

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

**Condensed interim financial information (Unaudited)  
For the nine-month period ended 30 September 2024**

**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 2024, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income for the three-month and nine-month periods then ended, condensed interim statement of changes in equity, condensed interim cash flows for the nine-month period then ended, material accounting policy information and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 ("IAS 34") '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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



**Farouk Mohamed**  
**Registration No: 86**  
**Sharjah, United Arab Emirates**

**12 November 2024**

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

**Condensed interim statement of financial position**  
**As at 30 September 2024**

	Notes	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited) (Restated)
<b>Assets</b>			
Property and equipment	4	64,007	64,195
Intangible assets		2,245	3,141
Right-of-use-assets		1,616	3,864
Unit-linked assets	5.3	382,699	403,157
Investment securities	5	65,798	72,288
Statutory deposit	6	10,000	10,000
Reinsurance contract assets	7	683,379	524,829
Other receivables	8	45,651	42,966
Bank deposits	9.2	311,732	294,570
Cash and cash equivalents	9.1	16,439	38,285
<b>Total assets</b>		<b>1,583,566</b>	<b>1,457,295</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10	330,939	330,939
Statutory reserve	11.1	18,020	18,020
Special reserve	11.2	18,020	18,020
Reinsurance reserve	11.3	10,903	9,525
Fair value reserve	11.4	167	163
Accumulated losses		(150,274)	(171,641)
<b>Total equity</b>		<b>227,775</b>	<b>205,026</b>
<b>Liabilities</b>			
Provision for employees' end of service benefits		12,637	13,954
Insurance contract liabilities	7	896,011	763,770
Reinsurance contract liabilities	7	1,382	1,065
Other payables	12	99,176	103,196
Unit-linked liabilities	5.4	346,585	370,284
<b>Total liabilities</b>		<b>1,355,791</b>	<b>1,252,269</b>
<b>Total equity and liabilities</b>		<b>1,583,566</b>	<b>1,457,295</b>

To the best of our knowledge, the condensed interim financial information present fairly in all material respects, the financial condition, results of operation and cash flows of the Company as of, and for the nine-month period ended 30 September 2024. 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 25 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 2024**

	Notes	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Insurance revenue	13	144,439	152,001	442,153	471,890
Insurance service expenses	14	(80,351)	(159,139)	(463,604)	(320,208)
<b>Insurance service result before reinsurance contracts held</b>		<b>64,088</b>	<b>(7,138)</b>	<b>(21,451)</b>	<b>151,682</b>
Allocation of reinsurance premiums		(83,822)	(90,589)	(255,266)	(293,955)
Amounts recoverable from reinsurance for incurred claims		28,290	85,017	297,900	144,757
<b>Net (expense)/income from reinsurance contracts held</b>		<b>(55,532)</b>	<b>(5,572)</b>	<b>42,634</b>	<b>(149,198)</b>
<b>Insurance service result</b>		<b>8,556</b>	<b>(12,710)</b>	<b>21,183</b>	<b>2,484</b>
Interest revenue calculated using the effective interest method		4,307	3,713	12,460	9,431
Net fair value gain/(loss) on financial assets at FVTPL		1,730	5,110	(254)	2,525
Other investment (expense)/income		(147)	(116)	2,133	3,131
<b>Total investment income</b>		<b>5,890</b>	<b>8,707</b>	<b>14,339</b>	<b>15,087</b>
Insurance finance expense for insurance contracts issued	15	(9,610)	(3,287)	(23,890)	(14,394)
Reinsurance finance income for reinsurance contracts held	15	7,765	4,290	18,117	12,618
<b>Net insurance financial result</b>		<b>(1,845)</b>	<b>1,003</b>	<b>(5,773)</b>	<b>(1,776)</b>
<b>Net insurance and investment results</b>		<b>12,601</b>	<b>(3,000)</b>	<b>29,749</b>	<b>15,795</b>
Other operating expenses		(1,811)	(8,302)	(4,792)	(13,630)
<b>Profit/(loss) for the period before tax</b>		<b>10,790</b>	<b>(11,302)</b>	<b>24,957</b>	<b>2,165</b>
Income tax expense	17	(971)	-	(2,212)	-
<b>Profit/(loss) for the period after tax</b>		<b>9,819</b>	<b>(11,302)</b>	<b>22,745</b>	<b>2,165</b>
<b>Basic and diluted earnings / (loss) per share</b>	16	<b>0.030</b>	<b>(0.034)</b>	<b>0.069</b>	<b>0.007</b>

The notes from 1 to 25 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 2024**

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Profit/(loss) for the period after tax		9,819	(11,302)	22,745	2,165
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net change in fair value of equity investments designated FVTOCI		-	-	4	-
<b>Total other comprehensive income for the period</b>		-	-	4	-
<b>Total Comprehensive Income/(Loss) for the Period</b>		<b>9,819</b>	<b>(11,302)</b>	<b>22,749</b>	<b>2,165</b>

The notes from 1 to 25 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 2024

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Reinsurance reserve AED'000	Fair value reserve AED'000	Accumulated losses AED'000	Total equity AED'000
Balance as at 1 January 2023	330,939	18,020	18,020	7,406	166	(167,045)	207,506
Profit for the period	-	-	-	-	-	2,165	2,165
Total comprehensive income for the period	-	-	-	-	-	2,165	2,165
Transfer to reinsurance reserve	-	-	-	1,741	-	(1,741)	-
Balance at 30 September 2023 (Unaudited)	330,939	18,020	18,020	9,147	166	(166,621)	209,671
Balance at 1 January 2024	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

The notes from 1 to 25 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 2024**

	Notes	Nine-month period ended 30 September 2024 AED'000 (Unaudited)	Nine-month period ended 30 September 2023 AED'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period after tax		22,745	2,165
Adjustments for:			
Depreciation and amortisation		3,924	7,762
Loss on disposal of property and equipment		-	634
Gain on disposal of investments at FVTPL		198	(679)
Unrealised (gain)/loss on investments at FVTPL		254	(2,525)
(Reversal)/provision for impairment of financial assets		(3,000)	673
Interest income		(12,460)	(9,431)
Dividend income		(2,884)	(3,219)
Interest on lease liabilities		130	286
Provision for employees' end of service benefits		1,388	1,497
		<u>10,295</u>	<u>(2,837)</u>
<b>Change in working capital</b>			
Reinsurance contract assets – net		(158,233)	34,716
Other receivables		(2,685)	11,074
Insurance contract liabilities – net		135,241	(29,403)
Other payables		(1,681)	11,726
Unit linked assets		20,458	(18,365)
Payables to policyholders of unit-linked products		(23,699)	7,363
		<u>(20,304)</u>	<u>14,274</u>
Employees' end of service indemnity paid		(2,705)	(1,962)
<b>Net cash (used in) / generated from operating activities</b>		<u>(23,009)</u>	<u>12,312</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment and intangibles		(592)	(888)
Purchase of investments held at FVTPL (excluding unit linked assets)		(4,481)	(8,936)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)		10,523	13,274
Interest received		12,460	9,431
Dividends received		2,884	3,219
Bank deposits		(17,162)	(212,455)
<b>Net cash from / (used in) investing activities</b>		<u>3,632</u>	<u>(196,355)</u>
<b>Cash flows from financing activity</b>			
Payment of lease liabilities		(2,469)	(2,462)
<b>Net cash used in financing activity</b>		<u>(2,469)</u>	<u>(2,462)</u>
<b>Net change in cash and cash equivalents</b>		<u>(21,846)</u>	<u>(186,505)</u>
Cash and cash equivalents at the beginning of the period		38,285	205,667
<b>Cash and cash equivalents at the end of the period</b>	9.1	<u>16,439</u>	<u>19,162</u>

The notes from 1 to 25 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 2024**

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**1 General Information**

Union Insurance Company P.J.S.C. (the "Company") is incorporated as a public shareholding company and operates in the United Arab Emirates ("UAE") under a trade license issued by the Government of Dubai. The Company is registered under the UAE Federal Law No. (32) of 2021, relating to commercial companies. The Company is subject to the regulations of the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), 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) no. 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, except for those policies disclosed in note 3, are consistent with those used in the audited financial statements for the year ended 31 December 2023.

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 2023. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**2.1 Accumulated losses**

As at 30 September 2024, the Company's accumulated losses represent 45.41% of the share capital of the Company (31 December 2023: 51.86%). Article 309 of the Federal Decree Law No. 32 of 2021 requires a Company to conduct a meeting of general assembly in case the accumulated losses exceed 50% of a Company's share capital. Accordingly, the Company conducted a general assembly meeting on 11 January 2024 and passed a resolution for continuity of the Company's operations. Further, as per the requirement of this law, the Company has prepared a business plan and submitted it to Securities and Commodities Authority (SCA) along with the reasons for the accumulated losses. A summary of the accumulated losses and Company's strategy to counter the accumulated losses is provided below:

History of accumulated losses:

- **Provision for real estate properties** – An amount of AED 72.3 million represents a provision made during the year ended 31 December 2021 for investment properties purchased from a former related party who failed to fulfil its obligations, in relation to the said asset. A legal action is underway to recover Company's rights under this transaction.
- **Impairment of freehold land** – A decline in the fair value of the freehold land by AED 22.83 million during the year ended 31 December 2021. Originally the land was recorded at AED 82.04 million. Subsequently, an impairment loss was booked due to the decline in the fair value of the land to AED 59.21 million in the prior years.

**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 2024**

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**2 Basis of preparation (continued)**

**2.1 Accumulated losses (continued)**

- **Doubtful receivables from a former related party** – The Company made a provision amounting to AED 26.20 million during the year ended 31 December 2019. This is related to receivables from a former related party. The Company filed a lawsuit in order to recover the amount, however, the lawsuit was not accepted as it was time barred.
- **Initial adoption of IFRS 17 and IFRS 9** - Accumulated losses increased by AED 35.7 million due to the implementation of IFRS 17 “*Insurance Contracts*”, which is effective for annual periods starting on or after 1 January 2023 with a full retrospective application. IFRS 9 adoption resulted in an additional increase of AED 10 million in the accumulated losses due to the change from the impairment model applied under IAS 39 to the expected credit losses required by IFRS 9.

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

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

**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 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024.

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

<b>Title</b>	<b>Effective date</b>
Amendment to IAS 1 Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendment to IFRS 16 Leases on sale and leaseback	1 January 2024

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**

<b>Title</b>	<b>Effective date</b>
IFRS 19 Subsidiary Without Public Accountability: Disclosures	1 January 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	1 January 2027
Amendments to the SASB standards	1 January 2025
Lack of exchangeability	1 January 2025

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 2024**

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**3 Material accounting policy information (continued)**

**3.3 UAE corporate taxation**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

For the Company, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policy to incorporate the applicable Corporate Tax.

**3.3.1 Current taxation**

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year/period. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year/period if the estimate of the annual income tax rate changes.

**3.3.2 Deferred taxation**

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

**4 Property and equipment**

	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Operating assets (note 4.1)	63,260	64,018
Capital work-in-progress	747	177
	<u>64,007</u>	<u>64,195</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 2024

4	Property and equipment (continued)	Freehold land AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
4.1	Operating assets						
	Cost:						
	At 1 January 2023 (Audited)	61,067	16,965	2,930	865	10,244	92,071
	Additions	-	-	3	-	319	322
	Disposals	-	(4,060)	(32)	(71)	-	(4,163)
	At 31 December 2023 (Audited)	61,067	12,905	2,901	794	10,563	88,230
	Additions	-	9	-	-	13	22
	At 30 September 2024 (Unaudited)	61,067	12,914	2,901	794	10,576	88,252
	Accumulated depreciation:						
	At 1 January 2023 (Audited)	-	12,690	2,724	828	9,507	25,749
	Charge for the year	-	927	70	12	302	1,311
	Disposals	-	(2,763)	(14)	(71)	-	(2,848)
	At 31 December 2023 (Audited)	-	10,854	2,780	769	9,809	24,212
	Charge for the period	-	503	42	8	227	780
	At 30 September 2024 (Unaudited)	-	11,357	2,822	777	10,036	24,992
	Net carrying amounts:						
	At 31 December 2023 (Audited)	61,067	2,051	121	25	754	64,018
	At 30 September 2024 (Unaudited)	61,067	1,557	79	17	540	63,260

The Board of Directors of the Company has passed a resolution to construct the Company's head-office on the freehold land. The freehold land is carried at cost.

**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 2024**

<b>5 Investment in securities and unit-linked assets and liabilities</b>	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Financial assets at fair value through profit or loss (Note 5.1)	65,770	72,264
Financial assets at fair value through other comprehensive income (Note 5.2)	28	24
	<u>65,798</u>	<u>72,288</u>
Unit linked assets (Note 5.3)	<u>382,699</u>	<u>403,157</u>
<b>5.1 Investment at fair value through profit or loss</b>		
	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Quoted equity securities in UAE	60,287	64,076
Quoted equity securities outside UAE	522	598
Quoted bonds in UAE	3,509	6,106
Unquoted equity securities outside UAE	96	134
Unquoted equity securities in UAE	1,356	1,350
	<u>65,770</u>	<u>72,264</u>
Investments classified at fair value through profit or loss are designated in this category upon initial recognition.		
<b>5.2 Investment at fair value through other comprehensive income</b>		
	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Quoted equity securities in UAE	28	24
Investments classified at fair value through other comprehensive income are designated in this category upon initial recognition.		
<b>5.3 Unit-linked assets</b>		
	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Investments held on behalf of policyholders of unit-linked products carried at FVTPL	214,827	235,692
Financial assets from reinsurers towards policyholders of unit-linked products carried at FVTPL	154,209	153,589
Cash held on behalf of policyholders of unit-linked products carried at amortised cost	13,663	13,876
	<u>382,699</u>	<u>403,157</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 2024**

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

**5.4 Unit linked liabilities**

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

	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Payables to policyholders of unit-linked products	382,699	403,157
Payables classified under insurance contract liabilities*	<u>(36,114)</u>	<u>(32,873)</u>
	<u><b>346,585</b></u>	<u><b>370,284</b></u>

\*The liabilities for unit linked policies with significant insurance risk are included within the calculation of the insurance contract liabilities amounting to AED 36,114 thousand (31 December 2023: AED 32,873 thousand).

**6 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 2023: 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.

**7 Insurance and reinsurance contracts**

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

	<b>30 September 2024 (Unaudited)</b>			<b>31 December 2023 (Audited) (Restated)</b>		
	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>	<b>Net AED'000</b>	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>	<b>Net AED'000</b>
<b>Insurance contracts issued</b>						
Life	-	203,005	203,005	-	196,452	196,452
General	-	693,006	693,006	-	567,318	567,318
<b>Total insurance contracts issued</b>	<u>-</u>	<u>896,011</u>	<u>896,011</u>	<u>-</u>	<u>763,770</u>	<u>763,770</u>
<b>Reinsurance contracts held</b>						
Life	(126,969)	1,382	(125,587)	(131,415)	1,065	(130,350)
General	(556,410)	-	(556,410)	(393,414)	-	(393,414)
<b>Total reinsurance contracts held</b>	<u>(683,379)</u>	<u>1,382</u>	<u>(681,997)</u>	<u>(524,829)</u>	<u>1,065</u>	<u>(523,764)</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 nine-month period ended 30 September 2024

7 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

30 September 2024 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED'000	AED'000	AED'000	AED'000	
Insurance contract liabilities as at 1 January 2024	(22,672)	1,500	619,712	22,270	620,810
Net insurance contract liabilities as at 1 January 2024	(22,672)	1,500	619,712	22,270	620,810
Insurance revenue	(432,385)	-	-	-	(432,385)
Insurance service expenses:					
Incurred claims and other expenses	-	-	338,040	8,560	346,600
Amortisation of insurance acquisition cash flows	36,762	-	-	-	36,762
Losses on onerous contracts and reversals	-	45,776	-	-	45,776
Changes to liabilities for incurred claims	-	-	32,159	(5,683)	26,476
Insurance service result	(395,623)	45,776	370,199	2,877	23,229
Insurance finance expenses	-	-	15,633	(12)	15,621
Total changes in the statement of comprehensive income	(395,623)	45,776	385,832	2,865	38,850
<i>Cash flows</i>					
Premiums received	463,275	-	-	-	463,275
Claims and other expenses paid	-	-	(338,041)	-	(338,041)
Insurance acquisition cash flows	(41,659)	-	-	-	(41,659)
Total cash flows	421,616	-	(338,041)	-	83,575
Insurance contract liabilities as at 30 September 2024	3,321	47,276	667,503	25,135	743,235
Net insurance contract liabilities as at 30 September 2024	3,321	47,276	667,503	25,135	743,235
31 December 2023 (Audited) (Restated)					
Insurance contract liabilities as at 1 January 2023	(45,547)	2,068	690,622	26,765	673,908
Net insurance contract liabilities as at 1 January 2023	(45,547)	2,068	690,622	26,765	673,908
Insurance revenue	(603,121)	-	-	-	(603,121)
Insurance service expenses:					
Incurred claims and other expenses	-	-	453,047	6,727	459,774
Amortisation of insurance acquisition cash flows	57,859	-	-	-	57,859
Losses on onerous contracts and reversals	-	(569)	-	-	(569)
Changes to liabilities for incurred claims	-	-	(95,849)	(11,179)	(107,028)
Insurance service result	(545,262)	(569)	357,198	(4,452)	(193,085)
Insurance finance expenses	-	-	24,939	(43)	24,896
Total changes in the statement of comprehensive income	(545,262)	(569)	382,137	(4,495)	(168,189)
<i>Cash flows</i>					
Premiums received	633,947	-	-	-	633,947
Claims and other expenses paid	-	-	(453,047)	-	(453,047)
Insurance acquisition cash flows	(65,809)	-	-	-	(65,809)
Total cash flows	568,138	-	(453,047)	-	115,091
Insurance contract liabilities as at 31 December 2023	(22,672)	1,500	619,712	22,270	620,810
Net insurance contract liabilities as at 31 December 2023	(22,672)	1,500	619,712	22,270	620,810



Union Insurance Company P.J.S.C.  
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Notes to the condensed interim financial information (continued)  
For the nine-month period ended 30 September 2024

7 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 2024 (Unaudited)	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
<b>Insurance contract liabilities as at 1 January</b>	116,605	14,129	12,225	142,959
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(1,173)	(1,173)
Change in risk adjustment for non-financial risk for risk expired	-	(475)	-	(475)
Experience adjustments	(181)	-	-	(181)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	87	17	10	114
Changes in estimates that adjust the CSM	(1,684)	(258)	1,942	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(432)	(81)	-	(513)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	453	-	-	453
<b>Insurance service result</b>	(1,757)	(797)	779	(1,775)
Net finance expenses from insurance contracts	10,160	217	263	10,640
<b>Total changes in the statement of profit or loss and OCI</b>	8,403	(580)	1,042	8,865
<b>Cash flows</b>				
Premiums received	10,620	-	-	10,620
Claims and other directly attributable expenses paid	(9,668)	-	-	(9,668)
<b>Total cash flows</b>	952	-	-	952
Insurance contract liabilities as at 30 September 2024	125,960	13,549	13,267	152,776
<b>Net insurance contract liabilities as at 30 September 2024</b>	125,960	13,549	13,267	152,776

**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 2024**

**7 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 2023 (Audited) (Restated)	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 2023	64,772	18,033	55,256	138,061
Changes that relate to current services				-
CSM recognised for services provided	-	-	(1,452)	(1,452)
Change in risk adjustment for non-financial risk for risk expired	-	(1,652)	-	(1,652)
Experience adjustments	(12,057)	-	-	(12,057)
Changes that relate to future services				
Contracts initially recognised in the year	(3,058)	1,718	2,486	7,266
Changes in estimates that adjust the CSM	49,177	(3,106)	(46,070)	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	5,025	(1,456)	-	3,569
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,527)	-	-	(1,527)
Insurance service result	37,560	(4,496)	(45,036)	(11,972)
Net finance expenses from insurance contracts	2,751	592	2,004	5,347
Total changes in the statement of profit or loss and OCI	40,311	(3,904)	(43,032)	(6,625)
Cash flows				
Premiums received	31,386	-	-	31,386
Claims and other directly attributable expenses paid	(18,639)	-	-	(18,639)
Insurance acquisition cash flows paid	(1,225)	-	-	(1,225)
Total cash flows	11,522	-	-	11,522
Net insurance contract liabilities as at 31 December 2023	116,605	14,129	12,225	142,959

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 2024

7 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 2024 (Unaudited)	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Reinsurance contract assets as at 1 January 2024	35,289	(411)	(454,548)	(18,798)	(438,468)
Net reinsurance contract assets as at 1 January 2024	35,289	(411)	(454,548)	(18,798)	(438,468)
An allocation of reinsurance premiums	(206,691)	(411)	-	-	(207,102)
<i>Amounts recoverable from reinsurers for incurred claims</i>					
Amounts recoverable for incurred claims and other expenses	-	-	165,571	7,074	172,645
Loss-recovery on onerous underlying contracts and adjustments	-	43,955	-	-	43,955
Changes to amounts recoverable for incurred claims	-	-	37,704	(3,715)	33,989
<b>Net income or expense from reinsurance contracts held</b>	<b>(206,691)</b>	<b>43,544</b>	<b>203,275</b>	<b>3,359</b>	<b>43,487</b>
Reinsurance finance income	-	-	11,237	(10)	11,227
<b>Total changes in the statement of comprehensive income</b>	<b>(206,691)</b>	<b>43,544</b>	<b>214,512</b>	<b>3,349</b>	<b>54,714</b>
<i>Cash flows</i>					
Premiums paid	265,755	-	-	-	265,755
Amounts received	-	-	(165,571)	-	(165,571)
<b>Total cash flows</b>	<b>265,755</b>	<b>-</b>	<b>(165,571)</b>	<b>-</b>	<b>100,184</b>
Reinsurance contract assets as at 30 September 2024	(23,775)	(43,955)	(503,489)	(22,148)	(593,367)
Net reinsurance contract assets as at 30 September 2024	(23,775)	(43,955)	(503,489)	(22,148)	(593,367)

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 2024

7 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 2023 (Audited) (Restated)					
Reinsurance contract assets as at 1 January 2023	49,575	(1,099)	(531,591)	(23,315)	(506,430)
Net reinsurance contract assets as at January 2023	49,575	(1,099)	(531,591)	(23,315)	(506,430)
An allocation of reinsurance premiums	(297,102)	(1,099)	-	-	(298,201)
<i>Amounts recoverable from reinsurers for incurred claims</i>					
Amounts recoverable for incurred claims and other expenses	-	-	210,281	5,182	215,463
Loss-recovery on onerous underlying contracts and adjustments	-	411	-	-	411
Changes to amounts recoverable for incurred	-	-	(104,217)	(9,664)	(113,881)
Net income or expense from reinsurance contracts held	(297,102)	(688)	106,064	(4,482)	(196,208)
Reinsurance finance income	-	-	27,174	(34)	27,140
Total changes in the statement of comprehensive income	(297,102)	(688)	133,238	(4,516)	(169,068)
<i>Cash flows</i>					
Premiums paid	311,388	-	-	-	311,388
Amounts received	-	-	(210,281)	-	(210,281)
Total cash flows	311,388	-	(210,281)	-	101,107
Reinsurance contract assets as at 31 December 2023	35,289	(411)	(454,548)	(18,798)	(438,468)
Net reinsurance contract assets as at 31 December 2023	35,289	(411)	(454,548)	(18,798)	(438,468)

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 2024

7 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 2024 (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 2024	(79,217)	(4,340)	(1,734)	(85,291)
<b>Net reinsurance contract assets</b>	<b>(79,217)</b>	<b>(4,340)</b>	<b>(1,734)</b>	<b>(85,291)</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(451)	(451)
Change in risk adjustment for non-financial risk for risk expired	-	(338)	-	(338)
Experience adjustments	(228)	-	-	(228)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	19	9	65	93
Changes in estimates that adjust the CSM	(1,429)	(17)	1,446	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(422)	49	-	(373)
<b>Changes that relate to past services</b>				
Adjustments to assets for incurred claims	443	-	-	443
<b>Net expenses from reinsurance contracts</b>	<b>(1,617)</b>	<b>(297)</b>	<b>1,060</b>	<b>(854)</b>
Net finance income from reinsurance contracts	6,508	214	169	6,891
<b>Total changes in the statement of profit or loss and OCI</b>	<b>4,891</b>	<b>(83)</b>	<b>1,229</b>	<b>6,037</b>
<b>Cash flows</b>				
Premiums received	3,403	-	-	3,403
Claims and other directly attributable expenses paid	(6,104)	-	-	(6,104)
<b>Total cash flows</b>	<b>(2,701)</b>	<b>-</b>	<b>-</b>	<b>(2,701)</b>
Reinsurance contract liabilities as at 30 September 2024	81,409	4,259	2,962	88,630
<b>Net reinsurance contract liabilities as at 30 September 2024</b>	<b>81,409</b>	<b>4,259</b>	<b>2,962</b>	<b>88,630</b>

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 2024

7 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 2023 (Audited) (Restated)	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 2023	(47,071)	(8,556)	(40,563)	(96,190)
Net reinsurance contract assets	(47,071)	(8,556)	(40,563)	(96,190)
Changes that relate to current services				
CSM recognised for services provided	-	-	(436)	(436)
Change in risk adjustment for non-financial risk for risk expired	-	(928)	-	(928)
Experience adjustments	(7,133)	-	-	(7,133)
Contracts initially recognised in the year				
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	(2,708)	307	2,821	420
Changes in estimates that adjust the CSM	47,320	(4,200)	(43,121)	(1)
Changes in estimates that relate to losses and reversals of losses on onerous underlying	1,685	140	-	1,825
Changes that relate to past services				
Effect of changes in non-performance risk of	(1,382)	-	-	(1,382)
Net expenses from reinsurance contracts	37,782	(4,681)	(40,736)	(7,635)
Net finance income from reinsurance contracts	(6,447)	465	1,907	(4,075)
Total changes in the statement of profit or loss and OCI	31,335	(4,216)	(38,829)	(11,710)
Cash flows				
Premiums received	10,122	-	-	10,122
Claims and other directly attributable expenses paid	(9,311)	-	-	(9,311)
Total cash flows	811	-	-	811
Reinsurance contract assets as at 31 December 2023	(79,217)	(4,340)	(1,734)	(85,291)
Net reinsurance contract assets as at 31 December 2023	(79,217)	(4,340)	(1,734)	(85,291)

**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 2024**

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

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

	1 year	2 year	3 year	4 year	5 year	>6 year	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>30 September 2024 (Unaudited)</b>							
Insurance contracts issued	334	1,246	1,105	973	855	8,754	13,267
Reinsurance contracts held	122	375	327	283	246	1,609	2,962
	<u>456</u>	<u>1,621</u>	<u>1,432</u>	<u>1,256</u>	<u>1,101</u>	<u>10,363</u>	<u>16,229</u>
<b>31 December 2023 (Audited)</b>							
Insurance contracts issued	941	885	790	718	669	8,222	12,225
Reinsurance contracts held	(67)	(75)	(70)	(83)	(105)	(1,334)	(1,734)
	<u>874</u>	<u>810</u>	<u>720</u>	<u>635</u>	<u>564</u>	<u>6,888</u>	<u>10,491</u>

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

	PAA	Non-PAA	Total
	AED'000	AED'000	AED'000
<b>30 September 2024 (Unaudited)</b>			
Insurance contract liabilities	743,235	152,776	896,011
Reinsurance contract assets	(593,367)	(90,012)	(683,379)
Reinsurance contract liabilities	-	1,382	1,382
	<u>149,868</u>	<u>64,146</u>	<u>214,014</u>
<b>31 December 2023 (Audited) (Restated)</b>			
Insurance contract liabilities	620,809	142,961	763,770
Reinsurance contract assets	(438,469)	(86,360)	(524,829)
Reinsurance contract liabilities	-	1,065	1,065
	<u>182,340</u>	<u>57,666</u>	<u>240,006</u>

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

	1 year		3 years		5 years		10 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate used	5.14%	5.95%	4.73%	5.15%	4.74%	4.98%	5.00%	5.03%



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Notes to the condensed interim financial information (continued)  
For the nine-month period ended 30 September 2024

8 Other receivables

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Other receivables	41,687	37,702
Prepaid expenses	3,964	5,264
	<u>45,651</u>	<u>42,966</u>

9 Bank balances and cash

9.1 Cash and cash equivalents for condensed interim statement of cashflows

	30 September 2024 AED'000 (Unaudited)	30 September 2023 AED'000 (Unaudited)
Cash on hand	35	35
<b>Bank balances:</b>		
Current accounts with banks	16,404	19,127
	<u>16,439</u>	<u>19,162</u>
In U.A.E.	16,439	19,162
Outside U.A.E.	-	-
	<u>16,439</u>	<u>19,162</u>

9.2 Bank deposits

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Deposits with original maturities greater than three months	311,732	294,570
In U.A.E.	311,117	294,219
Outside U.A.E.	615	351
	<u>311,732</u>	<u>294,570</u>

Bank deposits carried interest rates ranging from 1.5% to 8% per annum (31 December 2023: 1.5% to 8% per annum). Bank deposits of AED 45 million (31 December 2023: AED 45 million) have been pledged as security against the overdraft facility which is to manage the liquidity position.

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

**Notes to the condensed interim financial information (continued)**  
**For the nine-month period ended 30 September 2024**

**10 Share capital**

	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Issued and fully paid 330,939,180 shares of AED 1 each (2023: 330,939,180 of AED 1 each)	<u>330,939</u>	<u>330,939</u>

**11 Reserves**

**11.1 Statutory reserve**

In accordance with the UAE Commercial Companies Law and the Company's Article of Association, the Company has resolved not to increase the statutory reserve above an amount equal to 50% of its paid-up share capital. The Company transfers 10% of the profits at the end of the year to the statutory reserve. Accordingly, no transfers have been made during the nine-month period ended 30 September 2024. (30 September 2023: Nil)

**11.2 Special reserve**

In accordance with the Company's Articles of Association, the Board of Directors may transfer 10% of annual net profits, if any, to a special reserve until an Ordinary General Meeting upon a proposal suspends it. The special reserve can be utilized for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Director. No transfers were made during the nine-month period ended 30 September 2024 (30 September 2023: Nil).

**11.3 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 1,378 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 2024 (30 September 2023: AED 1,741 thousand). 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.

**11.4 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.

**12 Other payables**

	<b>30 September 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Other payables	79,232	82,555
Provision for default claims	14,329	14,329
Non-unit reserve	5,615	6,312
	<u>99,176</u>	<u>103,196</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 2024

13 Insurance revenue

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 30 September 2024 (Unaudited)</b>			
<b>Contracts not measured under the PAA</b>			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	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>
<b>Contracts measured under the PAA</b>	<b>3,774</b>	<b>137,482</b>	<b>141,256</b>
	<u><b>6,957</b></u>	<u><b>137,482</b></u>	<u><b>144,439</b></u>
For the three-month period ended 30 September 2023 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	357	-	357
Change in risk adjustment for non-financial risk for risk expired	419	-	419
Expected incurred claims and other insurance service expenses	6,989	-	6,989
Recovery of insurance acquisition cash flows	433	-	433
	<u>8,198</u>	<u>-</u>	<u>8,198</u>
<b>Contracts measured under the PAA</b>	<b>10,662</b>	<b>133,141</b>	<b>143,803</b>
	<u><b>18,860</b></u>	<u><b>133,141</b></u>	<u><b>152,001</b></u>
<b>For the nine-month period ended 30 September 2024 (Unaudited)</b>			
<b>Contracts not measured under the PAA</b>			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	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>
<b>Contracts measured under the PAA</b>	<b>15,323</b>	<b>417,062</b>	<b>432,385</b>
	<u><b>25,091</b></u>	<u><b>417,062</b></u>	<u><b>442,153</b></u>
For the nine-month-period ended 30 September 2023 (Unaudited)			
Contracts not measured under the PAA			
<i>Amounts relating to changes in liabilities for remaining coverage</i>			
CSM recognised for services provided	2,089	-	2,089
Change in risk adjustment for non-financial risk for risk expired	1,277	-	1,277
Expected incurred claims and other insurance service expenses	21,034	-	21,034
Recovery of insurance acquisition cash flows	788	-	788
	<u>25,188</u>	<u>-</u>	<u>25,188</u>
<b>Contracts measured under the PAA</b>	<b>37,214</b>	<b>409,488</b>	<b>446,702</b>
	<u><b>62,402</b></u>	<u><b>409,488</b></u>	<u><b>471,890</b></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 2024**

**14 Insurance service expense**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 30 September 2024 (Unaudited)</b>			
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>
<b>For the three-month period ended 30 September 2023 (Unaudited)</b>			
Incurring claims and other expenses	8,180	82,933	91,113
Amortisation of insurance acquisition cash flows	1,010	13,624	14,634
Losses on onerous contracts and reversals of those losses	6,816	(92)	6,724
Changes to liabilities for incurred claims	(2,290)	48,958	46,668
	<u>13,716</u>	<u>145,423</u>	<u>159,139</u>
<b>For the nine-month period ended 30 September 2024 (Unaudited)</b>			
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>
<b>For the nine-month period ended 30 September 2023 (Unaudited)</b>			
Incurring claims and other expenses	57,203	297,816	355,019
Amortisation of insurance acquisition cash flows	5,148	40,500	45,648
Losses on onerous contracts and reversals of those losses	6,943	(1,201)	5,742
Changes to liabilities for incurred claims	(12,827)	(73,374)	(86,201)
	<u>56,467</u>	<u>263,741</u>	<u>320,208</u>

**15 Net insurance financial result**

	Life AED'000	General AED'000	Total AED'000
<b>For the three-month period ended 30 September 2024 (Unaudited)</b>			
Insurance finance expenses from insurance contracts issued	<u>(7,313)</u>	<u>(2,297)</u>	<u>(9,610)</u>
Reinsurance finance income from reinsurance contracts held	<u>6,160</u>	<u>1,605</u>	<u>7,765</u>
<b>For the three-month period ended 30 September 2023 (Unaudited)</b>			
Insurance finance income/(expenses) from insurance contracts issued	<u>1,874</u>	<u>(5,161)</u>	<u>(3,287)</u>
Reinsurance finance (expenses)/income from reinsurance contracts held	<u>(1,665)</u>	<u>5,955</u>	<u>4,290</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 2024**

**15 Net insurance financial result (continued)**

	Life AED'000	General AED'000	Total AED'000
<b>For the nine-month period ended 30 September 2024 (Unaudited)</b>			
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
<b>For the nine-month period ended 30 September 2023 (Unaudited)</b>			
Insurance finance income/(expense) from insurance contracts issued	3,151	(17,545)	(14,394)
Reinsurance finance (expense)/income from reinsurance contracts held	(3,355)	15,973	12,618

**16 Basic and diluted earnings / (loss) per share**

	Three-month period ended 30 September 2024 (Unaudited)	Three-month period ended 30 September 2023 (Unaudited)	Nine-month period ended 30 September 2024 (Unaudited)	Nine-month period ended 30 September 2023 (Unaudited)
Profit/(loss) for the period after tax (AED'000)	9,819	(11,302)	22,745	2,165
Weighted average number of shares outstanding during the period ('000)	330,939	330,939	330,939	330,939
Basic earnings / (loss) per share (AED)	0.030	(0.034)	0.069	0.007

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

**17 Income tax expense**

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

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

	Three-month period ended 30 September 2024 (Unaudited) AED'000	Three-month period ended 30 September 2023 (Unaudited) AED'000	Nine-month period ended 30 September 2024 (Unaudited) AED'000	Nine-month period ended 30 September 2023 (Unaudited) AED'000
<b>Income tax</b>				
Current income tax expense	971	-	2,212	-

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 2024

18 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 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)
<b>Assets</b>						
Property and equipment	48,005	48,146	16,002	16,049	64,007	64,195
Intangible assets	1,684	2,356	561	785	2,245	3,141
Right-of-use-assets	1,212	2,898	404	966	1,616	3,864
Unit-linked assets	-	-	382,699	403,157	382,699	403,157
Investment securities	51,293	56,607	14,505	15,681	65,798	72,288
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	556,410	393,414	126,969	131,415	683,379	524,829
Other receivables	38,106	30,491	7,545	12,475	45,651	42,966
Bank deposits	233,547	220,928	78,185	73,642	311,732	294,570
Cash and cash equivalents	12,329	28,714	4,110	9,571	16,439	38,285
<b>Total assets</b>	<b>948,586</b>	<b>789,554</b>	<b>634,980</b>	<b>667,741</b>	<b>1,583,566</b>	<b>1,457,295</b>
<b>Liabilities</b>						
Provision for employees' end of service benefit	9,478	10,464	3,159	3,490	12,637	13,954
Insurance contract liabilities	693,006	567,318	203,005	196,452	896,011	763,770
Reinsurance contract liabilities	1	-	1,381	1,065	1,382	1,065
Insurance and other payables	45,242	35,849	53,934	67,347	99,176	103,196
Payables to policyholders of unit-linked products	-	-	346,585	370,284	346,585	370,284
<b>Total liabilities</b>	<b>747,727</b>	<b>613,631</b>	<b>608,064</b>	<b>638,638</b>	<b>1,355,791</b>	<b>1,252,269</b>

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 2024

18 Segment information (continued)	General Insurance		Life Insurance		Total	
	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
Insurance revenue	AED'000 (Unaudited) 417,062	AED'000 (Unaudited) 409,488	AED'000 (Unaudited) 25,091	AED'000 (Unaudited) 62,402	AED'000 (Unaudited) 442,153	AED'000 (Unaudited) 471,890
Insurance service expenses	(450,697)	(263,741)	(12,907)	(56,467)	(463,604)	(320,208)
<b>Insurance service result before reinsurance contracts held</b>	<b>(33,635)</b>	<b>145,747</b>	<b>12,184</b>	<b>5,935</b>	<b>(21,451)</b>	<b>151,682</b>
Allocation of reinsurance premiums	(241,204)	(255,003)	(14,062)	(38,952)	(255,266)	(293,955)
Amounts recoverable from reinsurance for incurred claims	291,762	119,619	6,138	25,138	297,900	144,757
<b>Net expenses from reinsurance contracts held</b>	<b>50,558</b>	<b>(135,384)</b>	<b>(7,924)</b>	<b>(13,814)</b>	<b>42,634</b>	<b>(149,198)</b>
<b>Insurance service result</b>	<b>16,923</b>	<b>10,363</b>	<b>4,260</b>	<b>(7,879)</b>	<b>21,183</b>	<b>2,484</b>
Interest revenue calculated using the effective interest method	9,345	7,073	3,115	2,358	12,460	9,431
Net fair value (loss)/gain on financial assets at FVTPL	(191)	1,894	(63)	631	(254)	2,525
Other investment income	1,600	2,348	533	783	2,133	3,131
<b>Total investment income</b>	<b>10,754</b>	<b>11,315</b>	<b>3,585</b>	<b>3,772</b>	<b>14,339</b>	<b>15,087</b>
Insurance finance expense for insurance contracts issued	(13,734)	(17,545)	(10,156)	3,151	(23,890)	(14,394)
Reinsurance finance income/(expense) for reinsurance contracts	9,685	15,973	8,432	(3,355)	18,117	12,618
<b>Net insurance financial result</b>	<b>(4,049)</b>	<b>(1,572)</b>	<b>(1,724)</b>	<b>(204)</b>	<b>(5,773)</b>	<b>(1,776)</b>
<b>Net insurance and investment results</b>	<b>23,628</b>	<b>20,106</b>	<b>6,121</b>	<b>(4,311)</b>	<b>29,749</b>	<b>15,795</b>
Other operating expenses	(1,560)	(1,740)	(3,232)	(11,890)	(4,792)	(13,630)
<b>Profit/(loss) for the period before tax</b>	<b>22,068</b>	<b>18,366</b>	<b>2,889</b>	<b>(16,201)</b>	<b>24,957</b>	<b>2,165</b>
Income tax expense					(2,212)	-
<b>Profit for the period after tax</b>					<b>22,745</b>	<b>2,165</b>
<b>Basic and diluted earnings per share</b>					<b>0.069</b>	<b>0.007</b>



**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 2024**

**19 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 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
<b>Balances with entities related to Board members</b>		
Gross outstanding claims (included in insurance contract liabilities)	29	468
Fixed deposits	116,768	45,408
Bank account	1,543	6,105
<b>Balances with former major shareholder</b>		
Insurance premium receivable (included in insurance contract assets)	26,603	26,603
Provision for expected credit losses	(26,360)	(26,360)
Net	243	243
Investment properties reclassified to "Advance paid for purchase of real estate properties"	72,270	72,270
Reversal of net fair value gains recorded in prior years	(35,770)	(35,770)
Advance paid for purchase of real estate properties *	36,500	36,500
Provision on advance paid for purchase of real estate properties	(36,500)	(36,500)
	-	-

The 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 2024**

**19 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	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
<b>Transactions with former major shareholder</b>				
Insurance revenue	-	-	2	10
Claims paid	4	55	77	176
FD interest income from Bank of Umm Al Quwain	1,007	536	2,562	973
Bank charges	7	7	85	97
Rental paid	50	-	552	344
<b>Compensation of key management personnel</b>				
Short-term benefits	360	600	1,080	1,800
Long-term benefits	11	50	32	150

**20 Commitments and contingent liabilities**

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Letters of guarantee*	10,566	11,448

\*Includes AED 10 million (31 December 2023: AED 10 million) issued in favour of the CBUAE (Note 6).

**21 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 2023.

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 2024

21 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 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000				
<b>Financial assets</b>						
<b>Financial assets measured at FVTPL</b>						
Quoted equity securities	60,809	64,674	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted bonds	3,509	6,106	Level 1	Prices as per the portfolio bank statement	None	Not applicable
Unquoted equity securities	1,452	1,484	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	214,827	235,692	Level 2	Quoted prices in secondary market	None	Not applicable
Due from reinsurers towards policyholders of unit linked products	154,209	153,589	Level 2	Quoted prices in secondary market	None	Not applicable
<b>Financial assets measured at FVTOCI</b>						
Quoted equity securities	28	24	Level 1	Quoted bid prices in an active market	None	Not applicable
<b>Financial liabilities measured at FVTPL</b>						
Unit linked liabilities (excluding cash held withing the related unit linked assets)	369,036	389,281	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 2024**

**22 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 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	94,781	105,439
Minimum Guarantee Fund (MGF)	89,914	85,940
Basic Own Funds	152,629	152,063
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	52,629	52,063
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	57,849	46,623
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>62,715</u>	<u>66,123</u>

**23 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 2024.

**24 Comparative information**

During the nine-month period, the Company has revised the classification of insurance and reinsurance contract liabilities and assets in order to align these with the principle of portfolio wise presentation as required by IFRS 17. This has resulted in a restatement in its statement of financial position as of 31 December 2023. The effects of this restatement are disclosed in the below table:

	As previously reported AED'000	Adjustments AED'000	As restated AED'000
Insurance contract assets	31,087	(31,087)	-
Reinsurance contract assets	543,266	(18,437)	524,829
Insurance contract liabilities	794,857	(31,087)	763,770
Reinsurance contract liabilities	<u>19,502</u>	<u>(18,437)</u>	<u>1,065</u>

**25 Approval of condensed interim financial information**

The condensed interim financial information was approved by the Board of Directors and authorized for issue on 12 November 2024.