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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30th June 2026

STATEMENT OF FINANCIAL POSITION

As at,	Note	GROUP		COMPANY	
		Unaudited	Audited	Unaudited	Audited
		30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets					
Property, Plant and Equipment		860,293	787,860	569,584	498,995
Right of Use Assets		942,678	506,140	587,705	373,134
Intangible Assets		499,711	522,369	267,112	279,995
Deferred Tax Assets		36,731	9,124	-	-
Financial Investments	3	72,290,561	68,717,058	65,845,858	62,493,446
Investment in Subsidiary		-	-	1,150,000	1,150,000
Loans to Life Policyholders		476,075	504,018	476,075	504,018
Reinsurance Receivables		5,614,741	3,478,110	412,910	446,736
Premium Receivables		2,248,021	3,135,922	712,389	767,241
Other Assets		1,831,514	1,386,352	1,401,109	966,006
Insurance Contract - Deferred Expenses		22,395	11,128	-	-
Cash in Hand and at Bank		2,079,039	1,592,686	1,293,233	961,692
Total Assets		86,901,759	80,650,767	72,715,975	68,441,263
Equity and Liabilities					
Equity Attributable to the Equity Holders					
Stated Capital		1,171,875	1,171,875	1,171,875	1,171,875
Retained Earnings		11,994,234	12,151,456	9,911,405	10,227,698
Available for Sale Reserve		105,235	249,706	82,689	186,065
Other Reserves		(160,701)	(160,701)	(113,126)	(113,126)
Life Policyholders' Available for Sale Reserve Fund	5	(276,167)	339,844	(276,167)	339,844
Restricted Regulatory Reserve	6	381,156	381,156	381,156	381,156
Equity Attributable to the Equity Holders		13,215,632	14,133,336	11,157,832	12,193,512
Non-Controlling Interest		-	-	-	-
Total Equity		13,215,632	14,133,336	11,157,832	12,193,512
Liabilities					
Insurance Contract Liabilities - Life Insurance	7	55,696,189	49,248,002	55,696,189	49,248,002
Insurance Contract Liabilities - General Insurance	8	7,304,720	6,788,998	-	-
Employee Benefit Liabilities		666,933	605,262	407,084	355,947
Current Tax Liabilities		377,725	596,470	317,054	561,275
Reinsurance Payable		2,942,196	1,847,886	635,623	572,591
Lease Creditors		1,017,925	593,622	661,946	456,184
Other Liabilities		5,270,363	6,495,355	3,530,864	4,828,542
Bank Overdrafts		410,076	341,836	309,383	225,210
Total Liabilities		73,686,127	66,517,431	61,558,143	56,247,751
Total Equity and Liabilities		86,901,759	80,650,767	72,715,975	68,441,263

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.
These Condensed Consolidated Interim Financial Statements are in compliance with the requirements of the Companies Act, No. 07 of 2007.

Ruwan Rodrigo
Chief Financial Officer

The Board of Directors is responsible for these Condensed Consolidated Interim Financial Statements.
Signed and on behalf of the Board;

Stuart Chapman
Chairman

Ashoka Goonesekere
Senior Independent Director

Colombo, Sri Lanka
30th July 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

GROUP			GROUP		COMPANY		CHANGE	
(Audited) Year Ended 31st Dec 2025	For the Period Ended 30th June		Unaudited 2026	Unaudited 2025	Unaudited 2026	Unaudited 2025	Group	Company
Rs. '000		Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%	%
30,450,397	Gross Written Premium	9	18,370,338	14,269,316	12,342,855	8,631,073	29	43
(5,786,807)	Premium Ceded to Reinsurers		(3,511,543)	(3,066,734)	(626,834)	(484,494)	15	29
24,663,590	**Net Written Premium**		14,858,795	11,202,582	11,716,021	8,146,579	33	44
(523,541)	Net Change in Reserves for Unearned Premium		(8,128)	(355,572)	-	-	(98)	-
24,140,049	**Net Earned Premium**		14,850,667	10,847,010	11,716,021	8,146,579	37	44
	Other Revenue							
8,213,038	Interest and Dividend Income	10	4,436,851	3,974,612	4,103,765	3,616,684	12	13
722,452	Net Realised Gains		54,502	84,001	27,548	67,664	(35)	(59)
74,482	Net Fair Value (Losses)/Gains		121,336	40,706	94,116	33,281	198	183
480,086	Fee and Commission Income		201,841	284,927	24,576	75,608	(29)	(67)
27,979	Other Income		3,285	15,115	(3,261)	8,134	(78)	(140)
9,518,037	**Total Other Revenue**		4,817,815	4,399,361	4,246,744	3,801,371	10	12
33,658,086	**Net Income**		19,668,482	15,246,371	15,962,765	11,947,950	29	34
	Net Benefits, Claims and Expenses							
(8,445,814)	Net Insurance Benefits and Claims		(6,057,973)	(3,846,976)	(3,991,757)	(1,903,341)	57	110
(10,547,068)	Change in Contract Liabilities - Life Fund		(6,435,527)	(5,782,527)	(6,435,527)	(5,782,527)	11	11
(7,475,941)	Other Operating and Administration Expenses		(4,246,730)	(3,289,780)	(2,899,013)	(2,111,344)	29	37
(3,575,346)	Underwriting and Net Acquisition Costs		(1,936,724)	(1,490,329)	(1,880,031)	(1,442,135)	30	30
(228,638)	Finance and Other Insurance Related Costs		(165,219)	(106,345)	(137,861)	(101,630)	55	36
(30,272,807)	**Total Benefits, Claims and Other Expenses**		(18,842,173)	(14,515,957)	(15,344,189)	(11,340,977)	30	35
3,385,279	Profit Before Taxation		826,309	730,414	618,576	606,973	13	2
(1,000,548)	Income Tax Expense	11	(233,531)	(211,054)	(184,869)	(178,687)	11	3
2,384,731	**Profit for the Period**	12	592,778	519,360	433,707	428,286	14	1
	Other Comprehensive Income, Net of Related Tax							
	Items that are or may be reclassified to profit or loss							
447,996	- Net Change in fair value of Available For Sale Financial Assets		(814,430)	463,245	(755,723)	439,102	(276)	(272)
(643,381)	- Realised Gains transferred to Income Statement		-	(75,768)	-	(66,882)	(100)	(100)
65,787	- Amortisation of AFS reserve on reclassification		36,336	31,536	36,336	31,536	15	15
97,851	- Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholders' Available For Sale Reserve Fund		616,011	(404,267)	616,011	(404,267)	252	252
2,021	- Tax related on items that are or may be reclassified to profit or loss	11	17,612	(4,577)	-	-	(485)	-
	Items that will never be reclassified to profit or loss							
(52,402)	- Actuarial Losses on Employee Benefit Liabilities		-	-	-	-	-	-
(3,591)	- Tax related on items that will never be reclassified to profit or loss		-	-	-	-	-	-
(85,719)	**Total Other Comprehensive Income for the Period, Net of Related Tax**		(144,471)	10,169	(103,376)	(511)	(1,521)	20,130
2,299,012	**Total Comprehensive Income for the Period**		448,307	529,529	330,331	427,775	(15)	(23)
	Profit Attributable to:							
2,384,731	Equity Holders of the Company		592,778	519,360	433,707	428,286	14	1
-	Non-Controlling Interest		-	-	-	-	-	-
	Total Comprehensive Income Attributable to:							
2,299,012	Equity Holders of the Company		448,307	529,529	330,331	427,775	(15)	(23)
-	Non-Controlling Interest		-	-	-	-	-	-
15.90	Basic and Diluted Earnings Per Share (Rs.)	13	3.95	3.46	2.89	2.86	14	1

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Three Months Ended 30th June	Note	GROUP Unaudited 2026 Rs.'000	GROUP Unaudited 2025 Rs.'000	COMPANY Unaudited 2026 Rs.'000	COMPANY Unaudited 2025 Rs.'000	CHANGE Group %	CHANGE Company %
Gross Written Premium	9	7,409,555	6,173,733	5,337,479	4,077,966	20	31
Premium Ceded to Reinsurers		(1,237,086)	(1,103,361)	(311,134)	(275,367)	12	13
Net Written Premium		6,172,469	5,070,372	5,026,345	3,802,599	22	32
Net Change in Reserves for Unearned Premium		431,467	118,213	-	-	265	-
Net Earned Premium		6,603,936	5,188,585	5,026,345	3,802,599	27	32
Other Revenue							
Interest and Dividend Income	10	2,223,427	2,015,646	2,058,644	1,838,463	10	12
Net Realised Gains		52,138	33,961	25,179	27,546	54	(9)
Net Fair Value Gains		168,334	24,335	155,495	23,311	592	567
Fee and Commission Income		93,495	115,034	11,465	10,229	(19)	12
Other Income		215	3,402	(4,280)	7,160	94	(160)
Total Other Revenue		2,537,609	2,192,378	2,246,503	1,906,709	16	18
Net Income		9,141,545	7,380,963	7,272,848	5,709,308	24	27
Net Benefits, Claims and Expenses							
Net Insurance Benefits and Claims		(2,743,077)	(2,139,656)	(1,714,199)	(1,150,542)	28	49
Change in Contract Liabilities - Life Fund		(2,751,884)	(2,408,653)	(2,751,884)	(2,408,653)	14	14
Other Operating and Administration Expenses		(2,270,913)	(1,700,357)	(1,593,417)	(1,094,297)	34	46
Underwriting and Net Acquisition Costs		(858,627)	(746,897)	(819,230)	(714,046)	15	15
Finance and Other Insurance Related Costs		(76,972)	(79,259)	(69,565)	(70,126)	(3)	(1)
Total Benefits, Claims and Other Expenses		8,701,473	(7,074,822)	(6,948,295)	(5,437,664)	23	28
Profit Before Taxation		440,072	306,141	324,553	271,644	44	19
Income Tax Expense	11	(117,222)	(87,776)	(96,393)	(79,025)	34	22
Profit for the Period	12	322,850	218,365	228,160	192,619	48	18
Other Comprehensive Income, Net of Related Tax							
Items that are or may be reclassified to profit or loss							
- Net Change in fair value of Available For Sale Financial Assets		(577,330)	420,377	(539,989)	394,696	(237)	(237)
- Realised Gains transferred to Income Statement		-	(26,764)	-	(26,764)	(100)	(100)
- Amortisation of AFS reserve on reclassification		18,446	16,001	18,446	16,001	15	15
- Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholder's Available For Sale Reserve Fund		448,787	(350,106)	448,787	(350,106)	228	228
- Tax related on items that are or may be reclassified to profit or loss	11	11,202	(7,704)	-	-	245	-
Items that will never be reclassified to profit or loss							
- Actuarial Losses on Employee Defined Benefit Plans		-	-	-	-	-	-
- Gains on Land and Building Revaluation		-	-	-	-	-	-
Total Other Comprehensive Income for the Period, Net of Related tax		(98,895)	51,804	(72,756)	33,827	(291)	(315)
Total Comprehensive Income for the Period		223,955	270,169	155,404	226,446	(17)	(31)
Profit Attributable to:							
Equity Holders of the Company		322,850	218,365	228,160	192,619	48	18
Non-Controlling Interest		-	-	-	-	-	-
Total Comprehensive Income Attributable to:							
Equity Holders of the Company		223,955	270,169	155,404	226,446	(17)	(31)
Non-Controlling Interest		-	-	-	-	-	-
Basic and Diluted Earnings Per Share (Rs.)	13	2.15	1.46	1.52	1.28	48	18

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital	Retained Earnings	Available For Sale Reserve	Other Reserve	Life Policy holders' AFS Reserve Fund	Restricted Regulatory Reserve	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st January 2025	1,171,875	10,351,725	279,432	(104,708)	437,695	381,156	12,517,175
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	519,360	-	-	-	-	519,360
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	414,436	-	-	-	414,436
Net Change in Fair Value of Available For Sale Financial Assets transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	(404,267)	-	-	-	(404,267)
Total Other Comprehensive Income for the Period	-	-	10,169	-	-	-	10,169
Total Comprehensive Income for the Period	-	519,360	10,169	-	-	-	529,529
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	404,267	-	404,267
Transactions with owners recorded directly in equity Distributions to owners of the Parent							
Dividend to equity holders for 2024	-	(585,000)	-	-	-	-	(585,000)
Unaudited balance as at 30th June 2025	1,171,875	10,286,085	289,601	(104,708)	841,962	381,156	12,865,971
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	1,865,371	-	-	-	-	1,865,371
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	(542,013)	-	-	-	(542,013)
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	502,118	-	-	-	502,118
Actuarial Losses on Employee Benefit Plans	-	-	-	(55,993)	-	-	(55,993)
Gains on Revaluation of Land and Building	-	-	-		-	-	-
Total Other Comprehensive Income for the Period	-	-	(39,895)	(55,993)	-	-	(95,888)
Total Comprehensive Income for the Period	-	1,865,371	(39,895)	(55,993)	-	-	1,769,483
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	(502,118)	-	(502,118)
Audited balance as at 31st December 2025	1,171,875	12,151,456	249,706	(160,701)	339,844	381,156	14,133,336
Balance as at 01st January 2026	1,171,875	12,151,456	249,706	(160,701)	339,844	381,156	14,133,336
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	592,778	-	-	-	-	592,778
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	(760,482)	-	-	-	(760,482)
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	616,011	-	-	-	616,011
Actuarial Losses on Employee Benefit Liabilities	-	-	-	-	-	-	-
Actuarial Gains on Land and Building Revaluation	-	-	-	-	-	-	-
Total Other Comprehensive Income for the Period	-	-	(144,471)	-	-	-	(144,471)
Total Comprehensive Income for the Period	-	592,778	(144,471)	-	-	-	448,307
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	(616,011)	-	(616,011)
Transactions with owners recorded directly in equity Distributions to owners of the Parent							
Dividend to equity holders for 2025	-	(750,000)	-	-	-	-	(750,000)
Unaudited balance as at 30th June 2026	1,171,875	11,994,234	105,235	(160,701)	(276,167)	381,156	13,215,632

Stated Capital represents 150 Million Ordinary Shares as at 30th June 2026 (2025 - 150 Million).

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	Retained Earnings	Available For Sale Reserve	Other Reserve	Life Policy holders' AFS Reserve Fund	Restricted Regulatory Reserve	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st January 2025	1,171,875	8,689,963	211,076	(82,179)	437,695	381,156	10,809,586
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	428,286	-	-	-	-	428,286
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	403,756	-	-	-	403,756
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	(404,267)	-	-	-	(404,267)
Actuarial Losses on Defined Benefit Plans							
Total Other Comprehensive Income for the Period	-	-	(511)	-	-	-	(511)
Total Comprehensive Income for the Period	-	428,286	(511)	-	-	-	427,775
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	404,267	-	404,267
Transactions with owners recorded directly in equity							
Distributions to owners of the Company							
Dividend to equity holders for 2024	-	(585,000)	-	-	-	-	(585,000)
Unaudited balance as at 30th June 2025	1,171,875	8,533,249	210,565	(82,179)	841,962	381,156	11,056,628
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	1,694,449	-	-	-	-	1,694,449
Other Comprehensive Income for thePeriod, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	(526,618)	-	-	-	(526,618)
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	502,118	-	-	-	502,118
Actuarial Losses on Employee Benefit Liabilities	-	-	-	(30,947)	-	-	(30,947)
Total Other Comprehensive Income for the Period	-	-	(24,500)	(30,947)	-	-	(55,447)
Total Comprehensive Income for the Period	-	1,694,449	(24,500)	(30,947)	-	-	1,639,002
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	(502,118)	-	(502,118)
Audited balance as at 31st December 2025	1,171,875	10,227,698	186,065	(113,126)	339,844	381,156	12,193,512
Balance as at 01st January 2026	1,171,875	10,227,698	186,065	(113,126)	339,844	381,156	12,193,512
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	433,707	-	-	-	-	433,707
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	(719,387)	-	-	-	(719,387)
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	616,011	-	-	-	616,011
Actuarial Losses on Employee Defined Benefit Plans	-	-	-	-	-	-	-
Total Other Comprehensive Income for the Period	-	-	(103,376)	-	-	-	(103,376)
Total Comprehensive Income for the Period	-	433,707	(103,376)	-	-	-	330,331
Net Change in fair value of Available For Sale Financial Assets - transferred from Available For Sale Reserve	-	-	-	-	(616,011)	-	(616,011)
Transactions with owners recorded directly in equity							
Distributions to owners of the Company							
Dividend to equity holders for 2025	-	(750,000)	-	-	-	-	(750,000)
Unaudited balance as at 30th June 2026	1,171,875	9,9011,405	82,689	(113,126)	(276,167)	381,156	11,157,832

Stated Capital represents 150 Million Ordinary Shares as at 30th June 2026 (2025 - 150 Million).

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

STATEMENT OF CASH FLOWS

For the Period Ended 30th June,	Note	GROUP Unaudited 2026 Rs.'000	GROUP Unaudited 2025 Rs.'000	COMPANY Unaudited 2026 Rs.'000	COMPANY Unaudited 2025 Rs.'000
Cash Flows From Operating Activities					
Profit Before Taxation		826,309	730,414	618,576	606,973
Adjustments for:					
Interest Income	10	(4,416,644)	(3,945,374)	(4,083,558)	(3,587,446)
Dividend Income	10	(20,207)	(29,238)	(20,207)	(29,238)
Amortisation of Intangible Assets		38,413	21,797	26,989	20,642
Depreciation of Property, Plant and Equipment		118,498	101,832	87,115	76,558
Net Depreciation of Right of Use Assets		140,324	106,399	111,965	98,501
Interest Expense of Lease Creditors		56,900	44,458	39,196	39,271
Provision for Employee Benefit Liabilities		76,016	70,453	55,716	50,152
Net Realised Gains		(54,502)	(84,001)	(27,548)	(67,664)
Net Fair Value Losses/(Gains)		(121,336)	(40,706)	(94,116)	(33,281)
Gains on Disposal of Property, Plant and Equipment		4,372	(165)	4,372	(97)
		(3,351,857)	(3,024,131)	(3,281,500)	(2,825,629)
Net Change in Operating Assets	A	(1,646,390)	(995,696)	(323,396)	(802,424)
Net Change in Operating Liabilities	B	6,808,325	7,514,481	5,213,541	6,303,856
Cash Flows from Operating Activities		1,810,078	3,494,654	1,608,645	2,675,803
Gratuity Paid		(14,345)	(15,295)	(4,579)	(4,946)
Income Tax Paid		(460,946)	(256,765)	(429,090)	(239,596)
Payment of Lease Interest		(56,900)	(44,458)	(39,196)	(39,271)
Capital Gain Tax Paid		(1,326)	(2,666)	-	-
Net Cash Generated from Operating Activities		1,276,561	3,175,470	1,135,780	2,391,990
Cash Flows from Investing Activities					
Acquisition of Financial Investments		(119,238,061)	(86,864,155)	(104,939,631)	(65,497,297)
Proceeds from Maturity of Financial Investments		113,775,881	80,265,809	99,943,188	60,090,388
Proceeds from Sale of Financial Investments		678,221	425,401	495,598	211,391
Interest Received		5,025,787	3,911,026	4,635,209	3,495,755
Dividend Received		15,363	25,004	15,363	25,004
Acquisition of Intangible Assets		(15,755)	(123,278)	(14,106)	(121,254)
Acquisition of Property, Plant and Equipment		(195,344)	(106,286)	(162,117)	(54,943)
Proceeds from the Disposal of Property, Plant and Equipment		41	521	41	396
Advance Paid to Right of Use asset		(29,322)	(7,320)	(8,265)	(7,320)
Net Cash Used in Investing Activities		16,811	(2,473,278)	(34,720)	(1,857,880)
Cash Flows from Financing Activities					
Dividend Paid		(750,000)	77,581,172	(750,000)	(585,000)
Payment of Lease Capital		(125,259)	(86,622)	(103,692)	(83,440)
Net Cash Used in Financing Activities		(875,259)	(671,622)	(853,692)	(668,440)
Net Increase in Cash and Cash Equivalents (Net of Book OD)		418,113	30,570	247,368	(134,330)
Cash and Cash Equivalents at the beginning of the Period (Net of Book OD)		1,250,850	983,433	736,482	647,397
Cash and Cash Equivalents at the end of the Period (Net of Book OD)	C	1,668,963	1,014,003	983,850	513,067
Notes to the Cash Flow Statement					
A. Change in Operating Assets					
Decrease/(Increase) in Deferred Expenses		(11,267)	(15,983)	-	-
Decrease/(Increase) in Loans to Life Policyholders		27,943	(23,352)	27,943	(23,352)
Decrease/(Increase) in Reinsurance Receivables		(2,136,631)	(407,966)	33,826	(249,219)
Decrease/(Increase) in Premium Receivables		887,901	(380,770)	54,852	(404,436)
Decrease/(Increase) in Other Assets		(414,336)	(167,625)	(440,017)	(125,417)
Net Change in Operating Assets		(1,646,390)	(995,696)	(323,396)	(802,424)
B. Change in Operating Liabilities					
(Decrease)/Increase in Other Liabilities		(1,249,894)	113,049	(1,297,678)	51,579
Increase in Insurance Contract Liabilities (before tax) - Life Insurance		6,448,187	5,767,930	6,448,187	5,767,930
Increase in Insurance Contract Liabilities - General Insurance		515,722	355,783	-	-
Increase in Reinsurance Creditors		1,094,310	1,277,719	63,032	484,347
Net Change in Operating Liabilities		6,808,325	7,514,481	5,213,541	6,303,856
C. Cash and Cash Equivalents at the end of the Period					
Cash in Hand and at Bank		2,079,039	1,254,219	1,293,233	731,806
Bank Overdrafts		410,076	(240,216)	(309,383)	(218,739)
Cash and Cash Equivalents (Net of Book OD)		1,668,963	1,014,003	983,850	513,067

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

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

OPERATING SEGMENT INFORMATION - ASSETS AND LIABILITIES

As at,	UNAUDITED		AUDITED	
	30th June 2026		31st December 2025	
	Life Insurance	General Insurance	Life Insurance	General Insurance
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets				
Property, Plant and Equipment	569,584	290,709	498,995	288,865
Right of Use Assets	587,705	354,973	373,134	133,006
Intangible Assets	267,112	232,599	279,995	242,374
Deferred Tax Assets	-	36,731	-	9,124
Financial Investments	65,845,858	6,444,703	62,493,446	6,223,612
Investment in Subsidiary	1,150,000	-	1,150,000	-
Loans to Life Policyholders	476,075	-	504,018	-
Reinsurance Receivables	412,910	5,201,831	446,736	3,031,374
Premium Receivables	712,389	1,535,665	767,241	2,368,687
Other Assets	1,401,109	443,878	966,006	445,243
Insurance Contract - Deferred Expenses	-	22,395	-	11,128
Cash in Hand and at Bank	1,293,233	785,806	961,692	630,994
Total Assets	72,715,975	15,349,290	68,441,263	13,384,407
Liabilities				
Insurance Contract Liabilities - Life Insurance	55,696,189	-	49,248,002	-
Insurance Contract Liabilities - General Insurance	-	7,304,720	-	6,788,998
Employee Defined Benefit Liabilities	407,084	259,849	355,947	249,315
Current Tax Liabilities	317,054	60,671	561,275	35,195
Reinsurance Payable	635,623	2,306,573	572,591	1,275,295
Lease Creditors	661,946	355,979	456,184	137,438
Other Liabilities	3,530,864	1,753,008	4,828,542	1,691,716
Bank Overdrafts	309,383	100,693	225,210	116,626
Total Liabilities	61,558,143	12,141,493	56,247,751	10,294,583

OPERATING SEGMENT INFORMATION - PROFITABILITY

For the Period Ended,	UNAUDITED		UNAUDITED	
	30th June 2026		30th June 2025	
	Life Insurance Rs.'000	General Insurance Rs.'000	Life Insurance Rs.'000	General Insurance Rs.'000
Gross Written Premium	12,342,855	6,033,826	8,631,073	5,665,187
Premium Ceded to Reinsurers	(626,834)	(2,884,709)	(484,494)	(2,582,240)
Net Written Premium	11,716,021	3,149,117	8,146,579	3,082,947
Net Change in Reserves for Unearned Premium	-	(8,128)	-	(355,572)
Net Earned Premium	11,716,021	3,140,989	8,146,579	2,727,375
Other Revenue				
Interest and Dividend Income	4,103,765	333,086	3,616,684	357,928
Net Realised Gains	27,548	26,954	67,664	16,337
Net Fair Value Gains	94,116	27,220	33,281	7,425
Fee and Commission Income	24,576	185,642	75,608	223,834
Other Income	(3,261)	6,546	8,134	6,981
Total Other Revenue	4,246,744	579,448	3,801,371	612,505
Net Income	15,962,765	3,720,437	11,947,950	3,339,880
Net Benefits, Claims and Expenses				
Net Insurance Benefits and Claims	(3,991,757)	(2,066,218)	(1,903,341)	(1,943,716)
Change in Contract Liabilities - Life Fund	(6,435,527)	-	(5,782,527)	-
Other Operating and Administration Expenses	(2,899,013)	(1,362,435)	(2,111,344)	(1,214,398)
Underwriting and Net Acquisition Cost	(1,880,031)	(56,693)	(1,442,135)	(53,610)
Finance and Other Insurance Related Costs	(137,861)	(27,358)	(101,630)	(4,715)
Total Benefits, Claims and other Expenses	(15,344,189)	(3,512,704)	(11,340,977)	(3,216,439)
Profit Before Taxation	618,576	207,733	606,973	123,441
Income Tax Expense	(184,869)	(48,662)	(178,687)	(32,367)
Profit for the Period	433,707	159,071	428,286	91,074

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

HNB Life PLC previously known as HNB Assurance PLC ("the Company") is a public limited liability Company incorporated on 23rd August 2001 and domiciled in Sri Lanka. The registered office of the Company is situated at No. 479, T B Jayah Mawatha, Colombo 10 and the principal place of business is situated at No. 30, Iceland Business Centre, Sri Uttarananda Mawatha, Colombo 03. The Ordinary Shares of the Company are listed on the Colombo Stock Exchange (CSE).

The Group's controlling entity and ultimate parent undertaking is Hatton National Bank PLC which is a licensed Commercial Bank incorporated in Sri Lanka.

1.2 Approval of Financial Statements

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Board of Directors on 30th July 2026.

Figures in these Condensed Consolidated Interim Financial Statements for the period ended 30th June 2026 are provisional and unaudited.

2 BASIS OF PREPARATION

The interim financial statements of the Group and Company for the quarter ended 30th June 2026 have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 – Interim Financial Reporting, and comply with the requirements of the Companies Act, No. 7 of 2007 and the Regulation of Insurance Industry Act, No. 43 of 2000 and subsequent amendments thereto.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2025. 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 31st December 2025. Comparative information has been re-classified where necessary, to conform to the current year recognition, measurement and presentations.

In accordance with LKAS 34.19, these interim financial statements do not comply fully with Sri Lanka Accounting Standards (SLFRSs) as the Group and Company have elected to apply the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in respect of the initial adoption of SLFRS 17 Insurance Contracts and SLFRS 9 Financial Instruments for insurance entities.

Accordingly, these interim financial statements are prepared on the alternative basis described below.

2.1 Application of Statement of Alternative Treatment (SoAT) – Q2 Interim Financial Reporting

SLFRS 17 Insurance Contracts is effective for annual reporting periods beginning on or after 1 January 2026. In response to implementation challenges affecting the insurance industry, CA Sri Lanka has permitted insurers to continue applying SLFRS 4 Insurance Contracts for the first and second interim reporting quarters of the initial year of adoption, subject to enhanced disclosures on the expected impact of SLFRS 17 and SLFRS 9.

The Company has elected to apply this relief for the quarter ended 30th June 2026.

Accordingly, for this interim period:

- Insurance contracts continue to be recognized, 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.

2.2 Progress of SLFRS 17 and SLFRS 9 Implementation

The Group has made substantive progress during the first quarter of the financial year towards full implementation of SLFRS 17 and SLFRS 9, including:

- Completion of major actuarial model builds for insurance contract measurement
- Refinement of discount rate methodologies and risk adjustment frameworks
- Parallel processing and dry-runs of SLFRS 17 numbers
- Strengthening of governance, controls, and data validation processes

In line with the SoAT, the Company expects to:

- Provide full quantitative disclosures on all impacted line items.
- Quantitative disclosures have not been provided since the draft SLFRS 17 and SLFRS 9 numbers are subject to further refinement.

2.3 Expected Impact of SLFRS 17 and SLFRS 9

As required for the first interim reporting period, the Company provides below-up-to-date qualitative disclosures of adopting SLFRS 17 and SLFRS 9 on significant financial statement line items.

Insurance Contract Liabilities

Insurance contract liabilities are expected to undergo material changes due to:

- Measurement based on present value of fulfilment cash flows
- Explicit risk adjustment for non-financial risk
- Recognition of Contractual Service Margin (CSM) for profitable contract groups

Certain portfolios, particularly short-duration non-life contracts, are expected to show reduced volatility, while longer-coverage contracts may exhibit changes in liability profiles.

Insurance Revenue and Profit or Loss

- Insurance revenue under SLFRS 17 will no longer correspond to gross written premiums.
- Profit recognition will align with the provision of insurance coverage and services.
- Onerous groups of insurance contracts, if any, will result in immediate loss recognition.
- Volatility in profit or loss may arise due to:
    - Experience adjustments
    - Changes in assumptions
    - Movements in discount rates.

Equity

On transition, retained earnings are expected to be adjusted for:

- Derecognition of liabilities recognised under SLFRS 4
- Recognition of insurance contract assets and liabilities under SLFRS 17
- Initial recognition of CSM.

Financial Assets – 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.

Comparative Information

Comparative information presented in these interim financial statements has been prepared in accordance with SLFRS 4 Insurance Contracts and LKAS 39 Financial Instruments and has not been restated for the effects of SLFRS 17 or SLFRS 9.

In accordance with the SoAT, comparative figures for the year ended 31 December 2025 will be restated and presented in accordance with SLFRS 17 and SLFRS 9 in the annual financial statements for the year ending 31 December 2026, applying the permitted transition options.

2.4 Accounting Policy Choice for Interim Reporting under SLFRS 17

In accordance with SLFRS 17 and LKAS 34, an accounting policy choice is required regarding whether estimates in interim periods are updated on a year-to-date basis or a period-to-period basis. This policy choice will be formally determined and applied consistently to all groups of insurance contracts issued and reinsurance contracts held upon full adoption of SLFRS 17.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Following will be the Financial Statement line items which have major impacts

Statement of Financial Position

- Financial Investment
- Equity
- Insurance Contract Liabilities

Statement of Profit or loss and Other Comprehensive Income

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared to SLFRS 4. As per SLFRS 4, the Group reported the following line items:

- Gross written premiums
- Net written premiums
- Other Revenue
- Net Insurance Benefits and Claims Paid
- Changes in Contract Liabilities – Life Fund

Instead, SLFRS 17 requires separate presentations of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

3 FINANCIAL INVESTMENTS

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Financial Assets	13,204,525	14,873,650	13,204,525	14,873,650
Loans and Receivables	34,022,779	32,402,062	29,775,601	28,444,250
Available for Sale Financial Assets	23,587,407	20,126,377	21,389,882	18,038,779
Financial Assets at Fair Value Through Profit or Loss	1,475,850	1,314,969	1,475,850	1,136,767
Total Financial Investments	72,290,561	68,717,058	65,845,858	62,493,446

4 THE ACCOUNTING POLICY FOR CONSOLIDATION OF SUBSIDIARY

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies and unrealised losses are eliminated. Amounts reported by subsidiary companies are adjusted to conform with the Group's accounting policies where necessary.

5 LIFE POLICYHOLDERS' AVAILABLE FOR SALE RESERVE FUND

Life Policyholders' Available For Sale Reserve Fund includes the fair value changes recorded in Other Comprehensive Income in respect of Life Insurance related assets.

Unrealised gains and losses of Available For Sale Financial Assets of Life Insurance are included under Life Policyholders' Available For Sale Reserve Fund in Equity.

6 RESTRICTED REGULATORY RESERVE

		GROUP		COMPANY	
		Unaudited	Audited	Unaudited	Audited
As at,		30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the end of the Period	6.1	381,156	381,156	381,156	381,156

6.1 Nature and Purpose of Reserve

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued Direction No. 16 on 20th March 2018 on "Identification and Treatment of One-off Surplus" and has instructed all Life Insurance Companies to comply with the Direction. Based on the Direction, Life Insurance Companies are allowed to transfer One-off surplus attributable to Policyholders' Non-Participating Fund to Shareholders' Fund. The transfer has been presented as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under Equity in accordance with the Direction above. As required by the said Direction, the Company received the approval for this transfer on 11th May 2018.

Surplus created due to Change in Valuation Method

Description		Participating Fund	Non-Participating Fund	Total
		Rs. '000	Rs. '000	Rs. '000
Value of Insurance contract liability based on NPV as at 31st December 2015	A	2,988,500	3,856,964	6,845,464
Value of Insurance contract liability based on GPV as at 31st December 2015	B	3,015,001	3,475,808	6,490,809
Zerorisation of Negative Surplus as per Direction No. 16	C	26,501	-	26,501
Surplus created due to Change in Valuation Method - One-off Surplus as at 01st January 2016	A-B+C	-	381,156	381,156

The One-off surplus in the Shareholder's Fund will remain invested in Term Deposits as disclosed in Note No. 7.2.2 as per the Direction of IRCSL.

The financial ratios presented in these Condensed Consolidated Interim Financial Statements have been determined in accordance with Sri Lanka Accounting Standards. Additionally, the Company has voluntarily presented financial ratios without One-off Surplus impact. As per the Direction One-off Surplus in respect of Participating business is to be held within the Participating Fund as part of the unallocated valuation surplus and may only be transferred to the Shareholder Fund by means of bonuses to Policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000".

6.2 Distribution of One-off Surplus

6.2.1 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6.2.2 Composition of Investments Supporting the Restricted Regulatory Reserve as at 30th June 2026.

Based on the Direction issued by IRCSL following Instruments have been marked to support the Restricted Regulatory Reserve of the Company.

Asset Category

As at,	Fair Value / Carrying Value 30th June 2026
	Rs.'000
Term Deposits	382,082

7 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE

As at,	Note	GROUP		COMPANY	
		Unaudited	Audited	Unaudited	Audited
		30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Life Insurance Fund	7.1	55,305,609	48,870,082	55,305,609	48,870,082
Claims Outstanding		390,580	377,920	390,580	377,920
Total Insurance Contract Liabilities		55,696,189	49,248,002	55,696,189	49,248,002

7.1 Insurance Contract Liabilities - Life Insurance Fund

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
The Movement in the Life Insurance Fund is as follows:				
Balance as at the beginning of the Period	48,870,082	38,337,298	48,870,082	38,337,298
Change in Contract Liabilities Life Fund				
Increase in Life Insurance Fund Before Surplus Distribution to Shareholders	6,435,527	12,447,068	6,435,527	12,447,068
Surplus Distributed to Shareholders	-	(1,900,000)		(1,900,000)
Increase in Life Insurance Fund	6,435,527	10,547,068	6,435,527	10,547,068
Effect of Taxation on surplus/Bonus transferred to Policyholders	-	(14,284)	-	(14,284)
Balance as at the end of the Period	55,305,609	48,870,082	55,305,609	48,870,082

7.2 Liability Adequacy Test

A Liability Adequacy Test (LAT) for Life Insurance contract Liability was carried out by Mr. Abhishek Chadha, FIA, on behalf of Willis Towers Watson India Private Limited, as at 31st December 2025 as required by SLFRS 4 - Insurance Contracts. When performing the LAT, the Company discounts all contractual cash flows and compares this amount with the carrying value of the liability. The valuation is based on internationally accepted actuarial methods. According to the Appointed Actuary's report, assets are sufficiently adequate as compared to the discounted cash flow reserves and in contrast to the reserves as at 31st December 2025.

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reserves for Net Unearned Premium	3,233,708	3,233,588	-	-
Reserves for Title Insurance	107,697	99,689	-	-
Reserves for Gross Outstanding Claims	3,963,315	3,455,721	-	-
Total Insurance Contract Liabilities	7,304,720	6,788,998	-	-

8.1 The Company's Head of Actuary has carried out the IBNR/IBNER valuation as at 30th June 2026 and ensured that adequate provisions have been made in these Condensed Consolidated Interim Financial Statements.

8.2 Liability Adequacy Test

A Liability Adequacy Test (LAT) for the General Insurance Contract Liability was performed by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIA, for and on behalf of Willis Towers Watson India Private Limited as at 31st December 2025 as required by SLFRS 4 - Insurance Contracts. According to the Appointed Actuary's report, HNB General Insurance Ltd adequately satisfies the LAT requirement as at 31st December 2025.

9 GROSS WRITTEN PREMIUM

GROUP		GROUP		COMPANY	
(Audited) For the Year Ended 31st Dec 2025	For the Period Ended,	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000
	Life Insurance				
18,709,086	Individual Policies	11,367,185	8,239,400	11,367,185	8,239,400
780,884	Corporate Policies	975,670	391,673	975,670	391,673
(35,949)	Adjustment for Inter Company Premiums	488	(18,550)	-	-
19,454,021	Gross Written Premium - Life Insurance	12,343,343	8,612,523	12,342,855	8,631,073
	General Insurance				
2,398,024	Fire	1,360,113	1,562,095	-	-
5,982,467	Motor	3,288,979	2,572,654	-	-
378,337	Marine	158,275	121,112	-	-
2,246,329	Miscellaneous	1,226,459	1,409,326	-	-
(8,781)	Adjustment for Inter Company Premiums	(6,831)	(8,394)	-	-
10,996,376	Gross Written Premium - General Insurance	6,026,995	5,656,793	-	-
30,450,397	**Total Gross Written Premium**	18,370,338	14,269,316	12,342,855	8,631,073

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended,	GROUP		COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited
	30th Jun 2026	30th Jun 2025	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life Insurance				
Individual Policies	4,810,638	3,930,354	4,810,638	3,930,354
Corporate Policies	526,841	147,612	526,841	147,612
Adjustment for Inter Company Premiums	3,452	(9,276)	-	-
Gross Written Premium - Life Insurance	5,340,931	4,068,690	5,337,479	4,077,966
General Insurance				
Fire	105,395	369,912	-	-
Motor	1,592,193	1,322,188	-	-
Marine	46,190	59,220	-	-
Miscellaneous	327,906	354,696	-	-
Adjustment for Inter Company Premiums	(3,100)	(973)	-	-
Gross Written Premium - General Insurance	2,068,584	2,105,043	-	-
Total Gross Written Premium	7,409,515	6,173,733	5,337,479	4,077,966

10 INTEREST AND DIVIDEND INCOME

GROUP		GROUP		COMPANY	
(Audited) For the Year Ended 31st Dec 2025	For the Period Ended,	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000
8,171,776	Interest Income	4,416,644	3,945,374	4,083,558	3,587,446
41,262	Dividend Income	20,207	29,238	20,207	29,238
8,213,038	**Total**	4,436,851	3,974,612	4,103,765	3,616,684

For the Three Months Ended,	GROUP		COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited
	30th Jun 2026	30th Jun 2025	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	2,210,804	1,997,657	2,046,021	1,820,474
Dividend Income	12,623	17,989	12,623	17,989
Total	2,223,427	2,015,646	2,058,644	1,838,463

11 INCOME TAX EXPENSE

GROUP		GROUP		COMPANY	
(Audited) For the Year Ended 31st Dec 2025	For the Period Ended,	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000
(996,263)	Income Tax Charge	(243,526)	(215,599)	(184,869)	(178,687)
(197)	Under Provision of Income Taxes in respect of prior Period	-	-	-	-
(4,088)	Deferred Income Tax - Recognised through Profit or Loss	9,995	4,545	-	-
(1,000,548)	**Total Tax charge in Profit or Loss**	(233,531)	(211,054)	(184,869)	(178,687)
	Deferred tax related to items charged or credited directly to other comprehensive income				
2,021	Deferred tax on net change in debt instruments categorised under Available for Sale Financial Investments	17,612	(4,577)	-	-
(3,591)	Deferred Tax on Actuarial Losses on Employee Defined Benefit Plans	-	-	-	-
(1,570)	**Total Tax charge in Other Comprehensive Income**	17,612	(4,577)	-	-

	GROUP		COMPANY	
For the Three Months Ended,	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000
Income Tax Charge	(121,810)	(90,264)	(96,393)	(79,025)
Deferred Income Tax - Recognised through Profit or Loss	4,588	2,488	-	-
Total Tax charge in Profit or Loss	(117,222)	(87,776)	(96,393)	(79,025)
Deferred tax related to items charged or credited directly to other comprehensive income				
Deferred tax on net change in debt instruments categorised under Available for Sale Financial Investments	11,202	(7,704)	-	-
Total Tax charge in Other Comprehensive Income	11,202	(7,704)	-	-

Income Tax

As per the Inland Revenue (Amendment) Act No 45 of 2022 income tax rates applicable to Company and Subsidiary is 30%.

Deferred Tax Assets

The Subsidiary carried a deferred tax asset of Rs. 36.73 Million as at 30th June 2026.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12 PROFIT FOR THE PERIOD

GROUP		Unaudited	Unaudited
(Audited) For the Year Ended 31st Dec 2025	For the Period Ended,	30th Jun 2026	30th Jun 2025
		Rs.'000	Rs.'000
	Company - HNB Life PLC		
1,900,000	Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund	-	-
1,130,236	Profit Before Tax from Life Shareholders' Fund	618,576	606,973
(907,501)	Income Tax Expense	(184,869)	(178,687)
2,122,735	**Profit for the Period**	433,707	428,286
	Subsidiary - HNB General Insurance Ltd		
355,043	Profit Before Tax	207,733	123,441
(93,047)	Income Tax and Deferred Tax Expense	(48,662)	(32,367)
261,996	**Profit for the Period**	159,071	91,074
2,384,731	**Profit for the Period - Group**	592,778	519,360

For the Three Months Ended,	Unaudited 30th Jun 2026 Rs.'000	Unaudited 30th Jun 2025 Rs.'000
Company - HNB Life PLC		
Profit Before Tax from Life Shareholders' Fund	324,553	271,644
Income Tax Expense	(96,393)	(79,025)
Profit for the Period	228,160	192,619
Subsidiary - HNB General Insurance Ltd		
Profit Before Tax	115,519	34,497
Income Tax and Deferred Tax Expense	(20,829)	(8,751)
Profit for the Period	94,690	25,746
Profit for the Period - Group	322,850	218,365

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

13 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic Earnings Per Share is calculated by dividing the profit after tax for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no potential dilutive ordinary shares outstanding at any time during the period. Therefore, Diluted Earnings Per Share is same as Basic Earnings Per Share.

GROUP		GROUP		COMPANY	
(Audited) For the Year Ended 31st Dec 2025 Rs. '000	For the Period Ended,	Unaudited 30th Jun 2026	Unaudited 30th Jun 2025	Unaudited 30th Jun 2026	Unaudited 30th Jun 2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
2,384,731	Profit for the Period (Rs. '000)	592,778	519,360	433,707	428,286
150,000	Weighted average number of ordinary shares ('000)	150,000	150,000	150,000	150,000
15.90	Basic and Diluted Earnings Per Share (Rs.)	3.95	3.46	2.89	2.86

	GROUP		COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited
For the Three Months Ended,	30th Jun 2026	30th Jun 2025	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the Period (Rs. '000)	322,850	218,365	228,160	192,619
Weighted average number of ordinary shares ('000)	150,000	150,000	150,000	150,000
Basic and Diluted Earnings Per Share (Rs.)	2.15	1.46	1.52	1.28

14 RELATED PARTY DISCLOSURES

14.1 Transactions and Outstanding Balances with the Parent and Ultimate Controlling Party - Hatton National Bank PLC

Transactions	GROUP		COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited
For the Period Ended,	30th Jun 2026	30th Jun 2025	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Insurance Premium	294,068	218,630	59,356	-
Claims Incurred	99,058	44,787	30,586	27,821
Investment Income	103,369	114,509	75,331	93,073
Referral fees	695,191	428,063	580,875	350,607
Rent and Other Operational Expenses	12,494	12,911	9,410	8,515
Dividend Paid	449,895	350,918	449,895	350,918

Outstanding Balances	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
As at,	30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments Balance (Includes Deposits and Debentures)	1,816,044	1,996,109	1,245,545	1,330,692
Cash at Bank Balances	1,437,411	866,613	796,778	496,207
Premium Receivable	165	1,748	-	1,267
Referral fees Payable	104,328	151,659	85,922	119,598
Rent and Other Operational Expenses Payable	989	778	545	666

14.2 Transactions and Outstanding Balances with the Subsidiary Company - HNB General Insurance Ltd

Transactions	Unaudited	Unaudited
For the Period Ended,	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000
Insurance Premium	(488)	18,550
Insurance Expenses	6,831	8,394
Claims Received	2	81
Claims Paid	101	5,429
Reimbursement Expenses Relating to Employees	34,321	47,681
Other Reimbursement Expenses	93,364	125,951
Fund Management Fee	8,377	9,099
Profit Commission Expense	-	5,416

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Outstanding Balances	Unaudited	Audited
As at,	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000
Premium Payable to HNB General Insurance Ltd	33	6
Receivable from HNB General Insurance Ltd	13,473	24,897

14.3 Transactions and Outstanding Balances with / between Subsidiary Companies of the Ultimate Controlling Party

Transactions	GROUP		COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited
For the Period Ended,	30th Jun 2026	30th Jun 2025	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Insurance Premium	128,934	99,651	4,205	175
Claims Incurred	27,931	20,942	3,725	4,292
Investment Income	205,225	81,320	188,318	67,055
Administration Expenses	16,389	13,602	348	1,695

Outstanding Balances	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
As at,	30th Jun 2026	31st Dec 2025	30th Jun 2026	31st Dec 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments Balance (Includes Deposits, Debentures and Repo)	7,702,696	4,644,898	6,478,097	4,179,620
Cash at Bank Balances	50	50	50	50
Premium Receivable	5,946	1,535	54	396
Referral fees Payable	1,905	3,789	-	-

14.4 Transactions with Key Management Personnel/Directors of the Group or its Parent Hatton National Bank PLC

Transactions	Unaudited	Unaudited
For the Period Ended,	30th Jun 2026	30th Jun 2025
	Rs.'000	Rs.'000
Director Fee	22,695	16,295
Short-term and Post Employment Benefits	94,614	72,748
Insurance Premium	25,276	807
Claims Paid including Maturities	-	81

Ceased to be a Board of Director

Mr. Prawira Rimoe Saldin, who served as a Non Independent / Non Executive Director of HNB Assurance PLC ceased to be a Director w.e.f. 16th January 2026.

Change of Board Secretary

Ms. Jansenidevi Sundararajan Kuhanesan has appointed as the new Board Secretary of HNB Life PLC w.e.f. 23rd January 2026.

Ms. Abhayalankara Herath Mudiyanselage Nirosha Madhubhashini Bakmedeniya ceased to be the Board Secretary of HNB Life PLC w.e.f. 23rd January 2026.

The nature of the related party transactions in the current period was similar to those reported in the Audited Financial Statements for the year ended 31st December 2025, except for the above changes.

15 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events that occurred after the reporting date that require adjustments or disclosure in these Condensed Consolidated Interim Financial Statements.

16 CAPITAL COMMITMENTS

The Group has committed an expense of Rs. 269.74 Million as at 30th June 2026 for purchase of computer hardware, software and other equipment (As at 31st December 2025 – Rs.296.64 Million for the purchase of computer hardware, software and Other equipment).

As at end of the financial period, other than the disclosed above no material capital expenditure contracted and approved by the Board of Directors.

17 CONTINGENCIES

Other than as disclosed below, there have been no changes to the contingent liabilities disclosed in the audited financial statements for the year ended 31st December 2025.

During the period, the following tax assessments/notices were received:

17.1 Income Tax

The Company received an Income Tax Assessment relating to Life Insurance Taxation for the year of assessment 2022/2023, amounting to Rs. 556 million, including interest and penalties of Rs. 252 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

17.2 VAT and NBT on Financial Services

The Company received Notices of Assessment for VAT on Financial Services for the taxable period 01.01.2023 to 31.12.2023, amounting to Rs. 279 million, including penalties of Rs. 93 million. The Company is in the process of lodging a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

HNBGI received Notices of Assessment for VAT on Financial Services for the taxable period 01.01.2024 to 31.12.2024, amounting to Rs. 27 million, including penalties of Rs. 8 million. The assessments have been referred to the CGIR and are awaiting determination. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

17.3 Other Taxes

The Company received a Notice of Assessment for VAT for the taxable period 01.01.2024 to 31.12.2025, amounting to Rs. 0.01 million, including penalties of Rs. 0.002 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18 SHARE INFORMATION

18.1 Top 20 Shareholders

	Name of the Shareholder	30th June 2026		31st March 2026	
		Shareholding	% on Issued Shares	Shareholding	% on Issued Shares
1.	Hatton National Bank PLC A/C No.01	89,979,000	59.99	89,979,000	59.99
2.	Ceylon Guardian Investment Trust PLC A/C No.02	5,353,342	3.57	6,023,511	4.02
3.	Mr. V. Sharda	2,415,000	1.61	2,345,000	1.56
4.	J.B. Cocoshell (Pvt) Ltd	2,319,220	1.55	2,319,220	1.55
5.	Mrs. A. Selliah	2,300,000	1.53	2,250,000	1.50
6.	Employees Trust Fund Board	1,839,373	1.23	2,160,617	1.44
7.	Mr. M.F. Hashim	1,583,690	1.06	1,824,737	1.22
8.	Thread Capital (Pvt) Ltd	1,502,126	1.00	1,503,476	1.00
9.	Arunodhaya Investments (Pvt) Ltd	1,400,000	0.93	1,350,000	0.90
10.	Arunodhaya Industries (Pvt) Ltd	1,400,000	0.93	1,350,000	0.90
11.	Arunodhaya (Pvt) Ltd	1,400,000	0.93	1,350,000	0.90
12.	Ceylon Investment PLC A/C No.02	1,387,719	0.93	1,387,719	0.93
13.	Amana Bank PLC/Hi-Line Trading (Pvt) Ltd	930,656	0.62	73,566	0.00
14.	Mr. J.P. Paul	860,443	0.57	764,255	0.51
15.	Andysel (Pvt) Ltd	775,000	0.52	750,000	0.50
16.	Mr. K. Aravinthan	750,000	0.50	750,000	0.50
17.	Corporate Holdings (Pvt) Ltd A/C No.01	735,309	0.49	735,309	0.49
18.	Dr. S. Selliah	672,813	0.45	600,000	0.40
19.	Corporate Holdings (Pvt) Ltd A/C No.02	573,969	0.38	573,969	0.38
20.	Commercial Bank Of Ceylon PLC A/C No.03	513,000	0.34	513,000	0.34

18.2 Public Shareholding

	30th June 2026	31st December 2025
*Float Adjusted Market Capitalisation (Rs.)	8,732,910,291	6,887,295,230
Percentage of Shares held by the Public	40.013%	40.013%
Number of Public Shareholders	4,701	4,561

The Company complies the minimum public Shareholding requirement under option 3 of section 7.13.1(i)(a)(1) of the Listing Rules as at 30th June 2026. (As at 31/12/2025 - Complied under option 3)

* Float Adjusted Market Capitalisation = Market Capitalisation X Public Holding Percentage

18.3 Shareholdings of Directors and Chief Executive Officer

	No. of Shares 30th June 2026	No. of Shares 31st December 2025
Mr. S.A. Chapman (Chairman)	500	500
Mr. A. Goonesekere (Senior Independent Director)	Nil	Nil
Mr. L.U.D. Fernando	Nil	Nil
Mr. L.H.A.L. Silva	Nil	Nil
Dr. P.S. Gamwarige	Nil	Nil
Mr. P.R. Saldin*	Nil	Nil
Prof. A.K.W. Jayawardane	Nil	Nil
Mr. P.H.L.N. Wimalarathne (Executive Director/Chief Executive Officer)	Nil	Nil
Ms.W.A.P.A.Ranawaka	Nil	Nil

* Mr. P.R. Saldin ceased to be a Director w.e.f. 16th January 2026.

18.4 Number of shares

No. of shares representing the Stated Capital	150,000,000
Class of Share	Ordinary
Voting Rights	One vote per Ordinary Share

18.5 Share Performance

As at,	30th June 2026	31st December 2025
	Rs.	Rs.
Net Asset Value Per Share - Group	88.10	94.22
Net Asset Value Per Share - Company	74.39	81.29
Net Asset Value Per Share without Restricted Regulatory Reserve - Group	85.56	91.68
Net Asset Value Per Share without Restricted Regulatory Reserve - Company	71.84	78.75

For the Three Months Ended 30th June,	2026	2025
	Rs.	Rs.
Highest Price Per Share	150.00	90.00
Lowest Price Per Share	120.00	69.30
Last Traded Price Per Share	145.50	88.20