-	16,309,383	18,391,473
Due to customers	-	86,143,774	-	86,143,774	96,883,067
Other borrowed funds	-	1,964,292	-	1,964,292	2,711,522
Total	-	104,417,449	-	104,417,449	117,986,062

Group - As at 31 December 2024 (Audited)

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	96,426,592	-	96,426,592	97,836,327
Financial assets at amortised cost - debt and other instruments	24,154,147	-	-	24,154,147	23,874,378
Total	24,154,147	96,426,592	-	120,580,739	121,710,705
Financial liabilities					
Due to Banks	-	8,214,285	-	8,214,285	8,215,859
Due to customers	-	84,824,282	-	84,824,282	84,495,353
Other borrowed funds	-	350,322	-	350,322	407,128
Total	-	93,388,889	-	93,388,889	93,118,340

For financial assets and financial liabilities that have short term maturity, it is assumed that carrying amounts approximates their fair value. This assumption is applied for following assets and liabilities which are short-term maturity or re-price to current market rates.

Assets	Liabilities
▸ Cash and cash equivalents	▸ Repurchased agreements
▸ Balances with Central Bank of Sri Lanka	▸ Savings and demand deposits in "Financial liabilities at amortised cost - Due to customers"
▸ Placements with banks	▸ Other financial liabilities
▸ Reverse repurchased agreements	
▸ Other financial assets	

SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Regulatory Capital Adequacy - LKR '000				
Common Equity Tier 1	15,160,188	14,775,811	17,750,551	17,100,703
Tier 1 Capital	15,160,188	14,775,811	17,750,551	17,100,703
Total Regulatory Capital	16,490,037	15,742,925	19,178,794	18,132,523
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 7%)	12.2%	15.6%	13.2%	16.9%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 8.5%)	12.2%	15.6%	13.2%	16.9%
Total Capital Ratio (Minimum Requirement as per Basel III - 12.5%)	13.2%	16.6%	14.3%	17.9%
Basel III Leverage Ratio (Minimum Requirement - 3%)	7.2%	8.3%	7.9%	9.1%
Regulatory Liquidity				
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement - 100%)	160.3%	565.9%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement - 100%)	153.8%	486.6%		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	128.3%	136.0%		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) to Total Loans, Ratio (%)	8.1%	12.3%		
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)	33.8%	32.0%		
Profitability				
Net Interest Margin, %	3.5%	3.4%		
Return on Assets (Before Tax), %	1.2%	0.5%		
Return on Equity (After Tax), %	3.3%	1.5%		
Cost to Income Ratio, %	73.4%	80.4%		
Memorandum Information				
Credit Rating	BBB-(lka)	BBB-(lka)		
Number of Employees	1,140	1,189		
Number of Branches	56	61		

CORPORATE INFORMATION

Name of Company
Union Bank of Colombo PLC

Legal Form
A Public Limited Liability Company incorporated in Sri Lanka under the Companies Act No. 17 of 1982.
Re-registered under the Companies Act No. 7 of 2007. Listed as a public quoted Company at the Colombo Stock Exchange.
A Licensed Commercial Bank under the Banking Act No. 30 of 1988.

Date of Incorporation
February 2nd, 1995

Company Registration Number
PB 676 PQ

Accounting Year-end
December-31

Subsidiary Companies
National Asset Management Ltd
UB Finance PLC

Tax Payer Identity Number (TIN)
134005610

VAT Registration Number
134005610-7000

Credit Rating
Fitch : BBB- (lka) (Nagative watch)

Registered Office & Principal Place of Business
No. 64, Galle Road,
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Telephone : +94 11 2374100
Fax: +94 11 2370971
E-mail: ubc@unionb.com
Web Address: www.unionb.com

Auditor
M/s. Ernst & Young
Chartered Accountants,
Rotunda Towers,
Galle Road,
Colombo 03.