

Union Insurance Company P.J.S.C.

**Condensed interim financial information (Unaudited)
For the nine-month period ended 30 September 2025**

Union Insurance Company P.J.S.C.
Condensed interim financial information (Unaudited)
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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 30 September 2025 and condensed interim statement of profit or loss, condensed interim statement of other comprehensive income for the three-month and nine-month periods then ended, and condensed interim statement of changes in shareholders' equity, condensed interim cash flows for nine-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 *"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"*.

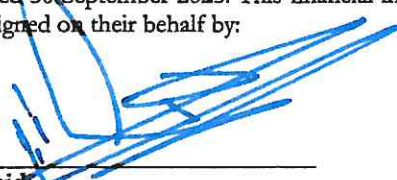
GRANT THORNTON UAE
Dr. Osama El-Bakry
Registration No: 935
Sharjah, United Arab Emirates**13 November 2025**

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

Condensed interim statement of financial position
As at 30 September 2025

	Notes	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Assets			
Property and equipment		3,439	3,890
Intangible assets		1,630	2,574
Right-of-use-assets		3,643	912
Unit-linked assets	4.3	344,970	359,176
Investment securities	4	56,060	47,091
Statutory deposit	5	10,000	10,000
Reinsurance contract assets	6	580,715	612,333
Other receivables	7	43,439	55,161
Bank deposits	8.2	437,828	408,993
Cash and cash equivalents	8.1	27,307	13,920
Total assets		1,509,031	1,514,050
Equity and liabilities			
Equity			
Share capital	9	230,000	330,939
Statutory reserve	10.1	1,895	21,851
Special reserve	10.2	-	21,851
Reinsurance reserve	10.3	12,551	11,274
Fair value reserve	10.4	166	168
Retained earnings/(accumulated losses)		32,675	(142,745)
Total equity		277,287	243,338
Liabilities			
Provision for employees' end of service benefits		9,171	12,158
Insurance contract liabilities	6	802,524	818,806
Reinsurance contract liabilities	6	1,677	1,563
Other payables	11	108,988	113,579
Unit-linked liabilities	4.4	309,384	324,606
Total liabilities		1,231,744	1,270,712
Total equity and liabilities		1,509,031	1,514,050

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 nine-month period ended 30 September 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 30 September 2025

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Insurance revenue	12	154,232	144,439	454,068	442,153
Insurance service expenses	13	(157,931)	(80,351)	(306,749)	(463,604)
Insurance service result before reinsurance contracts held		(3,699)	64,088	147,319	(21,451)
Allocation of reinsurance premiums		(76,480)	(83,822)	(240,550)	(255,266)
Amounts recoverable from reinsurance for incurred claims		86,434	28,290	120,460	297,900
Net result from reinsurance contracts held		9,954	(55,532)	(120,090)	42,634
Insurance service result		6,255	8,556	27,229	21,183
Interest revenue calculated using the effective interest method		4,903	4,307	14,821	12,460
Net fair value gain/(loss) on financial assets at FVTPL		2,429	1,730	4,147	(254)
Other investment (expense)/income		(205)	(147)	1,938	2,133
Total investment income		7,127	5,890	20,906	14,339
Insurance finance expense for insurance contracts issued	14	(3,807)	(9,610)	(21,671)	(23,890)
Reinsurance finance income for reinsurance contracts held	14	2,805	7,765	16,043	18,117
Net insurance financial result		(1,002)	(1,845)	(5,628)	(5,773)
Net insurance and investment results		12,380	12,601	42,507	29,749
Other operating expenses		(1,643)	(1,766)	(4,867)	(3,232)
Board remuneration		-	(45)	(2,045)	(1,560)
Profit for the period before tax		10,737	10,790	35,595	24,957
Income tax expense	16	(461)	(971)	(1,644)	(2,212)
Profit for the period after tax		10,276	9,819	33,951	22,745
			<i>Restated</i>		<i>Restated</i>
Basic and diluted earnings per share	15	0.045	0.043	0.148	0.099

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 30 September 2025

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Profit for the period after tax		10,276	9,819	33,951	22,745
Other comprehensive (loss)/income:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net change in fair value of equity investments designated at FVTOCI		-	-	(2)	4
Total other comprehensive (loss)/income for the period		-	-	(2)	4
Total comprehensive income for the period		10,276	9,819	33,949	22,749

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 30 September 2025

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Reinsurance reserve AED'000	Fair value reserve AED'000	Retained earnings/ (accumulated losses) AED'000	Total equity AED'000
Balance at 1 January 2024 (Audited)	330,939	18,020	18,020	9,525	163	(171,641)	205,026
Profit for the period after tax	-	-	-	-	-	22,745	22,745
Other comprehensive income	-	-	-	-	4	-	4
Total comprehensive income for the period	-	-	-	-	4	22,745	22,749
Transfer to reinsurance reserve	-	-	-	1,378	-	(1,378)	-
Balance at 30 September 2024 (Unaudited)	330,939	18,020	18,020	10,903	167	(150,274)	227,775
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	-	-	-	-	-	33,951	33,951
Other comprehensive loss	-	-	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	-	-	(2)	33,951	33,949
Transfer due to a capital reduction (Note 9)	(100,939)	(19,956)	(21,851)	-	-	142,746	-
Transfer to reinsurance reserve	-	-	-	1,277	-	(1,277)	-
Balance at 30 September 2025 (Unaudited)	230,000	1,895	-	12,551	166	32,675	277,287

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 30 September 2025

		Nine-month period ended 30 September 2025 AED'000 (Unaudited)	Nine-month period ended 30 September 2024 AED'000 (Unaudited)
	Notes		
Cash flows from operating activities			
Profit for the period before tax		35,595	24,957
Adjustments for:			
Depreciation and amortisation		2,832	3,924
(Gain)/loss on disposal of investments at FVTPL		(230)	198
Unrealised (gain)/loss on investments at FVTPL		(4,150)	254
Reversal for expected credit losses		(1,912)	(3,000)
Interest income		(14,821)	(12,460)
Dividend income		(2,276)	(2,884)
Interest on lease liabilities		116	130
Provision for employees' end of service benefits		859	1,388
		<u>16,013</u>	<u>12,507</u>
Change in working capital			
Reinsurance contract assets – net		31,732	(158,233)
Other receivables		21,640	5,663
Insurance contract liabilities – net		(14,370)	135,241
Other payables		(9,632)	(3,893)
Unit linked assets		14,206	20,458
Payables to policyholders of unit-linked products		(15,222)	(23,699)
Cash from/(used in) operations		<u>44,367</u>	<u>(11,956)</u>
Employees' end of service indemnity paid		<u>(3,846)</u>	<u>(2,705)</u>
Net cash from/(used in) operating activities		<u>40,521</u>	<u>(14,661)</u>
Cash flows from investing activities			
Purchase of property and equipment and intangibles		(164)	(592)
Purchase of investments held at FVTPL (excluding unit linked assets)		(5,087)	(4,481)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)		496	10,523
Interest received		4,903	4,112
Dividends received		2,276	2,884
Bank deposits		(28,835)	(17,162)
Net cash used in investing activities		<u>(26,411)</u>	<u>(4,716)</u>
Cash flows from financing activity			
Payment of lease liabilities		(723)	(2,469)
Net cash used in financing activity		<u>(723)</u>	<u>(2,469)</u>
Net change in cash and cash equivalents		<u>13,387</u>	<u>(21,846)</u>
Cash and cash equivalents at the beginning of the period		<u>13,920</u>	<u>38,285</u>
Cash and cash equivalents at the end of the period	8.1	<u>27,307</u>	<u>16,439</u>
Non-cash transactions:			
Reduction in share capital	9	100,939	-
Reduction in statutory reserve	10.1	19,956	-
Reduction in special reserve	10.2	21,851	-

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 nine-month period ended 30 September 2025

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 U.A.E. 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 assurance. 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, 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, insurance contract liabilities, reinsurance contract liabilities 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 nine-month period ended 30 September 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 nine-month period ended 30 September 2025

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source 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”)

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

These standards have 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

Title	Effective date
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 interim condensed 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 nine-month period ended 30 September 2025

4	Investment in securities and unit-linked assets and liabilities	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Financial assets at fair value through profit or loss (Note 4.1)	56,033	47,062
	Financial assets at fair value through other comprehensive income (Note 4.2)	27	29
		<u>56,060</u>	<u>47,091</u>
	Unit linked assets (Note 4.3)	<u>344,970</u>	<u>359,176</u>
4.1	Investment at fair value through profit or loss	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Quoted equity securities in UAE	51,212	42,286
	Quoted equity securities outside UAE	674	535
	Quoted bonds in UAE	2,723	2,762
	Unquoted equity securities outside UAE	55	127
	Unquoted equity securities in UAE	1,369	1,352
		<u>56,033</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	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Quoted equity securities in U.A.E	27	29
Investments classified at fair value through other comprehensive income are designated in this category upon initial recognition.			
4.3	Unit-linked assets	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Investments held on behalf of policyholders of unit-linked products carried at FVTPL	192,301	203,960
	Financial assets from reinsurers towards policyholders of unit-linked products carried at FVTPL	138,094	142,896
	Cash held on behalf of policyholders of unit-linked products carried at amortised cost	14,575	12,320
		<u>344,970</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 nine-month period ended 30 September 2025

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

4.4 Unit linked liabilities

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

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Payables to policyholders of unit-linked products	344,970	359,176
Payables classified under insurance contract liabilities*	(35,586)	(34,570)
	<u>309,384</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 35,586 thousand (31 December 2024: AED 34,570 thousand).

5 Statutory deposit

In accordance with the requirements 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:

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued						
Life	-	148,304	(148,304)	-	145,125	(145,125)
General	-	654,220	(654,220)	-	673,681	(673,681)
Total insurance contracts issued	-	802,524	(802,524)	-	818,806	(818,806)
Reinsurance contracts held						
Life	87,244	1,677	85,567	85,652	1,563	84,089
General	493,471	-	493,471	526,681	-	526,681
Total reinsurance contracts held	580,715	1,677	579,038	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 in 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 nine-month period ended 30 September 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

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2025 (Unaudited)	AED'000	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	(444,809)	-	-	-	(444,809)
Insurance service expenses:					
Incurred claims and other expenses	-	-	281,492	5,332	286,824
Amortisation of insurance acquisition cash flows	36,181	-	-	-	36,181
Losses on onerous contracts and reversals	-	(14,002)	-	-	(14,002)
Changes to liabilities for incurred claims	-	-	(3,555)	(5,360)	(8,915)
Insurance service result	(408,628)	(14,002)	277,937	(28)	(144,721)
Insurance finance expenses	-	-	15,468	38	15,506
Total changes in the statement of comprehensive income	(408,628)	(14,002)	293,405	10	(129,215)
Cash flows					
Premiums received	429,976	-	-	-	429,976
Claims and other expenses paid	-	-	(281,492)	-	(281,492)
Insurance acquisition cash flows	(38,730)	-	-	-	(38,730)
Total cash flows	391,246	-	(281,492)	-	109,754
Insurance contract liabilities as at 30 September 2025	(41,929)	150	672,323	23,676	654,220
Net insurance contract liabilities as at 30 September 2025	(41,929)	150	672,323	23,676	654,220
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)
Insurance service expenses:					
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
Total changes in the statement of comprehensive income	(530,105)	12,652	465,800	1,396	(50,257)
Cash flows					
Premiums received	577,878	-	-	-	577,878
Claims and other expenses paid	-	-	(425,102)	-	(425,102)
Insurance acquisition cash flows	(49,648)	-	-	-	(49,648)
Total cash flows	528,230	-	(425,102)	-	103,128
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 nine-month period ended 30 September 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

30 September 2025 (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
Insurance contract liabilities as at 1 January 2025	120,007	12,460	12,658	145,125
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,091)	(1,091)
Change in risk adjustment for non-financial risk for risk expired	-	(469)	-	(469)
Experience adjustments	(3,212)	-	-	(3,212)
Changes that relate to future services				
Changes in estimates that adjust the CSM	(467)	(523)	990	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(291)	(123)	-	(414)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	2,585	-	-	2,585
Insurance service result	(1,385)	(1,115)	(101)	(2,601)
Net finance expenses from insurance contracts	7,450	178	299	7,927
Total changes in the statement of profit or loss and OCI	6,065	(937)	198	5,326
Cash flows				
Premiums received	5,182	-	-	5,182
Claims and other directly attributable expenses paid	(7,329)	-	-	(7,329)
Total cash flows	(2,147)	-	-	(2,147)
Insurance contract liabilities as at 30 September 2025	123,925	11,523	12,856	148,304
Net insurance contract liabilities as at 30 September 2025	123,925	11,523	12,856	148,304

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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
Changes that relate to current services				
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)
Changes that relate to future services				
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)
Changes that relate to past services				
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
Cash flows				
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 nine-month period ended 30 September 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

30 September 2025 (Unaudited)	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	(190,729)	(12,569)	-	-	(203,298)
<i>Amounts recoverable from reinsurers for incurred claims</i>					
Amounts recoverable for claims incurred and other expenses	-	-	99,493	3,569	103,062
Loss-recovery on onerous underlying contracts and adjustments	-	79	-	-	79
Changes to amounts recoverable for incurred claims	-	-	(14,697)	(3,581)	(18,278)
Net income or expense from reinsurance contracts held	(190,729)	(12,490)	84,796	(12)	(118,435)
Reinsurance finance income	-	-	10,691	35	10,726
Total changes in the statement of comprehensive income	(190,729)	(12,490)	95,487	23	(107,709)
<i>Cash flows</i>					
Premiums paid	173,992	-	-	-	173,992
Amounts received	-	-	(99,493)	-	(99,493)
Total cash flows	173,992	-	(99,493)	-	74,499
Reinsurance contract assets as at 30 September 2025	(10,658)	79	483,146	20,904	493,471

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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 (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 assets as at 1 January 2024	(35,288)	411	454,548	18,799	438,470
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	317,718	-	-	-	317,718
Amounts received	-	-	(201,759)	-	(201,759)
Total cash flows	317,718	-	(201,759)	-	115,959
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 nine-month period ended 30 September 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 (continued)

Analysis by measurement component – Contracts not measured under the PAA

30 September 2025 (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 2025	76,875	3,305	5,472	85,652
Reinsurance contract liabilities as at 1 January 2025	1,285	639	(3,487)	(1,563)
Net reinsurance contract assets	78,160	3,944	1,985	84,089
Changes that relate to current services				
CSM recognised for services provided	-	-	(376)	(376)
Change in risk adjustment for non-financial risk for risk expired	-	(339)	-	(339)
Experience adjustments	(2,897)	-	-	(2,897)
Changes that relate to future services				
Changes in estimates that adjust the CSM	(1,518)	(40)	1,558	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(380)	9	-	(371)
Changes that relate to past services				
Adjustments to assets for incurred claims	2,329	-	-	2,329
Net expenses from reinsurance contracts	(2,466)	(370)	1,182	(1,654)
Net finance income from reinsurance contracts	5,018	177	122	5,317
Total changes in the statement of profit or loss and OCI	2,552	(193)	1,304	3,663
Cash flows				
Premiums received	962	-	-	962
Claims and other directly attributable expenses paid	(3,147)	-	-	(3,147)
Total cash flows	(2,185)	-	-	(2,185)
Reinsurance contract assets as at 30 September 2025	77,259	3,112	6,873	87,244
Reinsurance contract liabilities as at 30 September 2025	1,268	639	(3,584)	(1,677)
Net reinsurance contract assets as at 30 September 2025	78,527	3,751	3,289	85,567

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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 (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
Reinsurance contract assets as at 1 January 2024	78,219	3,695	4,445	86,359
Reinsurance contract liabilities as at 1 January 2024	1,000	647	(2,712)	(1,065)
Net reinsurance contract assets	79,219	4,342	1,733	85,294
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	10	63	92
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)	(683)	29	(1,169)
Net finance income from reinsurance contracts	1,694	285	223	2,202
Total changes in the statement of profit or loss and OCI	1,179	(398)	252	1,033
<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	639	(3,487)	(1,563)
Net reinsurance contract assets as at 31 December 2024	78,160	3,944	1,985	84,089

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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
30 September 2025 (Unaudited)							
Insurance contracts issued	327	1,211	1,061	938	864	8,455	12,856
Reinsurance contracts held	129	392	333	293	289	1,853	3,289
Net	198	819	728	645	575	6,602	9,567

31 December 2024 (Audited)

Insurance contracts issued	1,164	1,004	865	762	707	8,156	12,658
Reinsurance contracts held	298	212	163	141	154	1,017	1,985
Net	866	792	702	621	553	7,139	10,673

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
30 September 2025 (Unaudited)			
Insurance contract liabilities	654,220	148,304	802,524
Reinsurance contract assets	493,471	87,244	580,715
Reinsurance contract liabilities	-	1,677	1,677

	PAA	Non-PAA	Total
	AED'000	AED'000	AED'000
31 December 2024 (Audited)			
Insurance contract liabilities	673,681	145,125	818,806
Reinsurance contract assets	526,681	85,652	612,333
Reinsurance contract liabilities	-	1,563	1,563

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	4.75%	6.04%	4.68%	6.15%	4.82%	6.26%	5.29%	6.49%

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

7 Other receivables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Other receivables	40,273	50,314
Prepaid expenses	3,166	4,847
	<u>43,439</u>	<u>55,161</u>

8 Bank balances and cash

8.1 Cash and cash equivalents

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash on hand	35	35
Bank balances:		
Current accounts with banks	27,272	13,885
	<u>27,307</u>	<u>13,920</u>
In U.A.E.	27,307	13,920
Outside U.A.E.	-	-
	<u>27,307</u>	<u>13,920</u>

8.2 Bank deposits with original maturities of more than three-month

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Deposits with original maturities greater than three months	437,828	408,993
In U.A.E.	437,363	408,599
Outside U.A.E.	465	394
	<u>437,828</u>	<u>408,993</u>

Bank deposits carried interest rates ranging from 1.5% to 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.

9 Share capital

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Issued and fully paid 230,000,000 shares of AED 1 each (2024: 330,939,180 of AED 1 each)	230,000	330,939

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

9 Share capital (continued)

During the period, the shareholders of the Company approved a reduction in the statutory reserve (Note 10.1), special reserve (Note 10.2) and share capital of 30.50% with equivalent to 100,939,180 shares out of the Company's total 330,939,000 issued shares. This resolution was passed at the annual general meeting held on 21 April 2025, and the capital reduction was subsequently approved by all relevant regulatory authorities.

10 Reserves

10.1 Statutory reserve

In accordance with the UAE Federal Law 32 of 2021, the Company is required to transfer 10% of the annual profits up to 50% of paid-up capital. The Company transfers 10% of the profits at the end of the year to the statutory reserve. During the period, an amount of AED 19,956 thousand was released from the statutory reserve to offset the Company's accumulated losses. This resolution was passed during the shareholders annual general meeting held of 21 April 2025. (Note 9).

10.2 Special reserve

In accordance with the Company's previous 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. During the period, the shareholders approved to amend the articles of association of the Company to remove the requirement to transfer 10% of annual net profits. Accordingly, an amount of AED 21,851 thousand was released from the special reserve to offset the Company's accumulated losses. This resolution was passed during the shareholders annual general meeting held of 21 April 2025. (Note 9)

10.3 Reinsurance reserve

In accordance with the requirements of CBUAE's Board of Directors Decision No. 23 of 2019 Article 34 of 2019, the Company has transferred AED 1,277 thousand from the profit for the period to the reinsurance reserve being 0.5% of the total insurance premium ceded to reinsurers during the nine-month period ended 30 September 2025 (30 September 2024: AED 1,378). The Company shall accumulate such provision period on period and shall not dispose of the reserve without the written approval of the assistant governor of the banking and insurance supervision department within 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

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Other payables	102,294	109,105
Corporate tax payable	3,169	3,751
Lease liabilities	3,525	723
	108,988	113,579

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

12 Insurance revenue

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 September 2025 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	401	-	401
Change in risk adjustment for non-financial risk for risk expired	139	-	139
Expected incurred claims and other insurance service expenses	2,407	-	2,407
Recovery of insurance acquisition cash flows	100	-	100
	<u>3,047</u>	<u>-</u>	<u>3,047</u>
Contracts measured under the PAA	2,672	148,513	151,185
	<u>5,719</u>	<u>148,513</u>	<u>154,232</u>
For the three-month period ended 30 September 2024 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	392	-	392
Change in risk adjustment for non-financial risk for risk expired	141	-	141
Expected incurred claims and other insurance service expenses	2,550	-	2,550
Recovery of insurance acquisition cash flows	100	-	100
	<u>3,183</u>	<u>-</u>	<u>3,183</u>
Contracts measured under the PAA	3,774	137,482	141,256
	<u>6,957</u>	<u>137,482</u>	<u>144,439</u>
For the nine-month period ended 30 September 2025 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	1,091	-	1,091
Change in risk adjustment for non-financial risk for risk expired	423	-	423
Expected incurred claims and other insurance service expenses	7,451	-	7,451
Recovery of insurance acquisition cash flows	294	-	294
	<u>9,259</u>	<u>-</u>	<u>9,259</u>
Contracts measured under the PAA	9,732	435,077	444,809
	<u>18,991</u>	<u>435,077</u>	<u>454,068</u>
For the nine-month-period ended 30 September 2024 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	1,173	-	1,173
Change in risk adjustment for non-financial risk for risk expired	475	-	475
Expected incurred claims and other insurance service expenses	7,825	-	7,825
Recovery of insurance acquisition cash flows	295	-	295
	<u>9,768</u>	<u>-</u>	<u>9,768</u>
Contracts measured under the PAA	15,323	417,062	432,385
	<u>25,091</u>	<u>417,062</u>	<u>442,153</u>

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

13 Insurance service expense

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 September 2025 (Unaudited)			
Incurring claims and other expenses	1,533	80,450	81,983
Amortisation of insurance acquisition cash flows	302	11,025	11,327
Losses on onerous contracts and reversals of those losses	(352)	(562)	(914)
Changes to liabilities for incurred claims	5,402	60,133	65,535
	<u>6,885</u>	<u>151,046</u>	<u>157,931</u>
For the three-month period ended 30 September 2024 (Unaudited)			
Incurring claims and other expenses	4,507	114,614	119,121
Amortisation of insurance acquisition cash flows	306	9,645	9,951
Losses on onerous contracts and reversals of those losses	(527)	18,659	18,132
Changes to liabilities for incurred claims	(2,458)	(64,395)	(66,853)
	<u>1,828</u>	<u>78,523</u>	<u>80,351</u>
For the nine-month period ended 30 September 2025 (Unaudited)			
Incurring claims and other expenses	15,240	271,302	286,542
Amortisation of insurance acquisition cash flows	816	35,660	36,476
Losses on onerous contracts and reversals of those losses	(1,357)	(13,914)	(15,271)
Changes to liabilities for incurred claims	(2,361)	1,363	(998)
	<u>12,338</u>	<u>294,411</u>	<u>306,749</u>
For the nine-month period ended 30 September 2024 (Unaudited)			
Incurring claims and other expenses	32,758	313,817	346,575
Amortisation of insurance acquisition cash flows	1,250	35,807	37,057
Losses on onerous contracts and reversals of those losses	(2,013)	46,495	44,482
Changes to liabilities for incurred claims	(19,089)	54,579	35,490
	<u>12,906</u>	<u>450,698</u>	<u>463,604</u>

14 Net insurance financial result

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 September 2025 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(1,745)	(2,062)	(3,807)
Reinsurance finance income from reinsurance contracts held	1,526	1,279	2,805
For the three-month period ended 30 September 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(7,313)	(2,297)	(9,610)
Reinsurance finance income from reinsurance contracts held	6,160	1,605	7,765

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

14 Net insurance financial result (continued)

	Life AED'000	General AED'000	Total AED'000
For the nine-month period ended 30 September 2025 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(7,340)	(14,331)	(21,671)
Reinsurance finance income from reinsurance contracts held	6,176	9,867	16,043
For the nine-month period ended 30 September 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(10,156)	(13,734)	(23,890)
Reinsurance finance income from reinsurance contracts held	8,432	9,685	18,117

15 Basic and diluted earnings per share

	Three-month period ended 30 September 2025 (Unaudited)	Three-month period ended 30 September 2024 (Unaudited) (Restated)	Nine-month period ended 30 September 2025 (Unaudited)	Nine-month period ended 30 September 2024 (Unaudited) (Restated)
Profit for the period after tax (AED'000)	10,276	9,819	33,951	22,745
Weighted average number of shares outstanding during the period ('000)	230,000	230,000	230,000	230,000
Basic earnings per share (AED)	0.045	0.043	0.148	0.099

During the period, the Company finalized a capital reduction of 100,939 thousand shares, as approved by shareholders at the Annual General Meeting held on 21 April 2025. This reduction was executed to offset accumulated losses and resulted in a decrease in the number of shares from 330,939 thousand to 230,000 shares.

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 (Q3 2024) has been retrospectively adjusted to reflect the capital reduction.

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

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 2025.

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 30 September 2025 (Unaudited) AED'000	Three-month period ended 30 September 2024 (Unaudited) AED'000	Nine-month period ended 30 September 2025 (Unaudited) AED'000	Nine-month period ended 30 September 2024 (Unaudited) AED'000
Income tax				
Current income tax expense	<u>461</u>	<u>971</u>	<u>1,644</u>	<u>2,212</u>

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)
Assets						
Property and equipment	2,593	2,917	846	973	3,439	3,890
Intangible assets	1,222	1,931	408	643	1,630	2,574
Right-of-use-assets	2,732	684	911	228	3,643	912
Unit-linked assets	-	-	344,970	359,176	344,970	359,176
Investment securities	42,183	35,499	13,877	11,592	56,060	47,091
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	454,956	489,277	125,759	123,056	580,715	612,333
Other receivables	42,722	50,406	717	4,755	43,439	55,161
Bank deposits	328,371	306,745	109,457	102,248	437,828	408,993
Cash and cash equivalents	20,480	10,440	6,827	3,480	27,307	13,920
Total assets	901,259	903,899	607,772	610,151	1,509,031	1,514,050
Liabilities						
Provision for employees' end of service benefit	6,878	9,119	2,293	3,039	9,171	12,158
Insurance contract liabilities	604,497	626,148	198,027	192,658	802,524	818,806
Reinsurance contract liabilities	-	-	1,677	1,563	1,677	1,563
Other payables	53,808	48,846	55,180	64,733	108,988	113,579
Payables to policyholders of unit-linked products	-	-	309,384	324,606	309,384	324,606
Total liabilities	665,183	684,113	566,561	586,599	1,231,744	1,270,712

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 2025

17 Segment information (continued)	General Insurance		Life Insurance		Total	
	Nine-month period ended 30 September 2025	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2025	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2025	Nine-month period ended 30 September 2024
	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Insurance revenue	435,077	417,062	18,991	25,091	454,068	442,153
Insurance service expenses	(294,411)	(450,697)	(12,338)	(12,907)	(306,749)	(463,604)
Insurance service result before reinsurance contracts held	140,666	(33,635)	6,653	12,184	147,319	(21,451)
Allocation of reinsurance premiums	(229,506)	(241,204)	(11,044)	(14,062)	(240,550)	(255,266)
Amounts recoverable from reinsurance for incurred claims	112,994	291,762	7,466	6,138	120,460	297,900
Net expenses from reinsurance contracts held	(116,512)	50,558	(3,578)	(7,924)	(120,090)	42,634
Insurance service result	24,154	16,923	3,075	4,260	27,229	21,183
Interest revenue calculated using the effective interest method	11,116	9,345	3,705	3,115	14,821	12,460
Net fair value gain/(loss) on financial assets at FVTPL	3,110	(191)	1,037	(63)	4,147	(254)
Other investment income	1,454	1,600	484	533	1,938	2,133
Total investment income	15,680	10,754	5,226	3,585	20,906	14,339
Insurance finance expense for insurance contracts issued	(14,331)	(13,734)	(7,340)	(10,156)	(21,671)	(23,890)
Reinsurance finance income for reinsurance contracts	9,867	9,685	6,176	8,432	16,043	18,117
Net insurance financial result	(4,464)	(4,049)	(1,164)	(1,724)	(5,628)	(5,773)
Net insurance and investment results	35,370	23,628	7,137	6,121	42,507	29,749
Other operating expenses	-	-	(4,867)	(3,232)	(4,867)	(3,232)
Profit for the period before unallocated expenses	35,370	23,628	2,270	2,889	37,640	26,517
Board remuneration					(2,045)	(1,560)
Profit for the period before tax					35,595	24,957
Income tax expense					(1,644)	(2,212)
Profit for the period after tax					33,951	22,745
Basic and diluted earnings per share					0.148	0.099

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balances with entities related to Board members		
Gross outstanding claims (included in insurance contract liabilities)	54	450
Fixed deposits	80,631	197,009
Bank account	28	5,100
Balances with former major shareholder		
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 amounts outstanding 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 involved parties, to recover the Company's rights, in accordance with the resolution of 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 nine-month period ended 30 September 2025

18 Related party balances and transactions (continued)

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Transactions with former major shareholder				
Insurance revenue	-	-	5	2
Claims paid	46	4	82	77
FD interest income from Bank of Umm Al Quwain	829	1,007	2,583	2,562
Bank charges	5	7	13	85
Rental paid	167	50	383	552
Compensation of key management personnel				
Short-term benefits	1,080	360	720	1,080
Long-term benefits	32	11	21	32

19 Commitments and contingent liabilities

	30 September 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Letters of guarantee*	10,838	10,496

*Includes AED 10 million (31 December 2024: AED 10 million) issued in favour 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. When estimating fair value, the Company considers asset or liability characteristics that market participants would use to determine pricing 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 nine-month period ended 30 September 2025

20 Fair value measurement (continued)

Fair value of the Company's financial assets and liabilities that are measured at fair value on 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:

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	30 September 2025 (Unaudited) AED'000	31 December 2024 (Audited) AED'000				
Financial assets						
Financial assets measured at FVTPL						
Quoted equity securities	51,886	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	1,424	1,479	Level 3	Based on net assets value of underlying investments and last traded price	Yes	Increase in net asset value increases fair value
Investment held on behalf of Policyholder of Unit linked products	192,301	203,960	Level 2	Quoted prices in secondary market	None	Not applicable
Due from reinsurers towards policyholders of unit linked products	138,094	142,896	Level 2	Quoted prices in secondary market	None	Not applicable
Financial assets measured at FVTOCI						
Quoted equity securities	27	29	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial liabilities measured at FVTPL						
Unit linked liabilities (excluding cash held withing the related unit linked assets)	330,395	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 nine-month period ended 30 September 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.

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	100,609	102,312
Minimum Guarantee Fund (MGF)	106,886	90,721
Basic Own Funds		
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	72,864	46,624
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	72,256	44,313
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>65,979</u>	<u>55,903</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 nine-month period ended 30 September 2025.

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 November 2025.