

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

**Condensed interim financial information (Unaudited)  
For the three-month period ended 31 March 2026**

**Union Insurance Company P.J.S.C.**  
**Condensed interim financial information (Unaudited)**  
**For the period ended 31 March 2026**

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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 2026, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flows for the three-month period then ended and material accounting policy information 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**  
**Abu Dhabi, United Arab Emirates**



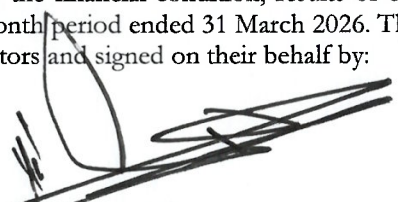
**13 May 2026**

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

**Condensed interim statement of financial position**  
**As at 31 March 2026**

	Notes	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
<b>Assets</b>			
Property and equipment		3,211	3,330
Intangible assets		1,075	1,394
Right-of-use-assets		2,951	3,297
Unit-linked assets	4.3	312,680	341,261
Investment securities	4	58,513	57,374
Statutory deposit	5	10,000	10,000
Reinsurance contract assets	6	549,339	390,092
Other receivables	7	55,414	54,963
Bank deposits with original maturities of more than three months	8.2	443,546	439,045
Cash and cash equivalents	8.1	51,871	30,853
<b>Total assets</b>		<b>1,488,600</b>	<b>1,331,609</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	250,000	230,000
Statutory reserve	10.1	6,493	6,493
Reinsurance reserve	10.2	13,555	12,915
Fair value reserve	10.3	166	166
Retained earnings		23,989	39,739
<b>Total equity</b>		<b>294,203</b>	<b>289,313</b>
<b>Liabilities</b>			
Provision for employees' end of service benefits		9,022	8,731
Insurance contract liabilities	6	786,189	615,342
Reinsurance contract liabilities	6	1,900	1,791
Other payables	11	114,107	110,250
Unit-linked liabilities	4.4	283,179	306,182
<b>Total liabilities</b>		<b>1,194,397</b>	<b>1,042,296</b>
<b>Total equity and liabilities</b>		<b>1,488,600</b>	<b>1,331,609</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 2026. 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 2026**

	Notes	Three-month period ended	
		31 March	
		2026	2025
		AED'000	AED'000
		(Unaudited)	(Unaudited)
Insurance revenue	12	166,915	144,298
Insurance service expenses	13	(267,386)	(85,055)
<b>Insurance service result before reinsurance contracts held</b>		<b>(100,471)</b>	59,243
Allocation of reinsurance premiums		(76,670)	(85,517)
Amounts recoverable from reinsurance for incurred claims		195,893	39,523
<b>Net income / (expense) from reinsurance contracts held</b>		<b>119,223</b>	(45,994)
<b>Insurance service result</b>		<b>18,752</b>	13,249
Interest revenue calculated using the effective interest method		4,507	5,177
Net fair value loss on financial assets at FVTPL		(263)	(1,381)
Other investment income		124	905
<b>Total investment income</b>		<b>4,368</b>	4,701
Insurance finance expense for insurance contracts issued	14	(12,814)	(11,767)
Reinsurance finance income for reinsurance contracts held	14	8,080	9,067
<b>Net insurance financial result</b>		<b>(4,734)</b>	(2,700)
<b>Net insurance and investment results</b>		<b>18,386</b>	15,250
Board remuneration		(2,360)	(40)
Other operating expenses		(580)	(1,014)
<b>Profit for the period before tax</b>		<b>15,446</b>	14,196
Income tax expense	16	(1,356)	(1,146)
<b>Profit for the period after tax</b>		<b>14,090</b>	13,050
			<i>Restated</i>
<b>Basic and diluted earnings per share</b>	15	<b>0.056</b>	0.052

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 2026

	Notes	Three-month period ended 31 March	
		2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Profit for the period after tax		14,090	13,050
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net change in fair value of equity investments designated at FVTOCI		-	-
<b>Total other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>14,090</b>	<b>13,050</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 2026

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Reinsurance reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total equity AED'000
Balance as 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
Balance at 1 January 2026 (Audited)	<b>230,000</b>	<b>6,493</b>	-	<b>12,915</b>	<b>166</b>	<b>39,739</b>	<b>289,313</b>
Profit for the period after tax	-	-	-	-	-	14,090	14,090
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	<b>14,090</b>	<b>14,090</b>
Transfer to reinsurance reserve	-	-	-	640	-	(640)	-
Cash dividends paid	-	-	-	-	-	(9,200)	(9,200)
Bonus shares issued during the period	20,000	-	-	-	-	(20,000)	-
<b>Balance at 31 March 2026 (Unaudited)</b>	<b>250,000</b>	<b>6,493</b>	-	<b>13,555</b>	<b>166</b>	<b>23,989</b>	<b>294,203</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 cash flows**  
**For the period ended 31 March 2026**

	Notes	<b>Three-month period ended 31 March 2026 AED'000 (Unaudited)</b>	<b>Three-month period ended 31 March 2025 AED'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>			
Profit for the period before tax		15,446	14,196
Adjustments for:			
Depreciation and amortisation		1,503	1,213
Loss on disposal of investments at FVTPL		-	-
Unrealised loss/(gain) on investments at FVTPL		263	1,381
Charge / (reversal) of provision for expected credit losses		1,250	(1,912)
Interest income		(4,507)	(5,177)
Dividend income		(315)	(1,091)
Interest on lease liabilities		169	10
Provision for employees' end of service benefits		963	185
		<u>14,772</u>	<u>8,805</u>
<b>Change in working capital</b>			
Reinsurance contract assets – net		(159,138)	18,876
Other receivables		(451)	(13,484)
Insurance contract liabilities – net		169,597	(12,857)
Other payables		1,955	(1,146)
Unit linked assets		28,581	20,515
Unit linked liabilities		(23,003)	(12,730)
		<u>32,313</u>	<u>7,979</u>
Employees' end of service indemnity paid		(673)	(2,191)
		<u>31,640</u>	<u>5,788</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment and intangibles		(28)	(22)
Purchase of investments held at FVTPL (excluding unit linked assets)		(1,402)	-
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)		-	52
Interest received		101	5,177
Dividends received		315	1,091
Bank deposits with original maturities of more than three months		(94)	(5,112)
		<u>(1,108)</u>	<u>1,186</u>
<b>Cash flows from financing activity</b>			
Dividend paid		(9,200)	-
Payment of lease liabilities		(314)	(733)
		<u>(9,514)</u>	<u>(733)</u>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period		30,853	13,920
<b>Cash and cash equivalents at the end of the period</b>	8.1	<u>51,871</u>	<u>20,161</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 2026**

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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 (as amended), relating to commercial companies. The Company is subject to the regulations of the UAE Federal Law No. (6) of 2025 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 (as amended).

**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 2025.

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 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

**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 2026**

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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 2025, except for application of new standards effective as of 1 January 2026 and several amendments and interpretations apply for the first time in 2026.

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

<b>Standard number</b>	<b>Title</b>	<b>Effective date</b>
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026

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>Standard number</b>	<b>Title</b>	<b>Effective date</b>
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	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 2026**

<b>4 Investment in securities and unit-linked assets and liabilities</b>	<b>31 March 2026 AED'000 (Unaudited)</b>	<b>31 December 2025 AED'000 (Audited)</b>
Financial assets at fair value through profit or loss (Note 4.1)	58,486	57,347
Financial assets at fair value through other comprehensive income (Note 4.2)	27	27
	<u>58,513</u>	<u>57,374</u>
Unit linked assets (Note 4.3)	<u>312,680</u>	<u>341,261</u>

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

	<b>31 March 2026 AED'000 (Unaudited)</b>	<b>31 December 2025 AED'000 (Audited)</b>
Quoted equity securities in UAE	55,679	54,539
Quoted equity securities outside UAE	674	674
Quoted bonds in UAE	1,830	1,830
Unquoted equity securities outside UAE	55	56
Unquoted equity securities in UAE	248	248
	<u>58,486</u>	<u>57,347</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**

	<b>31 March 2026 AED'000 (Unaudited)</b>	<b>31 December 2025 AED'000 (Audited)</b>
Quoted equity securities in UAE	<u>27</u>	<u>27</u>

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

**4.3 Unit-linked assets**

	<b>31 March 2026 AED'000 (Unaudited)</b>	<b>31 December 2025 AED'000 (Audited)</b>
Investments held on behalf of policyholders of unit-linked products carried at FVTPL	168,387	187,800
Financial assets from reinsurers towards policyholders of unit-linked products carried at FVTPL	131,457	140,282
Cash held on behalf of policyholders of unit-linked products carried at amortised cost	12,836	13,179
	<u>312,680</u>	<u>341,261</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 2026**

**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:

	<b>31 March 2026 AED'000 (Unaudited)</b>	31 December 2025 AED'000 (Audited)
Payables to policyholders of unit-linked products	<b>312,680</b>	341,261
Payables classified under insurance contract liabilities*	<b>(29,501)</b>	(35,079)
	<b><u>283,179</u></b>	<u>306,182</u>

\*The liabilities for unit-linked policies with significant insurance risk are included within the calculation of the insurance contract liabilities amounting to AED 29,501 thousand (31 December 2025: AED 35,079 thousand).

**5 Statutory deposit**

In accordance with the requirements of UAE Federal Law No. 6 of 2025, the Company has maintained a bank deposit of AED 10 million (31 December 2025: 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:

	<b>31 March 2026 (Unaudited)</b>			31 December 2025 (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	-	188,491	(188,491)	-	191,480	(191,480)
General	-	597,698	(597,698)	-	423,862	(423,862)
<b>Total insurance contracts issued</b>	<b>-</b>	<b>786,189</b>	<b>(786,189)</b>	<b>-</b>	<b>615,342</b>	<b>(615,342)</b>
<b>Reinsurance contracts held</b>						
Life	126,188	1,876	124,312	120,735	1,768	118,967
General	423,151	24	423,127	269,357	23	269,334
<b>Total reinsurance contracts held</b>	<b>549,339</b>	<b>1,900</b>	<b>547,439</b>	<b>390,092</b>	<b>1,791</b>	<b>388,301</b>

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 2026

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 2026 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
Insurance contract liabilities as at 1 January 2026	(93,120)	63	548,200	14,704	469,847
Insurance revenue	(164,056)	-	-	-	(164,056)
<b>Insurance service expenses:</b>					
Incurred claims and other expenses	-	-	140,351	9,055	149,406
Amortisation of insurance acquisition cash flows	13,066	-	-	-	13,066
Losses on onerous contracts and reversals	-	(63)	-	-	(63)
Changes to liabilities for incurred claims	-	-	101,028	(1,391)	99,637
<b>Insurance service result</b>	<b>(150,990)</b>	<b>(63)</b>	<b>241,379</b>	<b>7,664</b>	<b>97,990</b>
Insurance finance expenses	-	-	12,074	(11)	12,063
<b>Total changes in the statement of comprehensive income</b>	<b>(150,990)</b>	<b>(63)</b>	<b>253,453</b>	<b>7,653</b>	<b>110,053</b>
<b>Cash flows</b>					
Premiums received	222,058	-	-	-	222,058
Claims and other expenses paid	-	-	(140,351)	-	(140,351)
Insurance acquisition cash flows	(18,272)	-	-	-	(18,272)
<b>Total cash flows</b>	<b>203,786</b>	<b>-</b>	<b>(140,351)</b>	<b>-</b>	<b>63,435</b>
Insurance contract liabilities as at 31 March 2026	(40,324)	-	661,302	22,357	643,335
<b>Net insurance contract liabilities as at 31 March 2026</b>	<b>(40,324)</b>	<b>-</b>	<b>661,302</b>	<b>22,357</b>	<b>643,335</b>
31 December 2025 (Audited)					
Insurance contract liabilities as at 1 January 2025	(24,547)	14,152	660,410	23,666	673,681
Insurance revenue	(602,576)	-	-	-	(602,576)
<b>Insurance service expenses:</b>					
Incurred claims and other expenses	-	-	529,397	5,708	494,179
Amortisation of insurance acquisition cash flows	49,317	-	-	-	49,317
Losses on onerous contracts and reversals	-	(14,089)	-	-	(14,089)
Changes to liabilities for incurred claims	-	-	(170,109)	(14,695)	(143,878)
<b>Insurance service result</b>	<b>(553,259)</b>	<b>(14,089)</b>	<b>359,288</b>	<b>(8,987)</b>	<b>(217,047)</b>
Insurance finance expenses	-	-	16,973	25	16,998
<b>Total changes in the statement of comprehensive income</b>	<b>(553,259)</b>	<b>(14,089)</b>	<b>376,261</b>	<b>(8,962)</b>	<b>(200,049)</b>
<b>Cash flows</b>					
Premiums received	532,277	-	-	-	532,278
Claims and other expenses paid	-	-	(488,471)	-	(488,471)
Insurance acquisition cash flows	(47,591)	-	-	-	(47,591)
<b>Total cash flows</b>	<b>487,187</b>	<b>-</b>	<b>(488,471)</b>	<b>-</b>	<b>(3,784)</b>
Net insurance contract liabilities as at 31 December 2025	(93,120)	63	548,200	14,704	469,847

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 2026

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

31 March 2026 (Unaudited)	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
<b>Insurance contract liabilities as at 1 January 2026</b>	122,360	11,061	12,074	145,495
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(316)	(316)
Change in risk adjustment for non-financial risk for risk expired	-	(166)	-	(166)
Experience adjustments	(2,037)	-	-	(2,037)
<b>Changes that relate to future services</b>				
Changes in estimates that adjust the CSM	553	(620)	67	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	1,037	(318)	-	719
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	4,281	-	-	4,281
<b>Insurance service result</b>	<b>3,834</b>	<b>(1,104)</b>	<b>(249)</b>	<b>2,481</b>
Net finance expenses from insurance contracts	(1,616)	47	80	(1,489)
<b>Total changes in the statement of profit or loss and OCI</b>	<b>2,218</b>	<b>(1,057)</b>	<b>(169)</b>	<b>992</b>
<b>Cash flows</b>				
Premiums received	487	-	-	487
Claims and other directly attributable expenses paid	(4,120)	-	-	(4,120)
<b>Total cash flows</b>	<b>(3,633)</b>	<b>-</b>	<b>-</b>	<b>(3,633)</b>
Insurance contract liabilities as at 31 March 2026	120,945	10,004	11,905	142,854
<b>Net insurance contract liabilities as at 31 March 2026</b>	<b>120,945</b>	<b>10,004</b>	<b>11,905</b>	<b>142,854</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 2026

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 2025 (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 2025	120,007	12,460	12,658	145,125
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(1,427)	(1,427)
Change in risk adjustment for non-financial risk for risk expired	-	(643)	-	(643)
Experience adjustments	(4,137)	-	-	(4,137)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	-	-	-	-
Changes in estimates that adjust the CSM	385	(826)	442	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	(210)	(169)	-	(379)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	2,215	-	-	2,215
Insurance service result	(1,747)	(1,638)	(985)	(4,370)
Net finance expenses from insurance contracts	9,379	239	401	10,019
Total changes in the statement of profit or loss and OCI	7,632	(1,399)	(584)	5,649
<b>Cash flows</b>				
Premiums received	6,094	-	-	6,094
Claims and other directly attributable expenses paid	(11,373)	-	-	(11,373)
Insurance acquisition cash flows paid	-	-	-	-
Total cash flows	(5,279)	-	-	(5,279)
Net insurance contract liabilities as at 31 December 2025	122,360	11,061	12,074	145,495

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 2026

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		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 March 2026 (Unaudited)					
Reinsurance contract assets as at 1 January 2026	(51,154)	-	343,655	11,489	303,990
An allocation of reinsurance premiums	(62,907)	-	-	-	(62,907)
<b><i>Amounts recoverable from reinsurers for incurred claims</i></b>					
Amounts recoverable for claims incurred and other expenses	-	-	53,029	7,996	61,025
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	119,327	31	119,358
<b>Net income or expense from reinsurance contracts held</b>	<b>(62,907)</b>	<b>-</b>	<b>172,356</b>	<b>8,027</b>	<b>117,476</b>
Reinsurance finance income	-	-	7,442	(7)	7,435
<b>Total changes in the statement of comprehensive income</b>	<b>(62,907)</b>	<b>-</b>	<b>179,798</b>	<b>8,020</b>	<b>124,911</b>
<b><i>Cash flows</i></b>					
Reinsurance premiums paid	84,840	-	-	-	84,840
Amounts received	-	-	(53,029)	-	(53,029)
<b>Total cash flows</b>	<b>84,840</b>	<b>-</b>	<b>(53,029)</b>	<b>-</b>	<b>31,811</b>
Reinsurance contract assets as at 31 December	(88)	-	62	3	(23)
Reinsurance contract liabilities as at 31 December	(29,133)	-	470,362	19,506	460,735
<b>Net reinsurance contract assets as at 31 March 2026</b>	<b>(29,221)</b>	<b>-</b>	<b>470,294</b>	<b>19,509</b>	<b>460,712</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 2026**

**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)**

31 December 2025	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	
Reinsurance contract assets as at 1 January 2025	6,079	12,569	487,152	20,881	526,681
An allocation of reinsurance premiums	(251,783)	(12,569)	-	-	(264,352)
Amounts recoverable from reinsurers for					
Amounts recoverable for incurred claims and other expenses	-	-	244,199	3,795	247,994
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(155,090)	(13,208)	(168,298)
Net income or expense from reinsurance	(251,783)	(12,569)	89,109	(9,413)	(184,656)
Reinsurance finance income	-	-	11,593	21	11,614
Total changes in the statement of comprehensive income	(251,783)	(12,569)	100,702	(9,392)	(173,042)
<i>Cash flows</i>					
Premiums paid	194,550	-	-	-	194,550
Amounts received	-	-	(244,199)	-	(244,199)
Total cash flows	194,550	-	(244,199)	-	(49,649)
Reinsurance contract assets as at 31 December	89	-	(65)	(2)	22
Reinsurance contract liabilities as at 31 December 2025	(51,065)	-	343,590	11,487	304,012
Net reinsurance contract assets as at 31 December 2025	(51,154)	-	343,655	11,489	303,990

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 2026

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

31 March 2026 (Unaudited)	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Reinsurance contract assets as at 1 January 2026	76,303	3,056	6,743	86,102
Reinsurance contract liabilities as at 1 January 2026	(1,268)	(633)	3,670	1,769
<b>Net reinsurance contract assets</b>	<b>77,571</b>	<b>3,689</b>	<b>3,073</b>	<b>84,333</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(122)	(122)
Change in risk adjustment for non-financial risk for risk expired	-	(103)	-	(103)
Experience adjustments	(1,866)	-	-	(1,866)
<b>Changes that relate to future services</b>				
Changes in estimates that adjust the CSM	198	(6)	(192)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(1)	(6)	-	(7)
<b>Changes that relate to past services</b>				
Adjustments to assets for incurred claims	3,843	-	-	3,843
<b>Net expenses from reinsurance contracts</b>	<b>2,174</b>	<b>(115)</b>	<b>(314)</b>	<b>1,745</b>
Net finance income from reinsurance contracts	548	48	53	649
<b>Total changes in the statement of profit or loss and OCI</b>	<b>2,722</b>	<b>(67)</b>	<b>(261)</b>	<b>2,394</b>
<b>Cash flows</b>				
Premiums received	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-
<b>Total cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reinsurance contract assets as at 31 March 2026	79,002	2,987	6,615	88,604
Reinsurance contract liabilities as at 31 March 2026	(1,291)	(635)	3,803	1,877
<b>Net reinsurance contract liabilities as at 31 March 2026</b>	<b>80,293</b>	<b>3,622</b>	<b>2,812</b>	<b>86,727</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 2026**

**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)**

31 December 2025	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net reinsurance contract assets as at 1 January 2025	78,160	3,944	1,985	84,089
Changes that relate to current services				
CSM recognised for services provided	-	-	(475)	(475)
Change in risk adjustment for non-financial risk for	-	(452)	-	(452)
Experience adjustments	(4,003)	-	-	(4,003)
Changes that relate to future services				
Contracts initially recognised in the year	-	-	-	-
Changes in estimates that adjust the CSM	(1,357)	(48)	1,404	(1)
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(405)	8	-	(397)
Changes that relate to past services				
Adjustments to assets for incurred claims	2,303	-	-	2,303
Net expenses from reinsurance contracts	(3,462)	(492)	929	(3,025)
Net finance income from reinsurance contracts	5,812	237	159	6,208
Total changes in the statement of profit or loss and OCI	2,350	(255)	1,088	3,183
Cash flows				
Premiums received	1,064	-	-	1,064
Claims and other directly attributable expenses paid	(4,003)	-	-	(4,003)
Total cash flows	(2,939)	-	-	(2,939)
Reinsurance contract assets as at 31 December 2025	76,303	3,056	6,743	86,102
Reinsurance contract liabilities as at 31 December 2025	(1,268)	(633)	3,670	1,769
Net reinsurance contract assets as at 31 December 2025	77,571	3,689	3,073	84,333

**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 2026**

**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 AED'000	2 year AED'000	3 year AED'000	4 year AED'000	5 year AED'000	>6 year AED'000	Total AED'000
<b>31 March 2025 (Unaudited)</b>							
Insurance contracts issued	890	1,055	931	858	791	7,380	11,905
Reinsurance contracts held	296	319	281	279	276	1,361	2,812
	<b>594</b>	<b>736</b>	<b>650</b>	<b>579</b>	<b>515</b>	<b>6,019</b>	<b>9,093</b>
<b>31 December 2025 (Audited)</b>							
Insurance contracts issued	1,199	1,050	926	853	786	7,260	12,074
Reinsurance contracts held	402	325	286	283	280	1,498	3,074
	<b>797</b>	<b>725</b>	<b>640</b>	<b>570</b>	<b>506</b>	<b>5,762</b>	<b>9,000</b>

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

	PAA AED'000	Non-PAA AED'000	Total AED'000
<b>31 March 2025 (Unaudited)</b>			
Insurance contract liabilities	643,335	142,854	786,189
Reinsurance contract assets	(460,735)	(88,604)	(549,339)
Reinsurance contract liabilities	23	1,877	1,900
	<b>182,623</b>	<b>56,127</b>	<b>238,750</b>
<b>31 December 2025 (Audited)</b>			
Insurance contract liabilities	469,847	145,495	615,342
Reinsurance contract assets	(303,990)	(86,102)	(390,092)
Reinsurance contract liabilities	22	1,769	1,791
	<b>165,879</b>	<b>61,162</b>	<b>227,041</b>

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

	1 year		3 years		5 years		10 years	
	2026	2025	2026	2025	2026	2025	2026	2025
Discount rate	4.73 %	4.55 %	4.86 %	4.62 %	4.98 %	4.81 %	5.40 %	5.31 %

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 2026

7 Other receivables

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Other receivables	50,772	48,661
Prepaid expenses	4,642	6,302
	<u>55,414</u>	<u>54,963</u>

8 Bank balances and cash

8.1 Cash and cash equivalents

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Cash on hand	35	35
<b>Bank balances:</b>		
Current accounts with banks	51,836	30,818
	<u>51,871</u>	<u>30,853</u>
In UAE	50,458	29,449
Outside UAE	1,413	1,404
	<u>51,871</u>	<u>30,853</u>

8.2 Bank deposits

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Deposits with original maturities greater than three-months	443,546	439,045
In UAE	443,546	439,045
Outside the U.A.E.	-	-
	<u>443,546</u>	<u>439,045</u>

Bank deposits carried interest rates ranging from 1.5% - 5.07% per annum (31 December 2025: 3.5% to 4.5% per annum). Bank deposits of AED 45 million (31 December 2025: 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 2026**

**9 Share capital**

	<b>31 March 2026 AED'000 (Unaudited)</b>	31 December 2025 AED'000 (Audited)
Issued and fully paid 250,000,000 shares of AED 1 each (2025: 230,000,000 of AED 1 each)	<b>250,000</b>	230,000

During the period, the shareholders of the Company approved distribution of dividends to shareholders by way of bonus shares with a total value of AED 20,000 thousand, in addition to the cash dividends of 4% of nominal value per share (amounting to AED 9,200 thousand). Accordingly, the Company's share capital has increased by AED 20,000 on account of the bonus shares issued during the period.

**10 Reserves**

**10.1 Statutory reserve**

In accordance with UAE Federal Law No. (32) of 2021(as amended) 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 2026 as the transfers are made on annual profits. (31 March 2025: AED nil)

**10.2 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 640 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 2026 (31 March 2025: AED 515 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.

**10.3 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 2026 AED'000 (Unaudited)</b>	31 December 2025 AED'000 (Audited)
Other payables	<b>98,646</b>	94,231
Employee accruals	<b>6,889</b>	8,489
Corporate tax payable	<b>5,716</b>	4,359
Lease liabilities	<b>2,856</b>	3,171
	<b>114,107</b>	110,250

**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 2026**

**12 Insurance revenue**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2026 (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	316	-	316
Change in risk adjustment for non-financial risk for risk expired	151	-	151
Expected incurred claims and other insurance service expenses	2,301	-	2,301
Recovery of insurance acquisition cash flows	91	-	91
	<u>2,859</u>	<u>-</u>	<u>2,859</u>
<b>Contracts measured under the PAA</b>	<b>8,062</b>	<b>155,994</b>	<b>164,056</b>
	<u><b>10,921</b></u>	<u><b>155,994</b></u>	<u><b>166,915</b></u>
For the three-month period ended 31 March 2025 (Unaudited)			
Contracts not measured under the PAA			
<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>
Contracts measured under the PAA	4,245	136,983	141,228
	<u>7,315</u>	<u>136,983</u>	<u>144,298</u>

**13 Insurance service expense**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2026 (Unaudited)</b>			
Incurring claims and other expenses	5,721	135,153	140,874
Amortisation of insurance acquisition cash flows	281	12,875	13,156
Losses on onerous contracts and reversals of those losses	433	(51)	382
Changes to liabilities for incurred claims	2,235	110,737	112,972
	<u>8,670</u>	<u>258,714</u>	<u>267,384</u>
For the three-month period ended 31 March 2025 (Unaudited)			
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>

During January 2026, a major claim was reported which is reflected in the insurance service expenses compared to the corresponding results of 31 March 2025. The claim is majorly protected by reinsurance arrangements and is fully recorded in this condensed interim financial information.

**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 2026**

**14 Net insurance financial result**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 31 March 2026 (Unaudited)</b>			
Insurance finance expenses from insurance contracts issued	<u>(11,387)</u>	<u>(1,427)</u>	<u>(12,814)</u>
Reinsurance finance income from reinsurance contracts held	<u>6,967</u>	<u>1,113</u>	<u>8,080</u>
<b>For the three-month period ended 31 March 2025 (Unaudited)</b>			
Insurance finance expenses from insurance contracts issued	<u>(3,743)</u>	<u>(8,024)</u>	<u>(11,767)</u>
Reinsurance finance income from reinsurance contracts held	<u>3,174</u>	<u>5,893</u>	<u>9,067</u>

**15 Basic and diluted earnings per share**

	<b>Three-month period ended 31 March 2026 (Unaudited)</b>	Three-month period ended 31 March 2025 (Unaudited) (Restated)
Profit for the period after tax (AED'000)	<b>14,090</b>	13,050
Weighted average number of shares outstanding during the period (000)	<u>250,000</u>	<u>250,000</u> <i>Restated</i>
Basic earnings per share (AED)	<u><b>0.056</b></u>	<u>0.052</u>

In accordance with IAS 33 "Earnings Per Share", the weighted average number of ordinary shares used in the calculation of EPS for the comparative period (Q1 2025) has been retrospectively adjusted to reflect the issuance of bonus shares as disclosed in note 9.

**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").

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

	<b>Three-month period ended 31 March 2026 (Unaudited) AED'000</b>	Three-month period ended 31 March 2025 (Unaudited) AED'000
<b>Income tax</b>		
Current income tax expense	<u>1,356</u>	<u>1,146</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 2026**

**17 Segment information**

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

	General Insurance		Life Insurance		Total	
	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
<b>Assets</b>						
Property and equipment	2,408	2,498	803	832	3,211	3,330
Intangible assets	806	1,046	269	348	1,075	1,394
Right-of-use-assets	2,213	2,473	738	824	2,951	3,297
Unit-linked assets	-	-	312,680	341,261	312,680	341,261
Investment securities	43,795	42,941	14,718	14,433	58,513	57,374
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	423,151	269,376	126,188	120,716	549,339	390,092
Other receivables	47,180	45,962	8,234	9,001	55,414	54,963
Bank deposits	332,660	329,284	110,886	109,761	443,546	439,045
Cash and cash equivalents	38,903	23,140	12,968	7,713	51,871	30,853
<b>Total assets</b>	<b>897,116</b>	<b>722,720</b>	<b>591,484</b>	<b>608,889</b>	<b>1,488,600</b>	<b>1,331,609</b>
<b>Liabilities</b>						
Provision for employees' end of service benefit	6,767	6,548	2,255	2,183	9,022	8,731
Insurance contract liabilities	597,698	423,862	188,491	191,480	786,189	615,342
Reinsurance contract liabilities	24	23	1,876	1,768	1,900	1,791
Insurance and other payables	29,140	16,635	84,967	93,615	114,107	110,250
Payables to policyholders of unit-linked products	-	-	283,179	306,182	283,179	306,182
<b>Total liabilities</b>	<b>633,629</b>	<b>447,068</b>	<b>560,768</b>	<b>595,228</b>	<b>1,194,397</b>	<b>1,042,296</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 2026

17 Segment information (continued)

	General Insurance		Life Insurance		Total	
	Three-month period ended 31 March 2026 AED'000 (Unaudited)	Three-month period ended 31 March 2025 AED'000 (Unaudited)	Three-month period ended 31 March 2026 AED'000 (Unaudited)	Three-month period ended 31 March 2025 AED'000 (Unaudited)	Three-month period ended 31 March 2026 AED'000 (Unaudited)	Three-month period ended 31 March 2025 AED'000 (Unaudited)
Insurance revenue	155,994	136,984	10,921	7,314	166,915	144,298
Insurance service expenses	(258,715)	(83,229)	(8,671)	(1,826)	(267,386)	(85,055)
<b>Insurance service result before reinsurance contracts held</b>	<b>(102,721)</b>	53,755	<b>2,250</b>	5,488	<b>(100,471)</b>	59,243
Allocation of reinsurance premiums	(72,861)	(82,017)	(3,809)	(3,500)	(76,670)	(85,517)
Amounts recoverable from reinsurance for incurred claims	190,113	38,490	5,780	1,033	195,893	39,523
<b>Net income/ (expenses) from reinsurance contracts held</b>	<b>117,252</b>	(43,527)	<b>1,971</b>	(2,467)	<b>119,223</b>	(45,994)
<b>Insurance service result</b>	<b>14,531</b>	10,228	<b>4,221</b>	3,021	<b>18,752</b>	13,249
Interest revenue calculated using the effective interest method	3,380	3,883	1,127	1,294	4,507	5,177
Net fair value loss on financial assets at FVTPL	(197)	(1,036)	(66)	(345)	(263)	(1,381)
Other investment income	93	679	31	226	124	905
<b>Total investment income</b>	<b>3,276</b>	3,526	<b>1,092</b>	1,175	<b>4,368</b>	4,701
Insurance finance expense for insurance contracts issued	(11,387)	(8,024)	(1,427)	(3,743)	(12,814)	(11,767)
Reinsurance finance income for reinsurance contracts	6,967	5,893	1,113	3,174	8,080	9,067
<b>Net insurance financial result</b>	<b>(4,420)</b>	(2,131)	<b>(314)</b>	(569)	<b>(4,734)</b>	(2,700)
<b>Net insurance and investment results</b>	<b>13,387</b>	11,623	<b>4,999</b>	3,627	<b>18,386</b>	15,250
Other operating (expense)/income	(2,360)	(40)	(580)	(1,014)	(2,940)	(1,054)
<b>Profit for the period before tax</b>	<b>11,027</b>	11,583	<b>4,419</b>	2,613	<b>15,446</b>	14,196
Income tax expense					(1,356)	(1,146)
<b>Profit for the period after tax</b>					<b>14,090</b>	13,050
<b>Basic and diluted earnings per share</b>					<b>0.056</b>	0.052

**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 2026**

**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 2026 AED'000 (Unaudited)</b>	31 December 2025 AED'000 (Audited)
<b>Balances with entities related to Board members</b>		
Gross outstanding claims (included in insurance contract liabilities)	22	17
Fixed deposits	80,631	80,631
Bank account	<u>13,442</u>	<u>1,220</u>
<b>Balances with former major shareholder</b>		
Insurance premium receivable (included in insurance contract assets)	26,603	26,603
Provision for expected credit losses	<u>(26,360)</u>	<u>(26,360)</u>
Net	<u>243</u>	<u>243</u>
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	<u>(35,770)</u>	<u>(35,770)</u>
Advance paid for purchase of real estate properties *	36,500	36,500
Provision on advance paid for purchase of real estate properties	<u>(36,500)</u>	<u>(36,500)</u>
	<u>-</u>	<u>-</u>

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 2026**

**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</b>	
	<b>March</b>	
	<b>2026</b>	<b>2025</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Transactions with former major shareholder</b>		
Insurance revenue	<b>81</b>	-
Claims paid	<b>14</b>	1
FD interest income from Bank of Umm Al Quwain	<b>808</b>	986
Bank charges	<b>14</b>	-
Rental paid	<b>192</b>	268
<b>Compensation of key management personnel</b>		
Short-term benefits	<b>420</b>	360
Long-term benefits	<b>12</b>	11

**19 Commitments and contingent liabilities**

	<b>31 March</b>	<b>31 December</b>
	<b>2026</b>	<b>2025</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Letters of guarantee*	<b>11,270</b>	10,922

\*Includes AED 10 million (31 December 2025: AED 10 million) issued in favor of the CBUAE (Note 5).

**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 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 2026**

**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 2026 (Unaudited) AED'000	31 December 2025 (Audited) AED'000				
<b>Financial assets measured at FVTPL</b>						
Quoted equity securities	56,353	55,213	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted bonds	1,830	1,830	Level 1	Prices as per the portfolio bank statement	None	Not applicable
Unquoted equity securities	303	303	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	168,387	187,800	Level 2	Quoted prices in secondary market	None	Not applicable
Due from reinsurers towards policyholders of unit linked products	131,457	140,282	Level 2	Quoted prices in secondary market	None	Not applicable
<b>Financial assets measured at FVTOCI</b>						
Quoted equity securities	27	27	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)	299,844	328,082	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 2026**

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**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 2026 AED'000 (Unaudited)</b>	31 December 2025 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	<b>100,000</b>	100,000
Solvency Capital Requirement (SCR)	<b>121,965</b>	100,609
Minimum Guarantee Fund (MGF)	<b>122,896</b>	116,079
Basic Own Funds	<b>186,827</b>	182,287
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	<b>86,827</b>	82,287
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	<b>64,862</b>	78,383
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<b><u>63,932</u></b>	<u>66,208</u>

**22 Subsequent events**

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial information as at and for the three-month period ended 31 March 2026.

**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 2026.