

Union Insurance Company P.J.S.C.

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

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

Table of contents

	Page
Review report of the independent auditor	1
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss	3
Condensed interim statement of other comprehensive income	4
Condensed interim statement of changes in shareholders' equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial information	7

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 June 2025 and condensed interim statement of profit or loss, condensed interim statement of other comprehensive income for the three-month and six-month periods then ended, and condensed interim statement of changes in shareholders' equity, condensed interim cash flows for six-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

12 August 2025

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

Condensed interim statement of financial position
As at 30 June 2025

	Notes	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Assets			
Property and equipment		3,547	3,890
Intangible assets		1,945	2,574
Right-of-use-assets		242	912
Unit-linked assets	4.3	343,427	359,176
Investment securities	4	48,569	47,091
Statutory deposit	5	10,000	10,000
Reinsurance contract assets	6	534,340	612,333
Other receivables	7	52,912	55,161
Bank deposits	8.2	419,125	408,993
Cash and cash equivalents	8.1	43,151	13,920
Total assets		1,457,258	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	12,125	11,274
Fair value reserve	10.4	168	168
Retained earnings/(accumulated losses)		21,903	(142,745)
Total equity		266,091	243,338
Liabilities			
Provision for employees' end of service benefits		9,203	12,158
Insurance contract liabilities	6	753,212	818,806
Reinsurance contract liabilities	6	1,708	1,563
Other payables	11	119,387	113,579
Unit-linked liabilities	4.4	307,657	324,606
Total liabilities		1,191,167	1,270,712
Total equity and liabilities		1,457,258	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 six-month period ended 30 June 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 June 2025

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Insurance revenue	12	155,538	148,110	299,836	297,714
Insurance service expenses	13	(63,763)	(256,784)	(148,818)	(383,253)
Insurance service result before reinsurance contracts held		91,775	(108,674)	151,018	(85,539)
Allocation of reinsurance premiums		(78,553)	(83,831)	(164,070)	(171,444)
Amounts recoverable from reinsurance for incurred claims		(5,497)	196,507	34,026	269,610
Net (expense)/income from reinsurance contracts held		(84,050)	112,676	(130,044)	98,166
Insurance service result		7,725	4,002	20,974	12,627
Interest revenue calculated using the effective interest method		4,741	4,302	9,918	8,153
Net fair value gain/(loss) on financial assets at FVTPL		3,099	(3,141)	1,718	(1,984)
Other investment income		1,238	2,576	2,143	2,280
Total investment income		9,078	3,737	13,779	8,449
Insurance finance expense for insurance contracts issued	14	(6,097)	(5,168)	(17,864)	(14,280)
Reinsurance finance income for reinsurance contracts held	14	4,171	3,637	13,238	10,352
Net insurance financial result		(1,926)	(1,531)	(4,626)	(3,928)
Net insurance and investment results		14,877	6,208	30,127	17,148
Other operating expenses		(4,215)	(4,944)	(5,269)	(2,981)
Profit for the period before tax		10,662	1,264	24,858	14,167
Income tax expense	16	(959)	(114)	(2,105)	(1,241)
Profit for the period after tax		9,703	1,150	22,753	12,926
			<i>Restated</i>		<i>Restated</i>
Basic and diluted earnings per share	15	0.042	0.005	0.099	0.056

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 June 2025

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Profit for the period after tax		9,703	1,150	22,753	12,926
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		9,703	1,148	22,753	12,930

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 June 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	-	-	-	-	-	12,926	12,926
Other comprehensive income	-	-	-	-	4	-	4
Total comprehensive income for the period	-	-	-	-	4	12,926	12,930
Transfer to reinsurance reserve	-	-	-	954	-	(954)	-
Balance at 30 June 2024 (Unaudited)	330,939	18,020	18,020	10,479	167	(159,669)	217,956
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	-	-	-	-	-	22,753	22,753
Total comprehensive income for the period	-	-	-	-	-	22,753	22,753
Transfer due to a capital reduction (Note 9)	(100,939)	(19,956)	(21,851)	-	-	142,746	-
Transfer to reinsurance reserve	-	-	-	851	-	(851)	-
Balance at 30 June 2025 (Unaudited)	230,000	1,895	-	12,125	168	21,903	266,091

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 June 2025

		Six-month period ended 30 June 2025 AED'000 (Unaudited)	Six-month period ended 30 June 2024 AED'000 (Unaudited)
	Notes		
Cash flows from operating activities			
Profit for the period before tax	-	24,858	14,167
Adjustments for:			
Depreciation and amortisation		1,738	2,637
(Gain)/loss on disposal of investments at FVTPL		(203)	198
Unrealised (gain)/loss on investments at FVTPL		(1,718)	1,983
Reversal for expected credit losses		(1,912)	(2,269)
Interest income		(9,979)	(8,153)
Dividend income		(2,260)	(2,844)
Interest on lease liabilities		10	100
Provision for employees' end of service benefits		527	346
		<u>11,061</u>	<u>6,165</u>
Change in working capital			
Reinsurance contract assets – net		78,138	(177,191)
Other receivables		2,249	(928)
Insurance contract liabilities – net		(63,682)	165,745
Other payables		4,426	(11,580)
Unit linked assets		15,749	(16,186)
Payables to policyholders of unit-linked products		(16,949)	11,368
Cash from/(used in) operations		<u>30,992</u>	<u>(22,607)</u>
Employees' end of service indemnity paid		(3,482)	(2,027)
Net cash from/(used in) operating activities		<u>27,510</u>	<u>(24,634)</u>
Cash flows from investing activities			
Purchase of property and equipment and intangibles		(96)	(255)
Purchase of investments held at FVTPL (excluding unit linked assets)		-	(4,490)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)		443	10,481
Interest received		9,979	8,153
Dividends received		2,260	2,844
Change in fixed deposit with banks with maturity greater than three months		(10,132)	(13,178)
Net cash from investing activities		<u>2,454</u>	<u>3,555</u>
Cash flows from financing activity			
Payment of lease liabilities		(733)	(1,698)
Net cash used in financing activity		<u>(733)</u>	<u>(1,698)</u>
Net change in cash and cash equivalents		<u>29,231</u>	<u>(22,777)</u>
Cash and cash equivalents at the beginning of the period		13,920	38,285
Cash and cash equivalents at the end of the period	8.1	<u>43,151</u>	<u>15,508</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 six-month period ended 30 June 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, insurance contract assets, cash and cash equivalents and other payables. The following balances would generally be classified as non-current: Property and equipment, intangible assets, right-of-use assets, statutory deposit, unit linked assets, end of service benefits. The following balances are of a mixed nature (including both current and non-current portions): Investment securities, bank deposits, other receivables, reinsurance contract assets and lease liabilities.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2024. In addition, results for the six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 2025

4 Investment in securities and unit-linked assets and liabilities		
	30 June	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Financial assets at fair value through profit or loss (Note 4.1)	48,540	47,062
Financial assets at fair value through other comprehensive income (Note 4.2)	29	29
	<u>48,569</u>	<u>47,091</u>
Unit linked assets (Note 4.3)	<u>343,427</u>	<u>359,176</u>

4.1 Investment at fair value through profit or loss

	30 June	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Quoted equity securities in UAE	43,689	42,286
Quoted equity securities outside UAE	633	535
Quoted bonds in UAE	2,723	2,762
Unquoted equity securities outside UAE	143	127
Unquoted equity securities in UAE	1,352	1,352
	<u>48,540</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 June	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Quoted equity securities in U.A.E	29	29

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

4.3 Unit-linked assets

	30 June	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Investments held on behalf of policyholders of unit-linked products carried at FVTPL	190,758	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>343,427</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 six-month period ended 30 June 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 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Payables to policyholders of unit-linked products	343,427	359,176
Payables classified under insurance contract liabilities*	<u>(35,770)</u>	<u>(34,570)</u>
	<u>307,657</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 35,770 thousand (31 December 2024: AED 34,750 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 June 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	-	194,871	(194,871)	-	192,658	(192,658)
General	-	558,341	(558,341)	-	626,148	(626,148)
Total insurance contracts issued	<u>-</u>	<u>753,212</u>	<u>(753,212)</u>	<u>-</u>	<u>818,806</u>	<u>(818,806)</u>
Reinsurance contracts held						
Life	121,894	1,708	120,186	123,056	1,563	121,493
General	412,446	-	412,446	489,277	-	489,277
Total reinsurance contracts held	<u>534,340</u>	<u>1,708</u>	<u>532,632</u>	<u>612,333</u>	<u>1,563</u>	<u>610,770</u>

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 six-month period ended 30 June 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
	AED'000	AED'000	AED'000	AED'000	AED'000
30 June 2025 (Unaudited)					
Insurance contract liabilities as at 1 January 2024	(24,547)	14,152	660,410	23,666	673,681
Insurance revenue	(293,624)	-	-	-	(293,624)
<u>Insurance service expenses:</u>					
Incurred claims and other expenses	-	-	199,668	3,676	203,344
Amortisation of insurance acquisition cash flows	24,954	-	-	-	24,954
Losses on onerous contracts and reversals	-	(13,439)	-	-	(13,439)
Changes to liabilities for incurred claims	-	-	(63,690)	(5,764)	(69,454)
Insurance service result	(268,670)	(13,439)	135,978	(2,088)	(148,219)
Insurance finance expenses	-	-	13,260	38	13,298
Total changes in the statement of comprehensive income	(268,670)	(13,439)	149,238	(2,050)	(134,921)
<u>Cash flows</u>					
Premiums received	293,438	-	-	-	293,438
Claims and other expenses paid	-	-	(199,668)	-	(199,668)
Insurance acquisition cash flows	(26,354)	-	-	-	(26,354)
Total cash flows	267,084	-	(199,668)	-	67,416
Insurance contract liabilities as at 30 June 2025	(26,133)	713	609,980	21,616	606,176
Net insurance contract liabilities as at 30 June 2025	(26,133)	713	609,980	21,616	606,176
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)
<u>Insurance service expenses:</u>					
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)
<u>Cash flows</u>					
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 six-month period ended 30 June 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 June 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	-	-	(690)	(690)
Change in risk adjustment for non-financial risk for risk expired	-	(315)	-	(315)
Experience adjustments	(711)	-	-	(711)
Changes that relate to future services				
Changes in estimates that adjust the CSM	(343)	(241)	584	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(278)	(51)	-	(329)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(754)	-	-	(754)
Insurance service result	(2,086)	(607)	(106)	(2,799)
Net finance expenses from insurance contracts	5,193	118	198	5,509
Total changes in the statement of profit or loss and OCI	3,107	(489)	92	2,710
Cash flows				
Premiums received	4,890	-	-	4,890
Claims and other directly attributable expenses paid	(5,689)	-	-	(5,689)
Total cash flows	(799)	-	-	(799)
Insurance contract liabilities as at 30 June 2025	122,315	11,971	12,750	147,036
Net insurance contract liabilities as at 30 June 2025	122,315	11,971	12,750	147,036

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

Notes to the condensed interim financial information (continued)
For the six-month period ended 30 June 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)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
31 December 2024 (Audited)				
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 six-month period ended 30 June 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 June 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	(126,627)	(12,569)	-	-	(139,196)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for claims incurred and other expenses	-	-	72,171	2,369	74,540
Loss-recovery on onerous underlying contracts and adjustments	-	593	-	-	593
Changes to amounts recoverable for incurred claims	-	-	(59,472)	(4,484)	(63,956)
Net income or expense from reinsurance contracts held	(126,627)	(11,976)	12,699	(2,115)	(128,019)
Reinsurance finance income	-	-	9,322	34	9,356
Total changes in the statement of comprehensive income	(126,627)	(11,976)	22,021	(2,081)	(118,663)
Cash flows					
Premiums paid	113,540	-	-	-	113,540
Amounts received	-	-	(72,171)	-	(72,171)
Total cash flows	113,540	-	(72,171)	-	41,369
Reinsurance contract assets as at 30 June 2025	(7,008)	593	437,002	18,800	449,387

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

Notes to the condensed interim financial information (continued)
For the six-month period ended 30 June 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 six-month period ended 30 June 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 June 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	-	-	(235)	(235)
Change in risk adjustment for non-financial risk for risk expired	-	(226)	-	(226)
Experience adjustments	(311)	-	-	(311)
Changes that relate to future services				
Changes in estimates that adjust the CSM	(1,089)	(5)	1,094	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(280)	11	-	(269)
Changes that relate to past services				
Adjustments to assets for incurred claims	(984)	-	-	(984)
Net expenses from reinsurance contracts	(2,664)	(220)	859	(2,025)
Net finance income from reinsurance contracts	3,681	117	86	3,884
Total changes in the statement of profit or loss and OCI	1,017	(103)	945	1,859
Cash flows				
Premiums received	1,047	-	-	1,047
Claims and other directly attributable expenses paid	(3,750)	-	-	(3,750)
Total cash flows	(2,703)	-	-	(2,703)
Reinsurance contract assets as at 30 June 2025	75,145	3,180	6,628	84,953
Reinsurance contract liabilities as at 30 June 2025	1,329	661	(3,698)	(1,708)
Net reinsurance contract assets as at 30 June 2025	76,474	3,841	2,930	83,245

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

Notes to the condensed interim financial information (continued)
For the six-month period ended 30 June 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 six-month period ended 30 June 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 June 2025							
(Unaudited)							
Insurance contracts issued	632	1,150	1,007	889	820	8,252	12,750
Reinsurance contracts held	214	342	288	253	253	1,580	2,930
Net	418	808	719	636	567	6,672	9,820
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 June 2025 (Unaudited)			
Insurance contract liabilities	606,175	147,037	753,212
Reinsurance contract assets	449,388	84,952	534,340
Reinsurance contract liabilities	-	1,708	1,708
	1,055,563	233,697	1,289,260
31 December 2024 (Audited)			
Insurance contract liabilities	673,681	145,125	818,806
Reinsurance contract assets	526,682	85,651	612,333
Reinsurance contract liabilities	-	1,563	1,563
	1,200,363	232,339	1,432,702

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

	1 year		3 years		5 years		10 years	
	2025	2024	2025	2024	2025	2024	2025	2024
Discount rate	5.77%	6.04%	5.49%	6.15%	5.61%	6.26%	6.12%	6.49%

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

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

7 Other receivables

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Other receivables	49,304	50,314
Prepaid expenses	3,608	4,847
	<u>52,912</u>	<u>55,161</u>

8 Bank balances and cash

8.1 Cash and cash equivalents

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Unaudited)
Cash on hand	35	35
Bank balances:		
Current accounts with banks	43,116	13,885
	<u>43,151</u>	<u>13,920</u>
In U.A.E.	43,151	13,920
Outside U.A.E.	-	-
	<u>43,151</u>	<u>13,920</u>

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

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Deposits with original maturities greater than three months	419,125	408,993
In U.A.E.	418,661	408,599
Outside U.A.E.	464	394
	<u>419,125</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 overdraft facility which is to manage the liquidity position.

9 Share capital

	30 June 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)	<u>230,000</u>	<u>330,939</u>

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

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

9 Share capital (continued)

During the period, the shareholders of the Company approved a reduction in 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 851 thousand from the profit for the period to the reinsurance reserve being 0.5% of the total insurance premium ceded to reinsurers during the six-month period ended 30 June 2025 (30 June 2024: 954). 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 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Other payables	114,452	109,105
Corporate tax payable	4,693	3,751
Lease liabilities	242	723
	119,387	113,579

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

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

12 Insurance revenue

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 June 2025 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	398	-	398
Change in risk adjustment for non-financial risk for risk expired	142	-	142
Expected incurred claims and other insurance service expenses	2,504	-	2,504
Recovery of insurance acquisition cash flows	98	-	98
	3,142	-	3,142
Contracts measured under the PAA	2,815	149,581	152,396
	5,957	149,581	155,538
For the three-month period ended 30 June 2024 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	499	-	499
Change in risk adjustment for non-financial risk for risk expired	145	-	145
Expected incurred claims and other insurance service expenses	2,652	-	2,652
Recovery of insurance acquisition cash flows	102	-	102
	3,398	-	3,398
Contracts measured under the PAA	3,933	140,779	144,712
	7,331	140,779	148,110
For the six-month period ended 30 June 2025 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	690	-	690
Change in risk adjustment for non-financial risk for risk expired	284	-	284
Expected incurred claims and other insurance service expenses	5,044	-	5,044
Recovery of insurance acquisition cash flows	194	-	194
	6,212	-	6,212
Contracts measured under the PAA	7,060	286,564	293,624
	13,272	286,564	299,836
For the six-month-period ended 30 June 2024 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	782	-	782
Change in risk adjustment for non-financial risk for risk expired	288	-	288
Expected incurred claims and other insurance service expenses	5,320	-	5,320
Recovery of insurance acquisition cash flows	195	-	195
	6,585	-	6,585
Contracts measured under the PAA	11,549	279,580	291,129
	18,134	279,580	297,714

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

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

13 Insurance service expense

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 June 2025 (Unaudited)			
Incurring claims and other expenses	4,574	69,627	74,201
Amortisation of insurance acquisition cash flows	263	11,575	11,838
Losses on onerous contracts and reversals of those losses	(659)	(1,136)	(1,795)
Changes to liabilities for incurred claims	(551)	(19,930)	(20,481)
	<u>3,627</u>	<u>60,136</u>	<u>63,763</u>
For the three-month period ended 30 June 2024 (Unaudited)			
Incurring claims and other expenses	7,497	65,909	73,406
Amortisation of insurance acquisition cash flows	482	13,599	14,081
Losses on onerous contracts and reversals of those losses	(2,724)	26,042	23,318
Changes to liabilities for incurred claims	(3,969)	149,948	145,979
	<u>1,286</u>	<u>255,498</u>	<u>256,784</u>
For the six-month period ended 30 June 2025 (Unaudited)			
Incurring claims and other expenses	13,707	190,852	204,559
Amortisation of insurance acquisition cash flows	514	24,635	25,149
Losses on onerous contracts and reversals of those losses	(1,005)	(13,352)	(14,357)
Changes to liabilities for incurred claims	(7,763)	(58,770)	(66,533)
	<u>5,453</u>	<u>143,365</u>	<u>148,818</u>
For the six-month period ended 30 June 2024 (Unaudited)			
Incurring claims and other expenses	28,251	199,203	227,454
Amortisation of insurance acquisition cash flows	944	26,162	27,106
Losses on onerous contracts and reversals of those losses	(1,486)	27,836	26,350
Changes to liabilities for incurred claims	(16,631)	118,974	102,343
	<u>11,078</u>	<u>372,175</u>	<u>383,253</u>

14 Net insurance financial result

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 June 2025 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(1,852)	(4,245)	(6,097)
Reinsurance finance income from reinsurance contracts held	<u>1,476</u>	<u>2,695</u>	<u>4,171</u>
For the three-month period ended 30 June 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(1,573)	(3,595)	(5,168)
Reinsurance finance income from reinsurance contracts held	<u>1,202</u>	<u>2,435</u>	<u>3,637</u>

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

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

14 Net insurance financial result (continued)

	Life AED'000	General AED'000	Total AED'000
For the six-month period ended 30 June 2025 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(5,595)	(12,269)	(17,864)
Reinsurance finance income from reinsurance contracts held	4,650	8,588	13,238
For the six-month period ended 30 June 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(2,843)	(11,437)	(14,280)
Reinsurance finance income from reinsurance contracts held	2,272	8,080	10,352

15 Basic and diluted earnings per share

	Three-month period ended 30 June 2025 (Unaudited)	Three-month period ended 30 June 2024 (Unaudited) (Restated)	Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited) (Restated)
Profit for the period after tax (AED'000)	9,703	1,150	22,753	12,926
Weighted average number of shares outstanding during the period ('000)	230,000	230,000	230,000	230,000
Basic earnings per share (AED)	0.042	0.005	0.099	0.056

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 share capital 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 (Q2 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 six-month period ended 30 June 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 June 2025 (Unaudited) AED'000	Three-month period ended 30 June 2024 (Unaudited) AED'000	Six-month period ended 30 June 2025 (Unaudited) AED'000	Six-month period ended 30 June 2024 (Unaudited) AED'000
Income tax				
Current income tax expense	<u>959</u>	<u>114</u>	<u>2,105</u>	<u>1,241</u>

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

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

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	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 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	2,660	2,917	887	973	3,547	3,890
Intangible assets	1,459	1,931	486	643	1,945	2,574
Right-of-use-assets	181	684	61	228	242	912
Unit-linked assets	-	-	343,427	359,176	343,427	359,176
Investment securities	36,535	35,499	12,034	11,592	48,569	47,091
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	412,446	489,277	121,894	123,056	534,340	612,333
Other receivables	51,054	50,406	1,858	4,755	52,912	55,161
Bank deposits	304,560	306,745	114,565	102,248	419,125	408,993
Cash and cash equivalents	32,363	10,440	10,788	3,480	43,151	13,920
Total assets	847,258	903,899	610,000	610,151	1,457,258	1,514,050
Liabilities						
Provision for employees' end of service benefit	6,902	9,119	2,301	3,039	9,203	12,158
Insurance contract liabilities	558,341	626,148	194,871	192,658	753,212	818,806
Reinsurance contract liabilities	-	-	1,708	1,563	1,708	1,563
Insurance and other payables	67,578	48,846	51,809	64,733	119,387	113,579
Payables to policyholders of unit-linked products	-	-	307,657	324,606	307,657	324,606
Total liabilities	632,821	684,113	558,346	586,599	1,191,167	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 six-month period ended 30 June 2025

17 Segment information (continued)

	General Insurance		Life Insurance		Total	
	Six-month period ended 30 June 2025 AED'000 (Unaudited)	Six-month period ended 30 June 2024 AED'000 (Unaudited)	Six-month period ended 30 June 2025 AED'000 (Unaudited)	Six-month period ended 30 June 2024 AED'000 (Unaudited)	Six-month period ended 30 June 2025 AED'000 (Unaudited)	Six-month period ended 30 June 2024 AED'000 (Unaudited)
Insurance revenue	286,564	279,580	13,272	18,134	299,836	297,714
Insurance service expenses	(143,365)	(372,174)	(5,453)	(11,079)	(148,818)	(383,253)
Insurance service result before reinsurance contracts held	143,199	(92,594)	7,819	7,055	151,018	(85,539)
Allocation of reinsurance premiums	(156,650)	(161,096)	(7,420)	(10,348)	(164,070)	(171,444)
Amounts recoverable from reinsurance for incurred claims	31,560	263,511	2,466	6,099	34,026	269,610
Net expenses from reinsurance contracts held	(125,090)	102,415	(4,954)	(4,249)	(130,044)	98,166
Insurance service result	18,109	9,821	2,865	2,806	20,974	12,627
Interest revenue calculated using the effective interest method	7,439	6,115	2,479	2,038	9,918	8,153
Net fair value gain/(loss) on financial assets at FVTPL	1,289	(1,488)	429	(496)	1,718	(1,984)
Other investment income	1,607	1,710	536	570	2,143	2,280
Total investment income	10,335	6,337	3,444	2,112	13,779	8,449
Insurance finance expense for insurance contracts issued	(12,269)	(11,437)	(5,595)	(2,843)	(17,864)	(14,280)
Reinsurance finance income for reinsurance contracts	8,588	8,080	4,650	2,272	13,238	10,352
Net insurance financial result	(3,681)	(3,357)	(945)	(571)	(4,626)	(3,928)
Net insurance and investment results	24,763	12,801	5,364	4,347	30,127	17,148
Other operating expenses	(2,045)	(1,515)	(3,224)	(1,466)	(5,493)	(2,981)
Profit for the period before tax	22,718	11,286	2,140	2,881	24,858	14,167
Income tax expense					(2,105)	(1,241)
Profit for the period after tax					22,753	12,926
Basic and diluted earnings per share					0.099	<i>Restated</i> 0.056

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

Notes to the condensed interim financial information (continued)
For the six-month period ended 30 June 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 June 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)	80	450
Fixed deposits	80,139	197,009
Bank account	-	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 six-month period ended 30 June 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 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Transactions with former major shareholder				
Insurance revenue	6	-	6	2
Claims paid	46	56	108	73
FD interest income from Bank of Umm Al Quwain	820	1,010	1,807	1,555
Bank charges	8	2	8	78
Rental paid	-	218	217	502
Compensation of key management personnel				
Short-term benefits	360	360	720	720
Long-term benefits	11	6	21	21

19 Commitments and contingent liabilities

	30 June 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Letters of guarantee*	10,741	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. 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 would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value of financial instruments carried at amortised cost

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

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

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

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

**Notes to the condensed interim financial information (continued)
For the six-month period ended 30 June 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					
	30 June 2025	31 December 2024				
Financial assets	(Unaudited) AED'000	(Audited) AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets measured at FVTPL						
Quoted equity securities	44,322	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	1,495	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	190,758	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	29	29	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial liabilities measured at FVTPL						
Unit linked liabilities (excluding cash held within the related unit linked assets)	328,852	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 six-month period ended 30 June 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 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	100,491	102,312
Minimum Guarantee Fund (MGF)	102,663	90,721
Basic Own Funds		
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	70,721	46,624
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	70,231	44,313
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	68,059	55,903

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 six-month period ended 30 June 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 12 August 2025.