

**Union Insurance Company P.J.S.C.**

**Condensed interim financial information (Unaudited)**  
**For the three-month period ended 31 March 2025**

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**  
**For the period ended 31 March 2025**

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## Review Report of the Independent Auditor To the Shareholders of Union Insurance Company P.J.S.C.

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Union Insurance Company P.J.S.C. (the "Company") as at 31 March 2025, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 ("IAS 34") *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

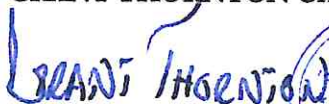
### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 *"Interim Financial Reporting"*.

GRANT THORNTON UAE



Dr. Osama El-Bakry  
Registration No: 935  
Sharjah, United Arab Emirates



13 May 2025

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of financial position**  
**As at 31 March 2025**

	Notes	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<b>Assets</b>			
Property and equipment		3,684	3,890
Intangible assets		2,259	2,574
Right-of-use-assets		242	912
Unit-linked assets	4.3	338,661	359,176
Investment securities	4	45,658	47,091
Statutory deposit	5	10,000	10,000
Reinsurance contract assets	6	593,505	612,333
Other receivables	7	68,645	55,161
Bank deposits	8.2	414,105	408,993
Cash and cash equivalents	8.1	20,161	13,920
<b>Total assets</b>		<b>1,496,920</b>	<b>1,514,050</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	330,939	330,939
Statutory reserve	10.1	21,851	21,851
Special reserve	10.2	21,851	21,851
Reinsurance reserve	10.3	11,789	11,274
Fair value reserve	10.4	168	168
Accumulated losses		(130,210)	(142,745)
<b>Total equity</b>		<b>256,388</b>	<b>243,338</b>
<b>Liabilities</b>			
Provision for employees' end of service benefits		10,152	12,158
Insurance contract liabilities	6	804,037	818,806
Reinsurance contract liabilities	6	1,611	1,563
Other payables	11	118,434	113,579
Unit-linked liabilities	4.4	306,298	324,606
<b>Total liabilities</b>		<b>1,240,532</b>	<b>1,270,712</b>
<b>Total equity and liabilities</b>		<b>1,496,920</b>	<b>1,514,050</b>

To the best of our knowledge, the condensed interim financial information present fairly in all material respects, the financial condition, results of operation and cash flows of the Company as of, and for the three-month period ended 31 March 2025. This financial information was approved for issue by the Board of Directors and signed on their behalf by:

  
**Ramez Abou Zaid**  
**Chief Executive Officer**

The notes from 1 to 23 form an integral part of this condensed interim financial information.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of profit or loss**  
**For the period ended 31 March 2025**

		<b>Three-month period ended</b>	
		<b>31 March</b>	
	Notes	<b>2025</b>	<b>2024</b>
		<b>AED'000</b>	<b>AED'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Insurance revenue	12	144,298	149,604
Insurance service expenses	13	(85,055)	(126,469)
<b>Insurance service result before reinsurance contracts held</b>		<b>59,243</b>	<b>23,135</b>
Allocation of reinsurance premiums		(85,517)	(87,613)
Amounts recoverable from reinsurance for incurred claims		39,523	73,103
<b>Net expense from reinsurance contracts held</b>		<b>(45,994)</b>	<b>(14,510)</b>
<b>Insurance service result</b>		<b>13,249</b>	<b>8,625</b>
Interest revenue calculated using the effective interest method		5,177	3,851
Net fair value (loss)/gain on financial assets at FVTPL		(1,381)	1,157
Other investment income/(expense)		905	(296)
<b>Total investment income</b>		<b>4,701</b>	<b>4,712</b>
Insurance finance expense for insurance contracts issued	14	(11,767)	(9,112)
Reinsurance finance income for reinsurance contracts held	14	9,067	6,715
<b>Net insurance financial result</b>		<b>(2,700)</b>	<b>(2,397)</b>
<b>Net insurance and investment results</b>		<b>15,250</b>	<b>10,940</b>
Other operating (expense)/income		(1,054)	1,963
<b>Profit for the period before tax</b>		<b>14,196</b>	<b>12,903</b>
Income tax expense	16	(1,146)	(1,128)
<b>Profit for the period after tax</b>		<b>13,050</b>	<b>11,775</b>
<b>Basic and diluted earnings per share</b>	15	<b>0.039</b>	<b>0.036</b>

The notes from 1 to 23 form an integral part of this condensed interim financial information.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of other comprehensive income**  
**For the period ended 31 March 2025**

	Notes	Three-month period ended	
		31 March 2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Profit for the period after tax		13,050	11,775
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified</i>			
<i>subsequently to profit or loss:</i>			
Net change in fair value of equity investments designated at FVTOCI		-	6
<b>Total other comprehensive income for the period</b>		-	6
<b>Total comprehensive income for the period</b>		<b>13,050</b>	<b>11,781</b>

The notes from 1 to 23 form an integral part of this condensed interim financial information.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of changes in equity**  
**For the period ended 31 March 2025**

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Reinsurance reserve AED'000	Fair value reserve AED'000	Accumulated losses AED'000	Total equity AED'000
Balance as at 1 January 2024 (Audited)	330,939	18,020	18,020	9,525	163	(171,641)	205,026
Profit for the period after tax	-	-	-	-	-	11,775	11,775
Other comprehensive income	-	-	-	-	6	-	6
Total comprehensive income for the period	-	-	-	-	6	11,775	11,781
Transfer to reinsurance reserve	-	-	-	479	-	(479)	-
Balance at 31 March 2024 (Unaudited)	330,939	18,020	18,020	10,004	169	(160,345)	216,807
Balance at 1 January 2025 (Audited)	330,939	21,851	21,851	11,274	168	(142,745)	243,338
Profit for the period after tax	-	-	-	-	-	13,050	13,050
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	13,050	13,050
Transfer to reinsurance reserve	-	-	-	515	-	(515)	-
Balance at 31 March 2025 (Unaudited)	330,939	21,851	21,851	11,789	168	(130,210)	256,388

The notes from 1 to 23 form an integral part of this condensed interim financial information.



**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of cash flows**  
**For the period ended 31 March 2025**

	Notes	Three-month period ended 31 March 2025 AED'000 (Unaudited)	Three-month period ended 31 March 2024 AED'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period before tax		14,196	12,903
Adjustments for:			
Depreciation and amortisation		1,213	1,342
Loss on disposal of investments at FVTPL		-	207
Unrealised loss/(gain) on investments at FVTPL		1,381	(1,151)
Reversal of provision for expected credit losses		(1,912)	-
Interest income		(5,177)	(3,851)
Dividend income		(1,091)	-
Interest on lease liabilities		10	56
Provision for employees' end of service benefits		185	198
		<u>8,805</u>	<u>9,704</u>
<b>Change in working capital</b>			
Reinsurance contract assets – net		18,876	(24,748)
Other receivables		(13,484)	1,364
Insurance contract liabilities – net		(12,857)	5,254
Other payables		(1,146)	(7,324)
Unit linked assets		20,515	(6,414)
Unit linked liabilities		(12,730)	3,514
		<u>7,979</u>	<u>(18,650)</u>
<b>Cash from/(used) in operations</b>		<u>7,979</u>	<u>(18,650)</u>
Employees' end of service indemnity paid		(2,191)	(1,358)
<b>Net cash from/(used in) operating activities</b>		<u>5,788</u>	<u>(20,008)</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment and intangibles		(22)	(38)
Purchase of investments held at FVTPL (excluding unit linked assets)		-	(2,982)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)		52	8,645
Interest received		5,177	3,851
Dividends received		1,091	-
Bank deposits		(5,112)	177,961
<b>Net cash from investing activities</b>		<u>1,186</u>	<u>187,437</u>
<b>Cash flows from financing activity</b>			
Payment of lease liabilities		(733)	(771)
<b>Net cash used in financing activity</b>		<u>(733)</u>	<u>(771)</u>
<b>Net change in cash and cash equivalents</b>		<u>6,241</u>	<u>166,658</u>
Cash and cash equivalents at the beginning of the period		13,920	38,285
<b>Cash and cash equivalents at the end of the period</b>	8.1	<u>20,161</u>	<u>204,943</u>

The notes from 1 to 23 form an integral part of this condensed interim financial information.



**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the three-month period ended 31 March 2025**

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**1 General Information**

Union Insurance Company P.J.S.C. (the "Company") is incorporated as a public shareholding company and operates in the United Arab Emirates ("UAE") under a trade license issued by the Government of Dubai. The Company is registered under the UAE Federal Law No. (32) of 2021, relating to commercial companies. The Company is subject to the regulations of the UAE Federal Law No. (48) of 2023 issued by the Central Bank of UAE. The Company is registered with the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") under registration number 67. The Company's registered corporate office is at Single Business Tower, Sheikh Zayed Road, P.O. Box 119227, Dubai, United Arab Emirates ("UAE"). The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange ("ADX").

The principal activity of the Company is the writing of insurance of all types including life insurance. The Company operates through its Head Office in Dubai and Branch Offices in Abu Dhabi, Dubai, Sharjah, Ajman, and Ras Al Khaimah. This financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including the UAE Federal Law No. (32) of 2021.

**2 Basis of preparation**

This condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* and comply with the applicable requirements of the laws in the UAE.

The condensed interim financial information is presented in UAE Dirhams (AED), and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

This condensed interim financial information has been prepared on the historical cost basis, except for the revaluation of financial instruments (including unit linked assets) and provision for employees' end of service indemnity which is calculated in line with UAE labor laws. The accounting policies, presentation and methods in this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Bank deposits, insurance contract assets, cash and cash equivalents and other payables. The following balances would generally be classified as non-current: Property and equipment, intangible assets, right-of-use assets, statutory deposit, unit linked assets, end of service benefits. The following balances are of a mixed nature (including both current and non-current portions): Investment securities, bank deposits, other receivables, reinsurance contract assets and lease liabilities.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

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**2 Basis of preparation (continued)**

**2.1 Accumulated losses**

As at 31 March 2025, the Company's accumulated losses represent 39.35% of the share capital of the Company (31 December 2024: 43.13%). Article 309 of the Federal Decree Law No. 32 of 2021 requires a Company to conduct a meeting of general assembly in case the accumulated losses exceed 50% of a Company's share capital. Accordingly, the Company conducted a general assembly meeting on 11 January 2024 and passed a resolution for continuity of the Company's operations. Further, as per the requirement of this law, the Company has prepared a business plan and submitted it to the Securities and Commodities Authority (SCA) along with the reasons for the accumulated losses. A summary of the accumulated losses and Company's strategy to counter the accumulated losses is provided below:

History of accumulated losses:

- **Provision for real estate properties** – An amount of AED 72.3 million represents a provision made during the year ended 31 December 2021 for investment properties purchased from a former related party who failed to fulfil its obligations, in relation to the said asset. A legal action is underway to recover Company's rights under this transaction.
- **Impairment of freehold land** – A decline in the fair value of the freehold land by AED 22.83 million during the year ended 31 December 2021. Originally the land was recorded at AED 82.04 million. Subsequently, an impairment loss was booked due to the decline in the fair value of the land to AED 59.21 million in the prior years.
- **Doubtful receivables from a former related party** – A provision made amounting to AED 26.20 million during the year ended 31 December 2019. This is related to receivables from a former related party, the Company filed a lawsuit in order to recover the amount, however, the lawsuit was not accepted as it was time barred.
- **Initial adoption of IFRS 17 and IFRS 9** - Accumulated losses increased by AED 35.7 million due to the implementation of IFRS 17, which is effective for annual periods starting on or after 1 January 2023 with a full retrospective application. IFRS 9 adoption resulted in an additional increase of AED 10 million in the accumulated losses due to the change from the impairment model applied under IAS 39 to the expected credit losses required by IFRS 9.

The Company has taken the following measures to counter its accumulated losses:

- Focus investments towards bank deposits and other short-term investments in order to maintain a strong liquidity position.
- Robust credit control measures taken to speed up the recovery process targeted to reduce the expected credit losses recorded by the Company.
- Focus on profitable business segments and discontinuation of Company's life insurance operations which was previously a loss-making portfolio.
- Formation of a board committee specifically responsible to oversee the accumulated losses and ensure execution of the Company's business plan.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

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**3 Material accounting policy information**

The accounting policies, critical accounting judgments and key sources of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.

**3.1 Application of new and revised International Financial Reporting Standards ("IFRS")**

<b>Title</b>	<b>Effective date</b>
Amendments to IAS 21 Lack of Exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

This amendments to the standard has been adopted by the Company and did not have a material impact on this condensed interim financial information.

**3.2 Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Company**

<b>Title</b>	<b>Effective date</b>
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
Presentation and Disclosure in Financial Statements	1 January 2027
Subsidiaries without Public Accountability: Disclosures	1 January 2027

These standards, amendments and interpretations are not expected to have a significant impact on the condensed interim financial information in the period of initial application and therefore no disclosures have been made.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**4 Investment in securities and unit-linked assets and liabilities**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Financial assets at fair value through profit or loss (Note 4.1)	45,629	47,062
Financial assets at fair value through other comprehensive income (Note 4.2)	29	29
	<u>45,658</u>	<u>47,091</u>
Unit linked assets (Note 4.3)	<u>338,661</u>	<u>359,176</u>

**4.1 Investment at fair value through profit or loss**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Quoted equity securities in UAE	40,905	42,286
Quoted equity securities outside UAE	536	535
Quoted bonds in UAE	2,723	2,762
Unquoted equity securities outside UAE	113	127
Unquoted equity securities in UAE	1,352	1,352
	<u>45,629</u>	<u>47,062</u>

Investments classified at fair value through profit or loss are designated in this category upon initial recognition.

**4.2 Investment at fair value through other comprehensive income**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Quoted equity securities in UAE	29	29

Investments classified at fair value through other comprehensive income are designated in this category upon initial recognition.

**4.3 Unit-linked assets**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Investments held on behalf of policyholders of unit-linked products carried at FVTPL	188,929	203,960
Financial assets from reinsurers towards policyholders of unit-linked products carried at FVTPL	134,143	142,896
Cash held on behalf of policyholders of unit-linked products carried at amortised cost	15,589	12,320
	<u>338,661</u>	<u>359,176</u>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**4 Investment in securities and unit linked assets and liabilities (continued)**

**4.4 Unit linked liabilities**

Unit linked liabilities are presented in the condensed interim statement of financial position within the following accounts:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Payables to policyholders of unit-linked products	338,661	359,176
Payables classified under insurance contract liabilities*	(32,363)	(34,570)
	<u>306,298</u>	<u>324,606</u>

\*The liabilities for unit-linked policies with significant insurance risk are included within the calculation of the insurance contract liabilities amounting to AED 32,363 thousand (31 December 2024: AED 34,570 thousand).

**5 Statutory deposit**

In accordance with the requirements of UAE Federal Law No. 48 of 2023, the Company has maintained a bank deposit of AED 10 million (31 December 2024: AED 10 million) as a statutory deposit. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favor of the CBUAE for the same amount.

**6 Insurance and reinsurance contracts**

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	31 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
<b>Insurance contracts issued</b>						
Life	-	193,385	193,385	-	192,658	192,658
General	-	610,652	610,652	-	626,148	626,148
<b>Total insurance contracts issued</b>	-	804,037	804,037	-	818,806	818,806
<b>Reinsurance contracts held</b>						
Life	(124,604)	1,611	(122,993)	(123,056)	1,563	(121,493)
General	(468,901)	-	(468,901)	(489,277)	-	(489,277)
<b>Total reinsurance contracts held</b>	(593,505)	1,611	(591,894)	(612,333)	1,563	(610,770)

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

Union Insurance Company P.J.S.C.  
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information (continued)  
For the three-month period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Contracts measured under the PAA:

31 March 2025 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED'000	AED'000	AED'000	AED'000	
Insurance contract liabilities as at 1 January 2024	(24,547)	14,152	660,410	23,666	673,681
Insurance revenue	(141,228)	-	-	-	(141,228)
<b>Insurance service expenses:</b>					
Incurred claims and other expenses	-	-	128,674	2,245	130,919
Amortisation of insurance acquisition cash flows	13,215	-	-	-	13,215
Losses on onerous contracts and reversals	-	(12,300)	-	-	(12,300)
Changes to liabilities for incurred claims	-	-	(45,291)	(2,486)	(47,777)
Insurance service result	(128,013)	(12,300)	83,383	(241)	(57,171)
Insurance finance expenses	-	-	8,719	-	8,719
<b>Total changes in the statement of comprehensive income</b>	<b>(128,013)</b>	<b>(12,300)</b>	<b>92,102</b>	<b>(241)</b>	<b>(48,452)</b>
<b>Cash flows</b>					
Premiums received	177,882	-	-	-	177,882
Claims and other expenses paid	-	-	(128,674)	-	(128,674)
Insurance acquisition cash flows	(16,107)	-	-	-	(16,107)
<b>Total cash flows</b>	<b>161,775</b>	<b>-</b>	<b>(128,674)</b>	<b>-</b>	<b>33,101</b>
Insurance contract liabilities as at 31 March 2025	9,215	1,852	623,838	23,425	658,330
<b>Net insurance contract liabilities as at 31 March 2025</b>	<b>9,215</b>	<b>1,852</b>	<b>623,838</b>	<b>23,425</b>	<b>658,330</b>
31 December 2024 (Audited)					
Insurance contract liabilities as at 1 January 2024	(22,672)	1,500	619,712	22,270	620,810
Insurance revenue	(578,749)	-	-	-	(578,749)
<b>Insurance service expenses:</b>					
Incurred claims and other expenses	-	-	425,102	8,090	433,192
Amortisation of insurance acquisition cash flows	48,644	-	-	-	48,644
Losses on onerous contracts and reversals	-	12,652	-	-	12,652
Changes to liabilities for incurred claims	-	-	25,023	(6,684)	18,339
Insurance service result	(530,105)	12,652	450,125	1,406	(65,922)
Insurance finance expenses	-	-	15,675	(10)	15,665
<b>Total changes in the statement of comprehensive income</b>	<b>(530,105)</b>	<b>12,652</b>	<b>465,800</b>	<b>1,396</b>	<b>(50,257)</b>
<b>Cash flows</b>					
Premiums received	577,878	-	-	-	577,878
Claims and other expenses paid	-	-	(425,102)	-	(425,102)
Insurance acquisition cash flows	(49,648)	-	-	-	(49,648)
<b>Total cash flows</b>	<b>528,230</b>	<b>-</b>	<b>(425,102)</b>	<b>-</b>	<b>103,128</b>
Net insurance contract liabilities as at 31 December 2024	(24,547)	14,152	660,410	23,666	673,681

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**6 Insurance and reinsurance contracts (continued)**

**Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)**

**Analysis by measurement component – Contracts not measured under the PAA**

<b>31 March 2025 (Unaudited)</b>	<b>Estimates of present value of future cash flows AED'000</b>	<b>Risk adjustment for non- financial risk AED'000</b>	<b>CSM AED'000</b>	<b>Total AED'000</b>
<b>Insurance contract liabilities as at 1 January 2025</b>	120,007	12,460	12,658	145,125
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(292)	(292)
Change in risk adjustment for non-financial risk for risk expired	-	(158)	-	(158)
Experience adjustments	(1,153)	-	-	(1,153)
<b>Changes that relate to future services</b>				
Changes in estimates that adjust the CSM	1,605	(100)	(1,505)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	138	(88)	-	50
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	(517)	-	-	(517)
<b>Insurance service result</b>	73	(346)	(1,797)	(2,070)
Net finance expenses from insurance contracts	865	58	99	1,022
<b>Total changes in the statement of profit or loss and OCI</b>	938	(288)	(1,698)	(1,048)
<b>Cash flows</b>				
Premiums received	3,826	-	-	3,826
Claims and other directly attributable expenses paid	(2,196)	-	-	(2,196)
<b>Total cash flows</b>	1,630	-	-	1,630
<b>Insurance contract liabilities as at 31 March 2025</b>	122,575	12,172	10,960	145,707
<b>Net insurance contract liabilities as at 31 March 2025</b>	122,575	12,172	10,960	145,707



**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**6 Insurance and reinsurance contracts (continued)**

**Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)**

**Analysis by measurement component – Contracts not measured under the PAA (continued)**

31 December 2024 (Audited)	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Insurance contract liabilities as at 1 January 2024	116,605	14,129	12,225	142,959
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(1,280)	(1,280)
Change in risk adjustment for non-financial risk for risk expired	-	(633)	-	(633)
Experience adjustments	(2,336)	-	-	(2,336)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	87	17	10	114
Changes in estimates that adjust the CSM	(398)	(951)	1,349	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	86	(396)	-	(310)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	1,592	-	-	1,592
Insurance service result	(969)	(1,963)	79	(2,853)
Net finance expenses from insurance contracts	3,803	294	354	4,451
Total changes in the statement of profit or loss and OCI	2,834	(1,669)	433	1,598
<b>Cash flows</b>				
Premiums received	12,519	-	-	12,519
Claims and other directly attributable expenses paid	(11,951)	-	-	(11,951)
Insurance acquisition cash flows paid	-	-	-	-
Total cash flows	568	-	-	568
Net insurance contract liabilities as at 31 December 2024	120,007	12,460	12,658	145,125

Union Insurance Company P.J.S.C.  
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information (continued)  
For the three-month period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
31 March 2025 (Unaudited)					
Reinsurance contract assets as at 1 January 2025	(6,079)	(12,569)	(487,152)	(20,881)	(526,681)
An allocation of reinsurance premiums	(60,596)	(12,569)	-	-	(73,165)
<i>Amounts recoverable from reinsurers for incurred claims</i>					
Amounts recoverable for claims incurred and other expenses	-	-	52,887	1,347	54,234
Loss-recovery on onerous underlying contracts and adjustments	-	1,514	-	-	1,514
Changes to amounts recoverable for incurred claims	-	-	(25,323)	(1,594)	(26,917)
<b>Net income or expense from reinsurance contracts held</b>	<b>(60,596)</b>	<b>(11,055)</b>	<b>27,564</b>	<b>(247)</b>	<b>(44,334)</b>
Reinsurance finance income	-	-	6,431	-	6,431
<b>Total changes in the statement of comprehensive income</b>	<b>(60,596)</b>	<b>(11,055)</b>	<b>33,995</b>	<b>(247)</b>	<b>(37,903)</b>
<i>Cash flows</i>					
Premiums paid	71,275	-	-	-	71,275
Amounts received	-	-	(52,887)	-	(52,887)
<b>Total cash flows</b>	<b>71,275</b>	<b>-</b>	<b>(52,887)</b>	<b>-</b>	<b>18,388</b>
<b>Reinsurance contract assets as at 31 March 2025</b>	<b>(16,758)</b>	<b>(1,514)</b>	<b>(468,260)</b>	<b>(20,634)</b>	<b>(507,166)</b>

Union Insurance Company P.J.S.C.  
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information (continued)  
For the three-month period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on claims incurred (continued)

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 December 2024 (Audited)					
Reinsurance contract liabilities as at 1 January 2024	35,289	(411)	(454,548)	(18,798)	(438,468)
An allocation of reinsurance premiums	(276,351)	(411)	-	-	(276,762)
<i>Amounts recoverable from reinsurers for incurred claims</i>					
Amounts recoverable for incurred claims and other expenses	-	-	201,759	6,479	208,238
Loss-recovery on onerous underlying contracts and adjustments	-	12,569	-	-	12,569
Changes to amounts recoverable for incurred	-	-	21,362	(4,388)	16,974
Net income or expense from reinsurance contracts held	(276,351)	12,158	223,121	2,091	(38,981)
Reinsurance finance income	-	-	11,242	(9)	11,233
Total changes in the statement of comprehensive income	(276,351)	12,158	234,363	2,082	(27,748)
<i>Cash flows</i>					
Premiums paid	317,719	-	-	-	317,719
Amounts received	-	-	(201,759)	-	(201,759)
Total cash flows	317,719	-	(201,759)	-	115,960
Net reinsurance contract assets as at 31 December 2024	(6,079)	(12,569)	(487,152)	(20,881)	(526,681)

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**6 Insurance and reinsurance contracts (continued)**

**Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on claims incurred (continued)**

**Analysis by measurement component – Contracts not measured under the PAA**

<b>31 March 2025 (Unaudited)</b>	<b>Estimates of present value of future cash flows AED'000</b>	<b>Risk adjustment for non- financial risk AED'000</b>	<b>CSM AED'000</b>	<b>Total AED'000</b>
Reinsurance contract assets as at 1 January 2025	(76,875)	(3,305)	(5,472)	(85,652)
Reinsurance contract liabilities as at 1 January 2025	(1,285)	(639)	3,487	1,563
<b>Net reinsurance contract assets</b>	<b>(78,160)</b>	<b>(3,944)</b>	<b>(1,985)</b>	<b>(84,089)</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(91)	(91)
Change in risk adjustment for non-financial risk for risk expired	-	(113)	-	(113)
Experience adjustments	(665)	-	-	(665)
<b>Changes that relate to future services</b>				
Changes in estimates that adjust the CSM	379	(48)	(331)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(166)	170	-	4
<b>Changes that relate to past services</b>				
Adjustments to assets for incurred claims	(795)			(795)
<b>Net expenses from reinsurance contracts</b>	<b>(1,247)</b>	<b>9</b>	<b>(422)</b>	<b>(1,660)</b>
Net finance income from reinsurance contracts	2,533	58	45	2,636
<b>Total changes in the statement of profit or loss and OCI</b>	<b>1,286</b>	<b>67</b>	<b>(377)</b>	<b>976</b>
<b>Cash flows</b>				
Premiums received	1,047	-	-	1,047
Claims and other directly attributable expenses paid	(1,383)	-	-	(1,383)
<b>Total cash flows</b>	<b>(336)</b>	<b>-</b>	<b>-</b>	<b>(336)</b>
Reinsurance contract assets as at 31 March 2025	(77,686)	(3,325)	(5,328)	(86,339)
Reinsurance contract liabilities as at 31 March 2025	(1,423)	(686)	3,720	1,611
<b>Net reinsurance contract liabilities as at 31 March 2025</b>	<b>(79,109)</b>	<b>(4,011)</b>	<b>(1,608)</b>	<b>(84,728)</b>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**6 Insurance and reinsurance contracts (continued)**

**Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on claims incurred (continued)**

**Analysis by measurement component – Contracts not measured under the PAA (continued)**

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM AED'000	Total AED'000
31 December 2024 (Audited)				
Reinsurance contract assets as at 1 January 2024	(79,217)	(4,340)	(1,734)	(85,291)
Changes that relate to current services				
CSM recognised for services provided	-	-	(318)	(318)
Change in risk adjustment for non-financial risk for risk expired	-	(451)	-	(451)
Experience adjustments	(2,163)	-	-	(2,163)
Contracts initially recognised in the year				
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	19	9	65	93
Changes in estimates that adjust the CSM	(263)	(20)	284	1
Changes in estimates that relate to losses and reversals of losses on onerous underlying	312	(222)	-	90
Changes that relate to past services				
Effect of changes in non-performance risk of	1,580	-	-	1,580
Net expenses from reinsurance contracts	(515)	(684)	31	(1,168)
Net finance income from reinsurance contracts	1,694	287	222	2,203
Total changes in the statement of profit or loss and OCI	1,179	(397)	253	1,035
<i>Cash flows</i>				
Premiums received	3,997	-	-	3,997
Claims and other directly attributable expenses paid	(6,235)	-	-	(6,235)
Total cash flows	(2,238)	-	-	(2,238)
Reinsurance contract assets as at 31 December 2024	(76,875)	(3,305)	(5,472)	(85,652)
Reinsurance contract liabilities as at 31 December 2024	(1,285)	(638)	3,486	1,563
Net reinsurance contract assets as at 31 December 2024	(78,160)	(3,943)	(1,986)	(84,089)

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**6 Insurance and reinsurance contracts (continued)**

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognized).

	1 year	2 year	3 year	4 year	5 year	>6 year	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>31 March 2025</b>							
<b>(Unaudited)</b>							
Insurance contracts issued	820	953	816	715	662	6,994	10,960
Reinsurance contracts held	211	196	148	127	141	785	1,608
	<u>1,031</u>	<u>1,149</u>	<u>964</u>	<u>842</u>	<u>803</u>	<u>7,779</u>	<u>12,568</u>
<b>31 December 2024</b>							
<b>(Audited)</b>							
Insurance contracts issued	1,164	1,004	865	762	707	8,156	12,658
Reinsurance contracts held	298	212	163	141	154	1,018	1,986
	<u>1,462</u>	<u>1,216</u>	<u>1,028</u>	<u>903</u>	<u>861</u>	<u>9,174</u>	<u>14,644</u>

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and Non-PAA as at:

	PAA	Non-PAA	Total
	AED'000	AED'000	AED'000
<b>31 March 2025 (Unaudited)</b>			
Insurance contract liabilities	658,330	145,707	804,037
Reinsurance contract assets	507,167	86,338	593,505
Reinsurance contract liabilities	-	1,611	1,611
	<u>1,165,497</u>	<u>233,656</u>	<u>1,399,153</u>
<b>31 December 2023 (Audited)</b>			
Insurance contract liabilities	673,681	145,125	818,806
Reinsurance contract assets	(526,682)	(85,651)	(612,333)
Reinsurance contract liabilities	-	1,563	1,563
	<u>146,999</u>	<u>61,037</u>	<u>208,036</u>

Discount rates applied for discounting future cash flows are listed below:

	1 year		3 years		5 years		10 years	
	2025	2024	2025	2024	2025	2024	2025	2024
Discount rate	5.84%	6.04%	5.70%	6.15%	5.78%	6.26%	6.08%	6.49%

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**7 Other receivables**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Other receivables	64,523	50,314
Prepaid expenses	4,122	4,847
	<u>68,645</u>	<u>55,161</u>

**8 Bank balances and cash**

**8.1 Cash and cash equivalents**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash on hand	35	35
<b>Bank balances:</b>		
Current accounts with banks	20,126	13,885
	<u>20,161</u>	<u>13,920</u>
In UAE	20,161	13,920
Outside UAE	-	-
	<u>20,161</u>	<u>13,920</u>

**8.2 Bank deposits**

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Deposits with original maturities greater than three-months	414,105	408,993
In UAE	413,645	408,599
Outside the U.A.E.	460	394
	<u>414,105</u>	<u>408,993</u>

Bank deposits carried interest rates ranging from 1.5% - 8% per annum (31 December 2024: 1.5% to 8% per annum). Bank deposits of AED 45 million (31 December 2024: AED 45 million) have been pledged as security against the overdrafts facility which is to manage the liquidity position.



**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**9 Share capital**

	<b>31 March 2025 AED'000 (Unaudited)</b>	<b>31 December 2024 AED'000 (Audited)</b>
Issued and fully paid 330,939,180 shares of AED 1 each (2023: 330,939,180 of AED 1 each)	<u><b>330,939</b></u>	<u><b>330,939</b></u>

**10 Reserves**

**10.1 Statutory reserve**

In accordance with UAE Federal Law No. (32) of 2021 and the Company's Article of Association, the Company is required to transfer 10% of the profits at the end of the year to the statutory reserve. No transfers have been made during the three-month period ended 31 March 2025. (31 March 2024: AED nil)

**10.2 Special reserve**

In accordance with the Company's Articles of Association, the Board of Directors may transfer 10% of annual net profits, if any, to a special reserve until an Ordinary General Meeting upon a proposal suspends it. The special reserve can be utilized for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Director. No transfers were made during the three-month period ended 31 March 2025 (31 March 2024: AED nil).

**10.3 Reinsurance reserve**

In accordance with the requirements of Article 34 of CBUAE's Board of Directors Decision No. 23 of 2019, the Company has transferred AED 515 thousand from the profit for the period to the reinsurance reserve being 0.5% of the total insurance premium ceded to reinsurers during the three-month period ended 31 March 2025 (31 March 2024: AED 479 thousand). The Company shall accumulate such provision period on period and shall not dispose of the reserve without the written approval of the director general within the CBUAE.

**10.4 Fair value reserve**

The fair value reserve comprises the cumulative net change in fair value of financial assets designated as fair value through other comprehensive income.

**11 Other payables**

	<b>31 March 2025 AED'000 (Unaudited)</b>	<b>31 December 2024 AED'000 (Audited)</b>
Other payables	<b>113,537</b>	<b>109,105</b>
Corporate tax payable	<b>4,897</b>	<b>3,751</b>
Lease liabilities	<b>-</b>	<b>723</b>
	<u><b>118,434</b></u>	<u><b>113,579</b></u>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**12 Insurance revenue**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2025 (Unaudited)</b>			
<b>Contracts not measured under the PAA</b>			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	292	-	292
Change in risk adjustment for non-financial risk for risk expired	142	-	142
Expected incurred claims and other insurance service expenses	2,540	-	2,540
Recovery of insurance acquisition cash flows	96	-	96
	<u>3,070</u>	<u>-</u>	<u>3,070</u>
<b>Contracts measured under the PAA</b>	<u>4,245</u>	<u>136,983</u>	<u>141,228</u>
	<u>7,315</u>	<u>136,983</u>	<u>144,298</u>
<b>For the three-month period ended 31 March 2024 (Unaudited)</b>			
<b>Contracts not measured under the PAA</b>			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	283	-	283
Change in risk adjustment for non-financial risk for risk expired	143	-	143
Expected incurred claims and other insurance service expenses	2,668	-	2,668
Recovery of insurance acquisition cash flows	93	-	93
	<u>3,187</u>	<u>-</u>	<u>3,187</u>
<b>Contracts measured under the PAA</b>	<u>7,616</u>	<u>138,801</u>	<u>146,417</u>
	<u>10,803</u>	<u>138,801</u>	<u>149,604</u>

**13 Insurance service expense**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2025 (Unaudited)</b>			
Incurring claims and other expenses	9,133	121,225	130,358
Amortisation of insurance acquisition cash flows	251	13,060	13,311
Losses on onerous contracts and reversals of those losses	(346)	(12,216)	(12,562)
Changes to liabilities for incurred claims	(7,212)	(38,840)	(46,052)
	<u>1,826</u>	<u>83,229</u>	<u>85,055</u>
<b>For the three-month period ended 31 March 2024 (Unaudited)</b>			
Incurring claims and other expenses	20,754	133,294	154,048
Amortisation of insurance acquisition cash flows	462	12,563	13,025
Losses on onerous contracts and reversals of those losses	1,238	1,794	3,032
Changes to liabilities for incurred claims	(12,662)	(30,974)	(43,636)
	<u>9,792</u>	<u>116,677</u>	<u>126,469</u>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**14 Net insurance financial result**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2025 (Unaudited)</b>			
Insurance finance expenses from insurance contracts issued	(3,743)	(8,024)	(11,767)
Reinsurance finance income from reinsurance contracts held	3,174	5,893	9,067
<b>For the three-month period ended 31 March 2024 (Unaudited)</b>			
Insurance finance expenses from insurance contracts issued	(1,270)	(7,842)	(9,112)
Reinsurance finance income from reinsurance contracts held	1,070	5,645	6,715

**15 Basic and diluted earnings per share**

	Three-month period ended 31 March 2025 (Unaudited)	Three-month period ended 31 March 2024 (Unaudited)
Profit for the period after tax (AED'000)	13,050	11,775
Weighted average number of shares outstanding during the period (000)	330,939	330,939
Basic earnings per share (AED)	0.039	0.036

No figures for diluted earnings per share are presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised, as such diluted earnings per share is equivalent to basic earnings per share.

**16 Income tax expense**

The Company has calculated their income tax liability in accordance with Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") with effect from 1 January 2024.

The income tax expense recognised in the condensed interim statement of profit or loss and other comprehensive income comprises the following:

	Three-month period ended 31 March 2025 (Unaudited) AED'000	Three-month period ended 31 March 2024 (Unaudited) AED'000
<b>Income tax</b>		
Current income tax expense	1,146	1,128

Union Insurance Company P.J.S.C.  
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information (continued)  
For the three-month period ended 31 March 2025

17 Segment information

For management purposes the Company is organized into two operating segments, general insurance, and life insurance. These segments are the basis on which the Company reports its primary segment information.

	General Insurance		Life Insurance		Total	
	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<b>Assets</b>						
Property and equipment	2,763	2,917	921	973	3,684	3,890
Intangible assets	1,694	1,931	565	643	2,259	2,574
Right-of-use-assets	181	684	61	228	242	912
Unit-linked assets	-	-	338,661	359,176	338,661	359,176
Investment securities	34,480	35,499	11,178	11,592	45,658	47,091
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	468,901	489,277	124,604	123,056	593,505	612,333
Other receivables	67,272	50,406	1,373	4,755	68,645	55,161
Bank deposits	310,578	306,745	103,527	102,248	414,105	408,993
Cash and cash equivalents	15,121	10,440	5,040	3,480	20,161	13,920
<b>Total assets</b>	<b>906,990</b>	<b>903,899</b>	<b>589,930</b>	<b>610,151</b>	<b>1,496,920</b>	<b>1,514,050</b>
<b>Liabilities</b>						
Provision for employees' end of service benefit	7,614	9,119	2,538	3,039	10,152	12,158
Insurance contract liabilities	610,652	626,148	193,385	192,658	804,037	818,806
Reinsurance contract liabilities	-	-	1,611	1,563	1,611	1,563
Insurance and other payables	65,548	48,846	52,886	64,733	118,434	113,579
Payables to policyholders of unit-linked products	-	-	306,298	324,606	306,298	324,606
<b>Total liabilities</b>	<b>683,814</b>	<b>684,113</b>	<b>556,718</b>	<b>586,599</b>	<b>1,240,532</b>	<b>1,270,712</b>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

17 Segment information (continued)	General Insurance		Life Insurance		Total	
	Three-month period ended 31 March 2025	Three-month period ended 31 March 2024	Three-month period ended 31 March 2025	Three-month period ended 31 March 2024	Three-month period ended 31 March 2025	Three-month period ended 31 March 2024
	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Insurance revenue	136,984	138,801	7,314	10,803	144,298	149,604
Insurance service expenses	(83,229)	(116,676)	(1,826)	(9,793)	(85,055)	(126,469)
<b>Insurance service result before reinsurance contracts held</b>	<b>53,755</b>	<b>22,125</b>	<b>5,488</b>	<b>1,010</b>	<b>59,243</b>	<b>23,135</b>
Allocation of reinsurance premiums	(82,017)	(81,740)	(3,500)	(5,873)	(85,517)	(87,613)
Amounts recoverable from reinsurance for incurred claims	38,490	67,191	1,033	5,912	39,523	73,103
<b>Net expenses from reinsurance contracts held</b>	<b>(43,527)</b>	<b>(14,549)</b>	<b>(2,467)</b>	<b>39</b>	<b>(45,994)</b>	<b>(14,510)</b>
<b>Insurance service result</b>	<b>10,228</b>	<b>7,576</b>	<b>3,021</b>	<b>1,049</b>	<b>13,249</b>	<b>8,625</b>
Interest revenue calculated using the effective interest method	3,883	2,888	1,294	963	5,177	3,851
Net fair value (loss)/gain on financial assets at FVTPL	(1,036)	868	(345)	289	(1,381)	1,157
Other investment income/(expense)	679	(222)	226	(74)	905	(296)
<b>Total investment income</b>	<b>3,526</b>	<b>3,534</b>	<b>1,175</b>	<b>1,178</b>	<b>4,701</b>	<b>4,712</b>
Insurance finance expense for insurance contracts issued	(8,024)	(7,842)	(3,743)	(1,270)	(11,767)	(9,112)
Reinsurance finance income for reinsurance contracts	5,893	5,645	3,174	1,070	9,067	6,715
<b>Net insurance financial result</b>	<b>(2,131)</b>	<b>(2,197)</b>	<b>(569)</b>	<b>(200)</b>	<b>(2,700)</b>	<b>(2,397)</b>
<b>Net insurance and investment results</b>	<b>11,623</b>	<b>8,913</b>	<b>3,627</b>	<b>2,027</b>	<b>15,250</b>	<b>10,940</b>
Other operating (expense)/income	(40)	1,285	(1,014)	678	(1,054)	1,963
<b>Profit for the period before tax</b>	<b>11,583</b>	<b>10,198</b>	<b>2,613</b>	<b>2,705</b>	<b>14,196</b>	<b>12,903</b>
Income tax expense					(1,146)	(1,128)
<b>Profit for the period after tax</b>					<b>13,050</b>	<b>11,775</b>
<b>Basic and diluted earnings per share</b>					<b>0.039</b>	<b>0.036</b>

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**18 Related party balances and transactions**

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 - (Revised). Related parties include the Company's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

At the end of the reporting period, balances due from/to related parties which are included in the respective account balances are detailed below:

	<b>31 March 2025 AED'000 (Unaudited)</b>	<b>31 December 2024 AED'000 (Audited)</b>
<b>Balances with entities related to Board members</b>		
Gross outstanding claims (included in insurance contract liabilities)	29	450
Fixed deposits	76,600	197,009
Bank account	332	5,100
<b>Balances with former major shareholder</b>		
Insurance premium receivable (included in insurance contract assets)	26,603	26,603
Provision for expected credit losses	(26,360)	(26,360)
Net	243	243
Investment properties reclassified to "Advance paid for purchase of real estate properties"	72,270	72,270
Reversal of net fair value gains recorded in prior years	(35,770)	(35,770)
Advance paid for purchase of real estate properties *	36,500	36,500
Provision on advance paid for purchase of real estate properties	(36,500)	(36,500)
	-	-

The outstanding amounts are unsecured, interest free and repayable on demand. No guarantees have been given to the related parties.

\*The amount under the advance paid for real estate properties (AED 36.5 million) was represented as Investment Properties with a carrying value in the books of AED 72.3 million in the audited financial statements for the year ended 31 December 2020. The said asset represents purchased assets from related parties during the years 2013 and 2014. The purchased assets comprise a 60 residential-unit in a single building and a plot of land of 150,000 square feet with integrated infrastructure. For one of the assets, the agreement was entered in 2013 to purchase 150,000 square feet of the land, which was reduced to 56,800 square feet and later amended to 78,900 square feet based on the instruction received from the former Chairman who was also the representative of the related party.

The counterparties (related parties) to the above transactions never fulfilled their obligations to the Company (the Buyer), and as a result the Company did not obtain the title deeds nor obtain possession of the said assets. This has resulted in the incorrect recognition of fair value gains of AED 35.8 million on investment properties in respect of which the Company never obtained possession or legal title, and the misappropriation of advances amounting to AED 36.5 million paid to a related party towards the acquisition of the investment properties. Accordingly, the Board of Directors of the Company decided to book a full provision (AED 72.3 million) against the said assets and proceed with legal action against all parties involved, to recover the Company's rights, in accordance with the resolution of the Shareholders Assembly Meeting held on 30 September 2021.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**18 Related party balances and transactions (continued)**

During the period, the Company entered into the following transactions with related parties:

	<b>Three-month period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Transactions with former major shareholder</b>		
Insurance revenue	-	3
Claims paid	1	17
FD interest income from Bank of Umm Al Quwain	986	545
Bank charges	-	76
Rental paid	268	284
<b>Compensation of key management personnel</b>		
Short-term benefits	360	360
Long-term benefits	11	15

**19 Commitments and contingent liabilities**

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Letters of guarantee*	10,741	10,496

\*Includes AED 10 million (31 December 2024: AED 10 million) issued in favor of the CBUAE (Note 6).

**20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants take those characteristics into account when pricing the asset or liability at the measurement date.

**Fair value of financial instruments carried at amortised cost**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial information approximate their fair values.

**Valuation techniques and assumptions applied for the purposes of measuring fair value**

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024.



**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**20 Fair value measurement (continued)**

**Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis**

Some of the Company's financial assets and liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 March 2025 (Unaudited) AED'000	31 December 2024 (Audited) AED'000				
<b>Financial assets measured at FVTPL</b>						
Quoted equity securities	41,441	42,821	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted bonds	2,723	2,762	Level 1	Prices as per the portfolio bank statement	None	Not applicable
Unquoted equity securities	1,465	1,479	Level 3	Net assets valuation method	Net asset value	Higher the net assets, value of the investees, higher the fair value.
Investment held on behalf of the Policyholder of Unit linked products	188,929	203,960	Level 2	Quoted prices in secondary market	None	Not applicable
Due from reinsurers towards policyholders of unit linked products	134,143	142,896	Level 2	Quoted prices in secondary market	None	Not applicable
<b>Financial assets measured at FVTOCI</b>						
Quoted equity securities	29	29	Level 1	Quoted bid prices in an active market	None	Not applicable
<b>Financial liabilities measured at FVTPL</b>						
Unit linked liabilities (excluding cash held within the related unit linked assets)	323,072	346,856	Level 2	Quoted prices in secondary market	None	Not applicable

There were no transfers between levels during the period. There are no other financial liabilities apart from the liabilities disclosed above which should be categorized under any levels in the above table.

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information (continued)**  
**For the three-month period ended 31 March 2025**

**21 Capital risk management**

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	<b>31 March 2025 AED'000 (Unaudited)</b>	<b>31 December 2024 AED'000 (Unaudited)</b>
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	108,477	102,312
Minimum Guarantee Fund (MGF)	95,973	90,721
Basic Own Funds		
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	59,240	46,624
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	50,763	44,313
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>63,267</u>	<u>55,903</u>

**22 Subsequent events**

Subsequent to the year end, during the Annual General Meeting held on 21 April 2025, the Shareholders approved a resolution relating to the reduction in the Company's share capital amounting to AED 100,939 thousand. This reduction will be utilized to offset the accumulated losses of the Company.

Further, the Company will release a total of AED 41,807 thousand from its reserves to further offset the accumulated losses. The release will be allocated as follows:

- Releasing an amount of AED 21,851 thousand from the special reserve, and
- Releasing an amount of AED 19,956 thousand from the legal reserve.

The Company is currently under process on obtaining final approval from regulators prior to enacting the resolution.

**23 Approval of condensed interim financial information**

The condensed interim financial information was approved by the Board of Directors and authorized for issue on 13 May 2025.