

Union Insurance Company P.J.S.C.

**Condensed interim financial information (Unaudited)
For the three-month period ended 31 March 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 31 March 2024, and the related condensed interim statements of profit or loss, comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended, a summary of material accounting policies and other 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



Farouk Mohamed
Registration No: 86
Sharjah, United Arab Emirates

13 May 2024

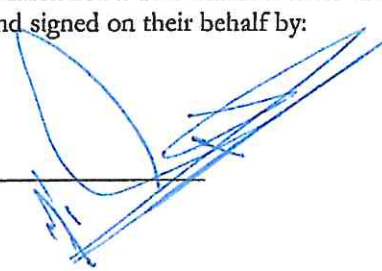
Union Insurance Company P.J.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of financial position
As at 31 March 2024

	Notes	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Assets			
Property and equipment	4	63,969	64,195
Intangible assets		2,812	3,141
Right-of-use-assets		3,115	3,864
Unit-linked assets	5.3	409,571	403,157
Investment securities	5	67,575	72,288
Statutory deposit	6	10,000	10,000
Reinsurance contract assets	7	577,436	543,266
Insurance contract assets	7	82,755	31,087
Other receivables	8	41,602	42,966
Bank deposits	9.2	116,609	294,570
Cash and cash equivalents	9.1	204,943	38,285
Total assets		1,580,387	1,506,819
Equity and liabilities			
Equity			
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	10,004	9,525
Fair value reserve	11.4	169	163
Accumulated losses		(160,345)	(171,641)
Total equity		216,807	205,026
Liabilities			
Provision for employees' end of service benefit		12,794	13,954
Insurance contract liabilities	7	851,777	794,855
Reinsurance contract liabilities	7	28,926	19,504
Other payables	12	96,285	103,196
Unit-linked liabilities	5.4	373,798	370,284
Total liabilities		1,363,580	1,301,793
Total equity and liabilities		1,580,387	1,506,819

To the best of our knowledge, the condensed interim financial information present fairly in all material respects, the financial condition, results of operation and cash flows of the Company as of, and for the three- month period ended 31 March 2024. This financial information was approved for issue by the Board of Directors on 13 May 2024 and signed on their behalf by:

Ramez Abou Zaid
Chief Executive Officer



The notes from 1 to 24 form an integral part of this condensed interim financial information.

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

Condensed interim statement of profit or loss
For the period ended 31 March 2024

	Notes	Three-month period ended 31 March 2024 AED'000 (Unaudited)	Three-month period ended 31 March 2023 AED'000 (Unaudited)
Insurance revenue	13	149,604	161,430
Insurance service expenses	14	(126,469)	(79,558)
Insurance service result before reinsurance contracts held		23,135	81,872
Allocation of reinsurance premiums		(87,613)	(99,109)
Amounts recoverable from reinsurance for incurred claims		73,103	37,396
Net expenses from reinsurance contracts held		(14,510)	(61,713)
Insurance service result		8,625	20,159
Interest revenue calculated using the effective interest method		3,851	2,398
Net fair value gains/(losses) on financial assets at FVTPL		1,157	(749)
Other investment loss		(296)	(208)
Total investment income		4,712	1,441
Insurance finance expenses for insurance contracts issued	15	(9,112)	(13,322)
Reinsurance finance income for reinsurance contracts held	15	6,715	8,485
Net insurance financial result		(2,397)	(4,837)
Net insurance and investment results		10,940	16,763
Other operating income/(expenses)		1,963	(5,152)
Profit for the period before tax		12,903	11,611
Income tax expense	17	(1,128)	-
Profit for the period after tax		11,775	11,611
Basic and diluted earnings per share (AED)	16	0.036	0.035

The notes from 1 to 24 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 comprehensive income
For the period ended 31 March 2024

	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Profit for the period after tax	11,775	11,611
Other comprehensive 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	<u>6</u>	<u>-</u>
Total other comprehensive income for the period	<u>6</u>	<u>-</u>
Total comprehensive income for the period	<u><u>11,781</u></u>	<u><u>11,611</u></u>

The notes from 1 to 24 form an integral part of this condensed interim financial information.

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

Condensed interim statement of changes in equity
For the period ended 31 March 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	(165,045)	209,506
Profit for the period after tax	-	-	-	-	-	11,611	11,611
Total comprehensive income for the period	-	-	-	-	-	11,611	11,611
Transfer to reinsurance reserve	-	-	-	724	-	(724)	-
Balance at 31 March 2023 (Unaudited)	330,939	18,020	18,020	8,130	166	(154,158)	221,117
Balance at 1 January 2024	330,939	18,020	18,020	9,525	163	(171,641)	205,026
Profit for the period after tax	-	-	-	-	-	11,775	11,775
Other comprehensive income	-	-	-	-	6	-	6
Total comprehensive income for the period	-	-	-	-	6	11,775	11,781
Transfer to reinsurance reserve	-	-	-	479	-	(479)	-
Balance at 31 March 2024 (Unaudited)	330,939	18,020	18,020	10,004	169	(160,345)	216,807

The notes from 1 to 24 form an integral part of this condensed interim financial information.

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

Condensed interim statement of cash flows
For the period ended 31 March 2024

	Three-month period ended 31 March 2024 AED'000 (Unaudited)	Three-month period ended 31 March 2023 AED'000 (Unaudited)
Cash flows from operating activities		
Profit for the period before tax	12,903	11,611
Adjustments for:		
Depreciation and amortisation	1,342	2,604
Loss/(gain) on disposal of investments at FVTPL	207	(37)
Unrealised (gain)/loss on investments at FVTPL	(1,151)	751
Interest income	(3,851)	(2,398)
Interest on lease liabilities	56	108
Provision for employees' end of service benefits	198	114
	9,704	12,753
Change in working capital		
Reinsurance contract assets - net	(24,748)	17,033
Other receivables	1,364	4,017
Insurance contract liabilities - net	5,254	(15,755)
Other payables	(7,324)	5,188
Unit linked assets	(6,414)	(24,835)
Payables to policyholders of unit-linked products	3,514	21,655
	(18,650)	20,056
Employees' end of service indemnity paid	(1,358)	(221)
Net cash (used in)/generated from operating activities	(20,008)	19,835
Cash flows from investing activities		
Purchase of property and equipment and intangibles	(38)	(52)
Purchase of investments held at FVTPL (excluding unit linked assets)	(2,982)	(2,552)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)	8,645	3,697
Interest received	3,851	2,398
Change in fixed deposit with banks with maturity greater than three months	177,961	(189,971)
	187,437	(186,480)
Net cash generated from/(used in) investing activities	187,437	(186,480)
Cash flows from financing activity		
Payment of lease liabilities	(771)	(771)
Net cash used in financing activity	(771)	(771)
Net change in cash and cash equivalents	166,658	(167,416)
Cash and cash equivalents at the beginning of the period	38,285	205,667
Cash and cash equivalents at the end of the period	9.1 204,943	38,251

The notes from 1 to 24 form an integral part of this condensed interim financial information.

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

Notes to the condensed interim financial information
For the three-month period ended 31 March 2024

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 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 also comply with the applicable requirements of the laws in the U.A.E.

The condensed interim financial information is presented in U.A.E. 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 and provision for employees' end of service indemnity which is calculated in line with UAE labour 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 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 three-month period ended 31 March 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 31 March 2024, the Company's accumulated losses represent 48.45% 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 three-month period ended 31 March 2024

2 Basis of preparation (continued)

2.1 Accumulated losses (continued)

- **Doubtful receivables from a former related party** – A provision made amounting to AED 26.20 million during the year ended 31 December 2019. This is related to receivables from a former related party, the Company filed a lawsuit in order to recover the amount, however, the lawsuit was not accepted as it was time barred.
- **Initial adoption of IFRS 17 and IFRS 9** - Accumulated losses increased by AED 35.7 million due to the implementation of IFRS 17 *“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”)

Title	Effective date
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

Title	Effective date
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 three-month period ended 31 March 2024

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

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Operating assets (note 4.1)	63,754	64,018
Capital work-in-progress	215	177
	<u>63,969</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 three-month period ended 31 March 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	-	-	-	-	-	-
	At 31 March 2024 (Unaudited)	61,067	12,905	2,901	794	10,563	88,230
	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	-	168	6	3	87	264
	At 31 March 2024 (Unaudited)	-	11,022	2,786	772	9,896	24,476
	Net carrying amounts:						
	At 31 December 2023 (Audited)	61,067	2,051	121	25	754	64,018
	At 31 March 2024 (Unaudited)	61,067	1,883	115	22	667	63,754

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 three-month period ended 31 March 2024

5	Investment in securities and unit-linked assets and liabilities		
		31 March	31 December
		2024	2023
		AED'000	AED'000
		(Unaudited)	(Audited)
	Financial assets at fair value through profit or loss (Note 5.1)	67,544	72,264
	Financial assets at fair value through other comprehensive income (Note 5.2)	31	24
		<u>67,575</u>	<u>72,288</u>
	Unit linked assets (Note 5.3)	<u>409,571</u>	<u>403,157</u>

5.1 Investment at fair value through profit or loss

		31 March	31 December
		2024	2023
		AED'000	AED'000
		(Unaudited)	(Audited)
	Quoted equity securities in U.A.E.	60,046	64,076
	Quoted equity securities outside U.A.E.	622	598
	Unquoted equity securities outside U.A.E.	172	6,106
	Unquoted equity securities in U.A.E.	1,353	134
	Quoted bond securities in U.A.E.	5,351	1,350
		<u>67,544</u>	<u>72,264</u>

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

5.2 Investment at fair value through other comprehensive income

		31 March	31 December
		2024	2023
		AED'000	AED'000
		(Unaudited)	(Audited)
	Quoted equity securities in U.A.E.	<u>31</u>	<u>24</u>

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

5.3 Unit-linked assets

		31 March	31 December
		2024	2023
		AED'000	AED'000
		(Unaudited)	(Audited)
	Investments held on behalf of policyholders of unit-linked products carried at FVTPL	242,622	235,692
	Financial assets from reinsurers towards policyholders of unit-linked products carried at FVTPL	152,616	153,589
	Cash held on behalf of policyholders of unit-linked products carried at amortised cost	14,333	13,876
		<u>409,571</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 three-month period ended 31 March 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:

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Payables to policyholders of unit-linked products	409,571	403,157
Payables classified under insurance contract liabilities*	<u>(35,773)</u>	<u>(32,873)</u>
	<u>373,798</u>	<u>370,284</u>

*The liabilities for unit linked policies with significant insurance risk are included within the calculation of the insurance contract liabilities amounting to AED 35,773 thousand (31 December 2023: AED 32,873 thousand).

6 Statutory deposit

In accordance with the requirements UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007), the Company maintains 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:

	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued						
Life	(4,326)	202,968	198,642	(1,038)	197,490	196,452
General	(78,429)	648,809	570,380	(30,049)	597,365	567,316
Total insurance contracts issued	<u>(82,755)</u>	<u>851,777</u>	<u>769,022</u>	<u>(31,087)</u>	<u>794,855</u>	<u>763,768</u>
Reinsurance contracts held						
Life	(130,321)	3,164	(127,157)	(132,125)	1,776	(130,349)
General	(447,115)	25,762	(421,353)	(411,141)	17,728	(393,413)
Total reinsurance contracts held	<u>(577,436)</u>	<u>28,926</u>	<u>(548,510)</u>	<u>(543,266)</u>	<u>19,504</u>	<u>(523,762)</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 below:

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

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

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
31 March 2024 (Unaudited)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance Contract Liabilities as at 1 January 2024	93,788	1,399	535,039	21,670	651,896
Insurance Contract Assets as at 1 January 2024	116,461	(101)	(84,673)	(600)	31,087
Net Insurance contract liabilities as at 1 January 2024	(22,672)	1,500	619,712	22,270	620,810
Insurance revenue	(146,417)	-	-	-	(146,417)
Insurance service expenses	-	-	150,600	-	150,600
Incurred claims and other expenses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	13,016	-	-	-	13,016
Losses on onerous contracts and reversals	-	3,170	-	-	3,170
Changes to liabilities for incurred claims	-	-	(44,013)	377	(43,636)
Insurance service result	(133,401)	3,170	106,587	377	(23,267)
Insurance finance expenses	-	-	8,831	(8)	8,823
Total changes in the statement of comprehensive income	(133,401)	3,170	115,418	369	(14,444)
<i>Cash flows</i>					
Premiums received	185,470	-	-	-	185,470
Claims and other expenses paid	-	-	(150,600)	-	(150,600)
Insurance acquisition cash flows	(18,705)	-	-	-	(18,705)
Total cash flows	166,765	-	(150,600)	-	16,165
Insurance Contract Liabilities as at 31 March 2024	149,845	4,514	528,847	22,081	705,287
Insurance Contract Assets as at 31 March 2024	139,153	(156)	(55,683)	(559)	82,755
Net insurance contract liabilities as at 31 March 2024	10,692	4,670	584,530	22,639	622,531
31 December 2023 (Audited)					
Insurance Contract Liabilities as at 1 January 2023	59,965	2,068	623,349	26,007	711,389
Insurance Contract Assets as at 1 January 2023	105,513	-	(67,273)	(758)	37,482
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	-	-	453,047	-	453,047
Incurred claims and other expenses	-	-	-	-	-
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)	(4,452)	(100,301)
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	93,788	1,399	535,039	21,670	651,896
Insurance Contract Assets as at 31 December 2023	(116,461)	101	84,673	600	(31,087)
Net insurance contract liabilities as at 31 December 2023	(22,671)	1,499	619,712	22,270	620,810

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

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

31 March 2024 (Unaudited)	Estimates of present value of future cash flows Unaudited AED'000	Risk adjustment for non- financial risk Unaudited AED'000	CSM	Total Unaudited AED'000
			Contracts under modified retrospective transition approach Unaudited AED'000	
Insurance contract liabilities as at 1 January 2024	116,605	14,129	12,225	142,959
Changes that relate to current services				
CSM recognised for services provided	-	-	(283)	(283)
Change in risk adjustment for non-financial risk for risk expired	-	(158)	-	(158)
Experience adjustments	2,812	-	-	2,812
Changes that relate to future services				
Contracts initially recognised in the year	-	-	-	-
Changes in estimates that adjust the CSM	(1,085)	(138)	1,223	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	295	(87)	-	208
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(2,447)	-	-	(2,447)
Insurance service result	(425)	(383)	940	132
Net finance expenses from insurance contracts	1,760	71	87	1,918
Total changes in the statement of profit or loss and OCI	1,335	(312)	1,027	2,050
Cash flows				
Premiums received	7,257	-	-	7,257
Claims and other directly attributable expenses paid	(5,775)	-	-	(5,775)
Insurance acquisition cash flows paid	-	-	-	-
Total cash flows	1,482	-	-	1,482
Insurance Contract Liabilities as at 31 March 2024	119,422	13,817	13,251	146,490
Insurance Contract Assets as at 31 March 2024	-	-	-	-
Net insurance contract liabilities as at 31 March 2024	119,422	13,817	13,252	146,491

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

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

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
			Contracts under modified retrospective transition approach	
31 December 2023 (Audited)	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000
Insurance contract liabilities as at 1 January 2023	105,306	14,497	735	120,538
Changes that relate to current services				-
CSM recognised for services provided	-	-	(5,595)	(5,595)
Change in risk adjustment for non-financial risk for risk expired	-	(2,063)	-	(2,063)
Experience adjustments	(4,690)	-	-	(4,690)
Changes that relate to future services				
Contracts initially recognised in the year	(30,519)	9,454	28,331	7,266
Changes in estimates that adjust the CSM	(26,862)	(3,501)	30,363	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(584)	(510)	-	(1,094)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	6,164	-	-	6,164
Insurance service result	(56,491)	3,380	53,099	(12)
Net finance expenses from insurance contracts	(14,563)	157	1,422	(12,984)
Total changes in the statement of profit or loss and OCI	(71,054)	3,537	54,521	(12,996)
Cash flows				
Premiums received	59,946	-	-	59,946
Claims and other directly attributable expenses paid	(29,326)	-	-	(29,326)
Insurance acquisition cash flows paid	(99)	-	-	(99)
Total cash flows	30,521	-	-	30,521
Net insurance contract liabilities as at 31 December 2023	64,773	18,034	55,256	138,063

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

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

31 March 2024 (Unaudited)	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component Unaudited AED'000	Loss component Unaudited AED'000	Estimates of the present value of future cash flows Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Reinsurance contract assets as at 1 January 2024	18,524	411	419,438	18,534	456,907
Reinsurance contract liabilities as at 1 January 2024	53,813	-	(35,110)	(264)	18,439
Net reinsurance contract liabilities / (assets) as at 1 January 2024	(35,289)	411	454,548	18,798	438,468
An allocation of reinsurance premiums	(69,783)	(411)	-	-	(70,194)
Amounts recoverable from reinsurers for incurred claims	-	-	71,711	-	71,711
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	3,091	-	-	3,091
Changes to amounts recoverable for incurred claims	-	-	(20,094)	765	(19,329)
Net income or expense from reinsurance contracts held	(69,783)	2,680	51,617	765	(14,721)
Reinsurance finance income	-	-	6,466	(7)	6,459
Total changes in the statement of comprehensive income	(69,783)	2,680	58,083	758	(8,262)
<i>Cash flows</i>					
Premiums paid	105,987	-	-	-	105,987
Amounts received	-	-	(71,711)	-	(71,711)
Total cash flows	105,987	-	(71,711)	-	34,276
Reinsurance contract liabilities as at 31 March 2024	45,231	-	(17,189)	(277)	27,765
Reinsurance contract assets as at 31 March 2024	46,147	3,091	423,731	19,280	492,249
Net reinsurance contract assets as at 31 March 2024	(916)	(3,091)	(440,920)	(19,557)	(464,484)

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 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		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
31 December 2023 (Audited)	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000
Reinsurance contract assets as at 1 January 2023	7,605	1,099	499,083	22,957	530,744
Reinsurance contract liabilities as at 1 January 2023	57,180	-	(32,508)	(358)	24,314
Net reinsurance contract liabilities / (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)
Amounts recoverable from reinsurers for incurred claims	-	-	210,281	-	210,281
Amounts recoverable for incurred claims and other expenses	-	-	-	-	411
Loss-recovery on onerous underlying contracts and adjustments	-	411	-	-	411
Changes to amounts recoverable for incurred claims	-	-	(104,217)	(4,482)	(108,699)
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	(18,524)	(411)	(419,438)	(18,534)	(456,907)
Reinsurance contract liabilities as at 31 December 2023	53,813	-	(35,110)	(264)	18,439
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 three-month period ended 31 March 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

31 March 2024 (Unaudited)	Estimates of present value of future cash flows Unaudited AED'000	Risk adjustment for non- financial risk Unaudited AED'000	CSM	Total Unaudited AED'000
			Contracts under modified retrospective transition approach Unaudited 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	-	-	(67)	(67)
Change in risk adjustment for non-financial risk for risk expired	-	(111)	-	(111)
Experience adjustments	2,192	-	-	2,192
Changes that relate to future services				
Contracts initially recognised in the year	-	-	-	-
Changes in estimates that adjust the CSM	(210)	(522)	732	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(187)	438	-	251
Changes that relate to past services				
Adjustments to assets for incurred claims	(2,054)	-	-	(2,054)
Net expenses from reinsurance contracts	(259)	(195)	665	211
Net finance income from reinsurance contracts	128	70	58	256
Total changes in the statement of profit or loss and OCI	(131)	(125)	723	467
Cash flows				
Premiums received	2,582	-	-	2,582
Claims and other directly attributable expenses paid	(4,314)	-	-	(4,314)
Total cash flows	(1,732)	-	-	(1,732)
Reinsurance contract assets as at 31 March 2024	76,439	3,570	5,178	85,187
Reinsurance contract liabilities as at 31 March 2024	(916)	(646)	2,723	1,161
Net reinsurance contract assets as at 31 March 2024	77,356	4,217	2,456	84,029

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

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

	Estimates of present value of future cash flows Unaudited AED'000	Risk adjustment for non-financial risk Unaudited AED'000	CSM	Total Unaudited AED'000
			Contracts under modified retrospective transition approach Unaudited AED'000	
31 December 2023 (Audited)				
Reinsurance contract assets as at 1 January 2023	47,245	8,136	41,289	96,670
Reinsurance contract liabilities as at 1 January 2023	174	(420)	726	480
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 contracts	1,685	140	-	1,825
Changes that relate to past services				
Effect of changes in non-performance risk of reinsurers	(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	(78,219)	(3,695)	(4,445)	(86,359)
Reinsurance contract liabilities as at 31 December 2023	(1,000)	(647)	2,712	1,065
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 three-month period ended 31 March 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
31 March 2024							
(unaudited)							
Insurance contracts issued	816	1,029	888	792	735	8,992	13,252
Reinsurance contracts held	179	224	166	145	157	1,585	2,456
	<u>995</u>	<u>1,253</u>	<u>1,054</u>	<u>937</u>	<u>892</u>	<u>10,577</u>	<u>15,708</u>
31 December 2023							
(Audited)							
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
31 March 2024 (Unaudited)			
Insurance contract assets	(82,755)	-	(82,755)
Insurance contract liabilities	705,288	146,489	851,777
Reinsurance contract assets	(492,250)	(85,186)	(577,436)
Reinsurance contract liabilities	27,765	1,161	28,926
	<u>158,048</u>	<u>62,464</u>	<u>220,512</u>
31 December 2023 (Audited)			
Insurance contract assets	(31,087)	-	(31,087)
Insurance contract liabilities	651,896	142,959	794,855
Reinsurance contract assets	(456,908)	(86,358)	(543,266)
Reinsurance contract liabilities	18,438	1,066	19,504
	<u>182,339</u>	<u>57,667</u>	<u>240,006</u>

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2024

8 Other receivables

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Other receivables	40,565	37,702
Prepaid expenses	1,037	5,264
	<u>41,602</u>	<u>42,966</u>

9 Bank balances and cash

9.1 Cash and cash equivalents for statement of cashflows

	31 March 2024 AED'000 (Unaudited)	31 March 2023 AED'000 (Unaudited)
Cash on hand	35	48
Bank balances:		
Current accounts with banks	176,424	38,203
Fixed deposits with original maturities of three-month or less	28,484	-
	<u>204,943</u>	<u>38,251</u>
In U.A.E.	204,943	38,153
Outside U.A.E.	-	98
	<u>204,943</u>	<u>38,251</u>

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

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Deposits with original maturities greater than three months	<u>116,609</u>	<u>294,570</u>
In U.A.E.	116,173	294,219
Outside U.A.E.	436	351
	<u>116,609</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 three-month period ended 31 March 2024

10 Share capital

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

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 three-month period ended 31 March 2024. (31 March 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 three-month period ended 31 March 2024 (31 March 2023: AED 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 479 thousand from the profit for the period to the reinsurance reserve being 0.5% of the total insurance premium ceded to reinsurers during the three-month period ended 31 March 2024 (31 March 2023: 724). 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

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Other payables	76,503	82,555
Provision for default claims	14,329	14,329
Non-unit reserve	5,453	6,312
	96,285	103,196

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2024

13 Insurance revenue

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

For the three month-period ended 31 March 2023 (Unaudited)

Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage

CSM recognised for services provided	947	-	947
Change in risk adjustment for non-financial risk for risk expired	326	-	326
Expected incurred claims and other insurance service expenses	5,360	-	5,360
Recovery of insurance acquisition cash flows	175	-	175
	<u>6,808</u>	<u>-</u>	<u>6,808</u>
Contracts measured under the PAA	12,545	142,077	154,622
	<u>19,353</u>	<u>142,077</u>	<u>161,430</u>

14 Insurance service expense

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 31 March 2024 (Unaudited)			
Incurring claims and other expenses	20,754	133,294	154,048
Amortisation of insurance acquisition cash flows	462	12,563	13,025
Losses on onerous contracts and reversals of those losses	1,238	1,794	3,032
Changes to liabilities for incurred claims	(12,662)	(30,974)	(43,636)
	<u>9,792</u>	<u>116,677</u>	<u>126,469</u>
For the three-month period ended 31 March 2023 (Unaudited)			
Incurring claims and other expenses	37,199	116,618	153,817
Amortisation of insurance acquisition cash flows	1,806	14,077	15,883
Losses on onerous contracts and reversals of those losses	(728)	10,213	9,485
Changes to liabilities for incurred claims	(23,995)	(75,632)	(99,627)
	<u>14,282</u>	<u>65,276</u>	<u>79,558</u>

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2024

15 Net insurance financial result

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 31 March 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(1,270)	(7,842)	(9,112)
Reinsurance finance income from reinsurance contracts held	1,070	5,645	6,715
For the three-month period ended 31 March 2023 (Unaudited)			
Insurance finance expenses from insurance contracts issued	(5,313)	(8,009)	(13,322)
Reinsurance finance income from reinsurance contracts held	2,283	6,202	8,485

16 Basic and diluted earnings per share

	Three-month period ended 31 March 2024 (Unaudited)	Three-month period ended 31 March 2023 (Unaudited)
Profit for the period after tax (AED'000)	11,775	11,611
Weighted average number of shares outstanding during the period ('000)	330,939	330,939
Basic earnings per share (AED)	0.036	0.035

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 31 March 2024 AED'000 (Unaudited)	Three-month period ended 31 March 2023 AED'000 (Unaudited)
Income tax		
Current income tax expenses	1,128	-

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2024

18 Segment information

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

	General Insurance		Life Insurance		Total	
	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Assets						
Property and equipment	47,977	48,146	15,992	16,049	63,969	64,195
Intangible assets	2,109	2,356	703	785	2,812	3,141
Right-of-use-assets	2,336	2,898	779	966	3,115	3,864
Unit-linked assets	-	-	409,571	403,157	409,571	403,157
Investment securities	52,877	56,607	14,698	15,681	67,575	72,288
Statutory deposit	6,000	6,000	4,000	4,000	10,000	10,000
Reinsurance contract assets	447,115	411,141	130,321	132,125	577,436	543,266
Insurance contract assets	78,429	30,049	4,326	1,038	82,755	31,087
Other receivables	31,428	30,491	10,174	12,475	41,602	42,966
Bank deposits	87,457	220,928	29,152	73,642	116,609	294,570
Cash and cash equivalents	153,707	28,714	51,236	9,571	204,943	38,285
Total assets	909,435	837,330	670,952	669,489	1,580,387	1,506,819
Liabilities						
Provision for employees' end of service benefit	9,596	10,464	3,198	3,490	12,794	13,954
Insurance contract liabilities	648,809	597,365	202,968	197,490	851,777	794,855
Reinsurance contract liabilities	25,762	17,728	3,164	1,776	28,926	19,504
Insurance and other payables	43,248	35,849	53,037	67,347	96,285	103,196
Payables to policyholders of unit-linked products	-	-	373,798	370,284	373,798	370,284
Total liabilities	727,415	661,406	636,165	640,387	1,363,580	1,301,793

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2024

18 Segment information (continued)

	General Insurance		Life Insurance		Total	
	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Insurance revenue	138,801	142,075	10,803	19,355	149,604	161,430
Insurance service expenses	(116,676)	(65,276)	(9,793)	(14,282)	(126,469)	(79,558)
Insurance service result before reinsurance contracts held	22,125	76,799	1,010	5,073	23,135	81,872
Allocation of reinsurance premiums	(81,740)	(86,181)	(5,873)	(12,928)	(87,613)	(99,109)
Amounts recoverable from reinsurance for incurred claims	67,191	26,186	5,912	11,210	73,103	37,396
Net expenses from reinsurance contracts held	(14,549)	(59,995)	39	(1,718)	(14,510)	(61,713)
Insurance service result	7,576	16,804	1,049	3,355	8,625	20,159
Interest revenue calculated using the effective interest method	2,888	1,799	963	599	3,851	2,398
Net fair value gains/(losses) on financial assets at FVTPL	868	(562)	289	(187)	1,157	(749)
Other investment loss	(222)	(156)	(74)	(52)	(296)	(208)
Total investment income	3,534	1,081	1,178	360	4,712	1,441
Insurance finance expenses for insurance contracts issued	(7,842)	(8,009)	(1,270)	(5,313)	(9,112)	(13,322)
Reinsurance finance income for reinsurance contracts held	5,645	6,202	1,070	2,283	6,715	8,485
Net insurance financial result	(2,197)	(1,807)	(200)	(3,030)	(2,397)	(4,837)
Net insurance and investment results	8,913	16,078	2,027	685	10,940	16,763
Other operating income/(expenses)	1,285	346	678	(5,498)	1,963	(5,152)
Profit/(loss) for the period before tax	10,198	16,424	2,705	(4,813)	12,903	11,611
Income tax expense	-	-	-	-	(1,128)	-
Profit for the period after tax	-	-	-	-	11,775	11,611
Basic and diluted earnings per share	-	-	-	-	0.036	0.035

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

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

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balances with entities related to Board members		
Gross outstanding claims (included in insurance contract liabilities)	-	468
Fixed deposits	45,408	45,408
Bank account	<u>3,004</u>	<u>6,105</u>
Balances with former major shareholder		
Insurance premium receivable (included in insurance contract assets)	26,603	26,603
Provision for expected credit losses	<u>(26,360)</u>	<u>(26,360)</u>
Net	<u>243</u>	<u>243</u>
Investment properties reclassified to "Advance paid for purchase of real estate properties"	72,270	72,270
Reversal of net fair value gains recorded in prior years	<u>(35,770)</u>	<u>(35,770)</u>
Advance paid for purchase of real estate properties *	36,500	36,500
Provision on advance paid for purchase of real estate properties	<u>(36,500)</u>	<u>(36,500)</u>
	<u>-</u>	<u>-</u>

The 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 three-month period ended 31 March 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 31 March 2024 AED'000 (Unaudited)	Three-month period ended 31 March 2023 AED'000 (Unaudited)
Transactions with former major shareholder		
Insurance contracts issued (included in insurance revenue)	3	15
Claims paid (included in insurance service expenses)	17	201
FD interest income from Bank of Umm Al-Quwain	545	209
Bank charges	76	88
Rental paid	<u>284</u>	<u>184</u>
Compensation of key management personnel		
Short-term benefits	360	600
Long-term benefits	<u>15</u>	<u>50</u>

20 Commitments and contingent liabilities

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Letters of guarantee*	<u>10,607</u>	<u>11,448</u>

*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 three-month period ended 31 March 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
	31 March 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000				
Financial assets						
Financial assets measured at FVTPL						
Quoted equity securities	60,668	64,674	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted bonds	5,351	6,106	Level 1	Prices as per the portfolio bank statement	None	Not applicable
Unquoted equity securities	1,525	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	242,622	235,692	Level 2	Quoted prices in secondary market	None	Not applicable
Due from reinsurers towards policyholders of unit linked products	152,616	153,589	Level 2	Quoted prices in secondary market	None	Not applicable
Financial assets measured at FVTOCI						
Quoted equity securities	31	24	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)	395,238	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 three-month period ended 31 March 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.

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	102,209	105,439
Minimum Guarantee Fund (MGF)	89,098	85,940
Basic Own Funds	153,025	152,063
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	53,025	52,063
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	50,816	46,623
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	63,927	66,123

23 Subsequent events

On 16 April 2024, UAE witnessed unprecedented heavy rainfall causing widespread disruption across the country. The Company's investment in technology and digitalization, coupled with a robust risk management framework, places the Company on a strong footing to navigate these new challenges. The Company is closely monitoring and assessing the net impact of the event.

24 Approval of condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorized for issue on 13 May 2024.