

**UNITED FIDELITY INSURANCE COMPANY (P.S.C.)**

Condensed interim financial information (Unaudited)

For the three-month period ended 31 March 2025

## **Review Report of the Condensed Interim Financial Information To the Shareholders of United Fidelity Insurance Company (P.S.C.)**

### ***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of United Fidelity Insurance Company (P.S.C.) (the "Company") as at 31 March 2025 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three-month period then ended, and material accounting policy information and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "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 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*".

### ***Emphasis of Matter***

We draw attention to note 20 to the condensed interim financial information which states that, the Company had a deficit of AED 209.14 million as of 31 March 2025 (31 December 2024: AED 155.08 million) against the solvency capital requirement of AED 155.62 million (31 December 2024: AED 161.17 million) and the Company's ability to comply with the solvency capital requirement depends on the effective implementation of its solvency recovery plan, including capital injection committed by principal shareholders. The Company is currently addressing the feedback received from Central Bank of UAE on the solvency recovery plan, after which it will be resubmitted.

### **GRANT THORNTON UAE**



**Dr. Osama El Bakry**  
**Registration No: 935**  
**Dubai, United Arab Emirates**



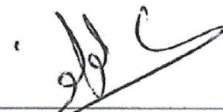
**12 May 2025**

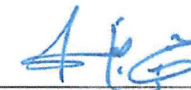
**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of financial position**  
**As at 31 March 2025**

	Notes	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
<b>ASSETS</b>			
Property and equipment		9,231,882	9,613,144
Investment properties	4	46,553,999	46,553,999
Investments at fair value through profit or loss (FVTPL)	5	143,945,840	154,527,065
Investments at fair value through other comprehensive income (FVTOCI)	5	99,304,011	126,972,140
Reinsurance contract assets	6	451,406,203	450,862,720
Prepayments and other receivables		11,159,853	7,319,700
Statutory deposits	7	10,000,000	10,000,000
Deferred tax asset	14	8,800,350	7,412,817
Other receivables		2,854,489	881,839
Bank balances and cash	8	56,472,857	21,971,602
<b>TOTAL ASSETS</b>		<b>839,729,484</b>	<b>836,115,026</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	160,000,000	160,000,000
Statutory reserve	10	1,375,495	1,375,495
General reserve		447,524	447,524
Reinsurance reserve		6,140,986	6,140,986
Cumulative change in fair value of FVTOCI investments		10,677,447	14,819,856
Accumulated losses		(102,377,188)	(94,521,181)
<b>TOTAL EQUITY</b>		<b>76,264,264</b>	<b>88,262,680</b>
<b>LIABILITIES</b>			
Employees' end of service benefits		3,587,560	3,691,233
Insurance contract liabilities	6	677,669,410	695,532,679
Reinsurance contract liabilities	6	14,423,903	3,805,132
Deferred tax liability	14	2,037,706	2,058,901
Bank borrowing	17	40,000,000	20,000,000
Lease liabilities		4,578,162	5,640,413
Accrued expenses and other payables		21,168,479	17,123,988
<b>TOTAL LIABILITIES</b>		<b>763,465,220</b>	<b>747,852,346</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>839,729,484</b>	<b>836,115,026</b>

This condensed interim financial information was authorised for issue on 12 May 2025 by the Board of Directors and signed on its behalf by:

  
 Chairman  
 Nawwaf Ghubash

  
 Chief Executive Officer  
 Ahmed Nasef

The notes from 1 to 22 form an integral part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Condensed interim income statement**  
**For the period ended 31 March 2025**

		<b>Three-month period ended 31 March (Unaudited)</b>	
	Notes	<b>2025 AED</b>	<b>2024 AED</b>
Insurance revenue		134,009,175	160,645,421
Insurance service expenses	12	(140,220,066)	(164,528,665)
<b>Insurance service result before reinsurance contracts held</b>		<b>(6,210,891)</b>	<b>(3,883,244)</b>
Allocation of reinsurance premiums		(62,251,667)	(82,003,174)
Amounts recoverable from reinsurance for incurred claims		50,844,888	81,978,804
<b>Net recovery from reinsurance contracts held</b>		<b>(11,406,779)</b>	<b>(24,370)</b>
<b>Insurance service result</b>		<b>(17,617,670)</b>	<b>(3,907,614)</b>
Net investment income	13	5,133,558	8,000,314
Finance expenses from insurance contracts issued	13	(4,979,567)	(2,854,162)
Finance income from reinsurance contracts held	13	4,019,234	1,950,593
<b>Net insurance finance expenses</b>		<b>(960,333)</b>	<b>(903,569)</b>
<b>Net insurance and investment results</b>		<b>(13,444,445)</b>	<b>3,189,131</b>
Other operating income/(expenses)		740,887	(548,472)
(Loss) /profit for the period before tax		(12,703,558)	2,640,659
Income tax benefit	14	1,387,533	359,335
<b>(Loss) /profit for the period after tax</b>		<b>(11,316,025)</b>	<b>3,000,014</b>
<b>Basic and diluted loss per share</b>	11	<b>(0.071)</b>	<b>0.019</b>

The notes from 1 to 22 form an integral part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of comprehensive income**  
**For the period ended 31 March 2025**

	<b>Three-month period ended</b>	
	<b>31 March (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
<b>(Loss)/profit for the period after tax</b>	<b>(11,316,025)</b>	<b>3,000,014</b>
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net change in fair value of equity investments designated at FVTOCI – net of tax	<u>(682,391)</u>	<u>4,464,801</u>
<b>Total other comprehensive (loss)/income for the period</b>	<u><b>(682,391)</b></u>	<u><b>4,464,801</b></u>
<b>Total Comprehensive (Loss)/Income For The Period</b>	<u><b>(11,998,416)</b></u>	<u><b>7,464,815</b></u>

The notes from 1 to 22 form an integral part of this condensed interim financial information.



**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Condensed interim statement of changes in equity  
For the period ended 31 March 2025

	Share capital AED	Statutory reserve AED	General reserve AED	Reinsurance reserve AED	FVTOCI investments AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2024 (Audited)	160,000,000	1,375,495	447,524	4,802,026	3,988,910	(36,303,139)	134,310,816
Profit for the period after tax	-	-	-	-	-	3,000,014	3,000,014
Other comprehensive income for the period	-	-	-	-	4,464,801	-	4,464,801
Total comprehensive income for the period	-	-	-	-	4,464,801	3,000,014	7,464,815
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	(8,640,274)	8,640,274	-
Balance at 31 March 2024 (Unaudited)	160,000,000	1,375,495	447,524	4,802,026	(186,563)	(24,662,851)	141,775,631
<b>Balance at 1 January 2025 (Audited)</b>	<b>160,000,000</b>	<b>1,375,495</b>	<b>447,524</b>	<b>6,140,986</b>	<b>14,819,856</b>	<b>(94,521,181)</b>	<b>88,262,680</b>
Loss for the period after tax	-	-	-	-	-	(11,316,025)	(11,316,025)
Other comprehensive loss for the period	-	-	-	-	(682,391)	-	(682,391)
Total comprehensive loss for the period	-	-	-	-	(682,391)	(11,316,025)	(11,998,416)
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	(3,460,018)	3,460,018	-
<b>Balance at 31 March 2025 (Unaudited)</b>	<b>160,000,000</b>	<b>1,375,495</b>	<b>447,524</b>	<b>6,140,986</b>	<b>10,677,447</b>	<b>(102,377,188)</b>	<b>76,264,264</b>

The notes from 1 to 22 form an integral part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Condensed interim statement of cash flows**  
**For the period ended 31 March 2025**

	Note	For the three-month period ended 31 March (Unaudited)	
		2025 AED	2024 AED
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period before tax		(12,703,558)	2,640,659
<b>Adjustments for:</b>			
Depreciation of property and equipment		729,368	749,896
Change in fair value for investments at FVTPL		489	587,416
Investment income		(5,128,069)	(8,665,257)
Provision for expected credit losses		180,078	876,710
Interest expense lease liability		91,230	302,330
Provision for employees' end of service indemnity		108,734	91,230
Finance cost		823,547	-
Operating cash flows before changes in working capital		(15,898,181)	(3,417,016)
<b>Changes in working capital:</b>			
Prepayments and other receivables		(5,812,804)	(14,231,669)
Reinsurance contract assets		(723,560)	(11,884,948)
Reinsurance contract liabilities and insurance contract liabilities		(7,244,498)	11,880,847
Accrued expenses and other payables		3,644,491	3,543,322
		(26,034,552)	(14,109,464)
Employees end of service indemnity paid		(212,394)	(34,131)
Finance cost paid		(423,547)	-
<b>Net cash used in operating activities</b>		(26,670,493)	(14,143,595)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(348,117)	(103,313)
Deposits redeemed during the period		-	(7,000,000)
Proceeds from disposal of investments at FVTOCI		26,964,544	26,545,994
Purchase of investments at FVTOCI		-	(33,631,713)
Interest received		1,594,510	1,835,194
Proceeds from disposal of investments at FVTPL		10,611,169	9,396,334
Purchase of investments at FVTPL		-	(9,643,016)
Dividend received from investments at FVTOCI		2,987,441	7,538,707
Income received from investment properties		515,682	222,600
<b>Net cash generated from/(used in) investing activities</b>		42,325,229	(4,839,213)
<b>Cash flows from financing activities</b>			
Borrowing from bank		20,000,000	-
Payment of lease liability		(1,153,481)	(114,759)
<b>Net cash generated from/(used in) financing activities</b>		18,846,519	(114,759)
<b>Net increase/(decrease) in cash and cash equivalents</b>		34,501,255	(19,097,567)
Cash and cash equivalents at beginning of the period		18,971,602	63,228,358
<b>Cash and cash equivalents at end of the period</b>	8	53,472,857	44,130,791

The notes from 1 to 22 form an integral part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

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**1 Legal status and activities**

United Fidelity Insurance Company (P.S.C.) (the “Company”) is a public shareholding company was registered in the Emirate of Ras Al Khaimah by Emiri decree No. 13/76 issued by the ruler of Ras Al Khaimah on 15 September 1976, which was amended by the Emiri decree No. 10/77 issued on 15 December 1977. The Company is subject to the regulations of the UAE Federal Law No. (32) of 2021 and the UAE Federal Law No. 48 of 2023 relating to commercial companies in the UAE and is registered in the Insurance Companies Register of Central Bank of the United Arab Emirates under registration number 8.

The Company was domiciled in the United Arab Emirates, during the previous year the Company changed its registered office to Abu Dhabi located at Office 407, Bloom Central Building, Airport Road, Al Manhal, Al Tibbiya, Abu Dhabi, United Arab Emirates. The Company’s ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

The principal activity of the Company is the writing of all classes of general and life insurance. The Company operates through its Head Office in Abu Dhabi and branch offices in Abu Dhabi, Ras Al Khaimah, Sharjah, Dubai and Fujairah.

**2 Basis of preparation**

This condensed interim financial information is for the three-month period ended 31 March 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income (“FVTOCI”), financial assets carried at fair value through profit or loss (“FVTPL”) and investment property which is measured at fair value and the provision for employees’ end of service indemnity which is measured in accordance with U.A.E labour laws.

The Company’s condensed interim statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: bank balances and cash, prepayments and other receivables. The following balances would generally be classified as non-current: property and equipment, investment properties, statutory deposit and employees’ end of service benefits. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through profit and loss and other comprehensive income, reinsurance contract assets, insurance/reinsurance contract liabilities, lease liabilities, accrued expenses and other payables and fixed deposits.

This condensed interim financial information does not include all the information required in annual financial statements in accordance with IFRSs and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**3 Material accounting policy information**

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.



**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

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

**Application of new and revised International Financial Reporting Standards ("IFRS")**

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

<b>Standard number</b>	<b>Title</b>	<b>Effective date</b>
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

This standard did not have any impact on this financial information.

The Company has not adopted any standard, interpretation or amendment that has been issued but not yet effective.

<b>Standard number</b>	<b>Title</b>	<b>Effective date</b>
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 2027

**Taxation**

**Current**

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. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

**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 recognised 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.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

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

**Interim Measurement**

Measurements for interim reporting purposes should be made on a year-to-date basis, so that the frequency of the entity's reporting does not affect the measurement of its annual results for the year ending 31 December 2025.

- Revenues that are received seasonally, cyclically or occasionally within a financial year should not be anticipated or deferred as of the interim date, if anticipation or deferral would not be appropriate at the end of the financial year.
- Costs that are incurred unevenly during a financial year should be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year; and
- Income tax expense should be recognised based on the best estimate of the weighted average annual effective income tax rate expected for the full financial year.

**Critical accounting estimates and judgments in applying accounting policies**

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2024.

**Insurance and financial risk management**

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2024. There have been no changes in any risk management policies since the year end.

**4 Investment properties**

Investment properties comprises of two commercial buildings in Dubai, UAE and Ras Al Khaimah, UAE. Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as level 3 in the fair value hierarchy as at 31 March 2025. (31 December 2024: Level 3).

**5 Financial investments**

The table below analyses assets at fair value at the end of the reporting period.

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Investments at fair value through profit or loss (FVTPL)	143,945,840	154,527,065
Investments at fair value through other comprehensive income (FVTOCI)	99,304,011	126,972,140
	<u>243,249,851</u>	<u>281,499,205</u>

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

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**5 Financial investments (continued)**

**Movements in financial investments**

The gross movements in investments at FVTPL is as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Opening balance	154,527,065	155,987,108
Purchased during the period/year	-	18,858,384
Sold during the period/year	(10,580,736)	(17,889,552)
Changes in fair value during the period/year	(489)	(2,428,875)
Closing balance	<u>143,945,840</u>	<u>154,527,065</u>

The gross movements in investments at FVTOCI is as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Opening balance	126,972,140	113,580,481
Purchased during the period/year	-	58,918,371
Sold during the period/year	(26,964,544)	(65,697,701)
Changes in fair value during the period/year	(703,585)	20,170,989
Closing balance	<u>99,304,011</u>	<u>126,972,140</u>

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

**6 Insurance and reinsurance contracts**

**Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims**

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:

Contracts measured under the PAA

31 March 2025 - Unaudited

	Liabilities for remaining coverage		Liabilities for incurred claims			
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows		Risk adjustment Unaudited AED	Total Unaudited AED
			Unaudited AED	Unaudited AED		
Insurance contract liabilities as at 1 January	131,137,240	27,792,709	503,686,789	32,915,941		695,532,679
Insurance revenue	(134,009,175)	-	-	-	-	(134,009,175)
Insurance service expenses	29,720,583	(704,560)	110,466,758	737,285		140,220,066
Incurred claims and other expenses	-	-	86,143,312	2,518,852		88,662,164
Amortisation of insurance acquisition cash flows	29,720,583	-	-	-	-	29,720,583
Losses on onerous contracts	-	(704,560)	-	-	-	(704,560)
Changes to liabilities for incurred claims	-	-	24,323,446	(1,781,567)		22,541,879
Insurance service result	(104,288,592)	(704,560)	110,466,758	737,285		6,210,891
Insurance finance expense	-	-	4,979,567	-		4,979,567
<b>Total changes in the income statement</b>	<b>(104,288,592)</b>	<b>(704,560)</b>	<b>115,446,325</b>	<b>737,285</b>		<b>11,190,458</b>
<b>Cash flows</b>						
Premiums received	136,121,362	-	-	-		136,121,362
Claims and other expenses paid	-	-	(137,541,234)	-		(137,541,234)
Insurance acquisition paid	(27,633,855)	-	-	-		(27,633,855)
<b>Total cash flows</b>	<b>108,487,507</b>	<b>-</b>	<b>(137,541,234)</b>	<b>-</b>		<b>(29,053,727)</b>
Insurance contract liabilities as at 31 March	135,336,155	27,088,149	481,591,880	33,653,226		677,669,410

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

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

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims  
(continued)

Contracts measured under the PAA

31 December 2024 - Audited

	Liabilities for remaining coverage		Liabilities for incurred claims		
			Estimates of		
	Excluding loss component Audited	Loss component Audited	the present value of future cash flows Audited	Risk adjustment Audited	Total Audited
	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	126,274,391	20,876,146	304,650,502	13,697,488	465,498,527
Insurance revenue	(606,962,559)	-	-	-	(606,962,559)
Insurance service expenses	130,921,098	6,916,563	762,389,495	19,218,453	919,445,609
Incurred claims and other expenses	-	-	681,905,703	30,413,383	712,319,086
Amortisation of insurance acquisition cash flows	130,921,098	-	-	-	130,921,098
Losses on onerous contracts	-	6,916,563	-	-	6,916,563
Changes to liabilities for incurred claims	-	-	80,483,792	(11,194,930)	69,288,862
Insurance service result	(476,041,461)	6,916,563	762,389,495	19,218,453	312,483,050
Insurance finance expense	-	-	6,711,379	-	6,711,379
Total changes in the income statement	(476,041,461)	6,916,563	769,100,874	19,218,453	319,194,429
<i>Cash flows</i>					
Premiums received	624,758,186	-	-	-	624,758,186
Claims and other expenses paid	-	-	(570,064,587)	-	(570,064,587)
Insurance acquisition cash flows	(143,853,876)	-	-	-	(143,853,876)
Total cash flows	480,904,310	-	(570,064,587)	-	(89,160,277)
Insurance contract liabilities as at 31 December	131,137,240	27,792,709	503,686,789	32,915,941	695,532,679



**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

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

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

The roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims, is disclosed in the table below:

Contracts measured under the PAA

31 March 2025 - Unaudited	coverage		claims		Risk adjustment Unaudited AED	Total Unaudited AED
	Excluding loss recovery component Unaudited AED	Loss Component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED			
Reinsurance contract assets as at 1 January	61,007,938	12,050,543	350,915,970	26,888,269		450,862,720
Reinsurance contract liabilities as at 1 January	(13,926,347)	140,615	9,979,685	915		(3,805,132)
Net reinsurance contract assets	47,081,591	12,191,158	360,895,655	26,889,184		447,057,588
An allocation of reinsurance premiums	(62,251,667)	-	-	-		(62,251,667)
Amounts recoverable from reinsurers for incurred claims	-	1,980,798	48,870,512	(6,422)		50,844,888
Amounts recoverable for incurred claims and other expenses	-	-	32,629,667	1,425,138		34,054,805
Loss-recovery on onerous underlying contracts and adjustments	-	1,980,798	-			1,980,798
Changes to amounts recoverable for incurred claims	-		16,240,845	(1,431,560)		14,809,285
Net income or expense from reinsurance contracts held	(62,251,667)	1,980,798	48,870,512	(6,422)		(11,406,779)
Reinsurance finance income	-		4,019,234	-		4,019,234
Total changes in the statement of comprehensive income	(62,251,667)	1,980,798	52,889,746	(6,422)		(7,387,545)
Cash flows						
Premiums paid	58,487,001	-	-	-		58,487,001
Amounts received	-	-	(61,174,745)	-		(61,174,745)
Total cash flows	58,487,001	-	(61,174,745)	-		(2,687,744)
Net reinsurance contract assets/(liabilities) as at 31 March						
Reinsurance contract assets as at 31 March	66,935,740	14,170,001	343,418,533	26,881,929		451,406,203
Reinsurance contract liabilities as at 31 March	(23,618,813)	1,955	9,192,123	832		(14,423,903)
Net reinsurance contract assets/(liabilities) as at 31 March	43,316,927	14,171,956	352,610,656	26,882,761		436,982,300

United Fidelity Insurance Company (P.S.C.)  
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information  
For the period ended 31 March 2025

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

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA

31 December 2024 - Audited

	Assets for remaining coverage		Amounts recoverable on incurred claims			
	Excluding loss recovery component		Loss Component		Estimates of the present value of future cash flows	
	Audited AED	Audited AED	Audited AED	Audited AED	Risk adjustment Audited AED	Total Audited AED
Reinsurance contract assets as at 1 January	15,456,330		7,439,234		179,427,908	212,801,173
Reinsurance contract liabilities as at 1 January	(7,576,498)		-		2,117,884	(5,442,405)
Net reinsurance contract (liabilities)/assets	7,879,832		7,439,234		181,545,792	207,358,768
Allocation of reinsurance premiums	(324,743,039)		-		-	(324,743,039)
Amounts recoverable from reinsurers for incurred claims	-		4,751,925		527,479,944	548,627,144
Amounts recoverable for incurred claims and other expenses	-		-		426,334,960	457,004,917
Loss-recovery on onerous underlying contracts and	-		4,751,925		-	4,751,925
Changes to amounts recoverable for incurred claims	-		-		101,144,984	86,870,302
Net income or expense from reinsurance contracts held	(324,743,039)		4,751,925		527,479,944	223,884,105
Reinsurance finance income	-		-		4,815,609	4,815,609
Total changes in the statement of profit or loss	(324,743,039)		4,751,925		532,295,555	228,699,714
<i>Cash flows</i>						
Premiums paid	363,944,798		-		-	363,944,798
Amounts received	-		-		(352,945,692)	(352,945,692)
Total cash flows	363,944,798		-		(352,945,692)	10,999,106
Net reinsurance contract assets/(liabilities) as at 31 December						
Reinsurance contract assets as at 31 December	61,007,938		12,050,543		350,915,970	450,862,720
Reinsurance contract liabilities as at 31 December	(13,926,347)		140,615		9,979,685	(3,805,132)
Net reinsurance contract assets as at 31 December	47,081,591		12,191,158		360,895,655	447,057,588

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**7 Statutory deposits**

As at 31 March 2025, deposit of AED 10,000,000 (31 December 2024: AED 10,000,000) has been placed with one of the Company's bank in accordance with UAE Federal Law No. 48 of 2023. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the Central Bank of the United Arab Emirates and bears an interest rate of 5% per annum (2024: 5% per annum).

**8 Bank balances and cash**

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Bank balances and cash with local banks in UAE	56,472,857	21,971,602
Less: Bank deposits with original maturities over 3 months	(3,000,000)	(3,000,000)
<b>Cash and cash equivalents</b>	<b>53,472,857</b>	<b>18,971,602</b>

The interest rates on deposits with banks range between 4.30% to 4.35% per annum (31 December 2024: 4.30% to 4.35% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

**9 Share capital**

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
<i>Issued and fully paid:</i>		
160,000,000 ordinary shares of AED 1 each	160,000,000	160,000,000

**10 Statutory reserve**

In accordance with the UAE Federal Decree Law No. (32) of 2021, the Company has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the three-month-period ended 31 March 2025, as this will be affected at the year-end based on the Company's results for the year ending 31 December 2025.

**11 Basic and diluted loss per share**

	Three-month period ended 31 March (Unaudited)	
	2025 AED	2024 AED
(Loss)/profit for the period after tax (AED)	(11,316,025)	3,000,014
Weighted average number of shares	160,000,000	160,000,000
<b>Loss/profit per share (AED)</b>	<b>(0.071)</b>	<b>0.019</b>

Basic and diluted (loss)/profit per share are calculated by dividing the (loss)/profit for the period by the number of shares outstanding at the end of the reporting period. Diluted (loss)/profit per share is equivalent to basic (loss)/profit per share as the Company did not issue any new shares that would impact loss/(profit) per share when executed.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

**12 Insurance service expenses**

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Incurring claims and other expenses	82,801,356	126,861,333
Amortisation of insurance acquisition cash flows	29,720,583	31,448,541
Losses on onerous contracts	(704,560)	24,274
Changes to liabilities for incurred claims	22,541,879	4,726,264
Acquisition cash flows recognised when incurred	5,860,808	1,468,253
<b>Insurance service expenses</b>	<b>140,220,066</b>	<b>164,528,665</b>

**13 Investment income and net insurance financial result**

Investment income:

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Rental income from investment properties	766,603	413,466
Investment property expenses	(250,921)	(190,866)
<b>Income from investment property – net</b>	<b>515,682</b>	<b>222,600</b>
Dividend income - investments at FVTOCI	2,296,480	6,741,699
Interest income from bonds	1,402,972	1,473,520
Dividend income - investments at FVTPL	690,961	797,008
Interest income fixed deposits	191,538	361,674
Loss on disposal of investments at FVTPL	(489)	(931,244)
Gain/(loss) in fair value of investments at FVTPL	36,414	(664,943)
<b>Net investment income</b>	<b>5,133,558</b>	<b>8,000,314</b>

Insurance finance expense and reinsurance finance income:

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Finance expenses from insurance contracts issued	(4,979,567)	(2,854,162)
Finance income from reinsurance contracts held	4,019,234	1,950,593
<b>Net insurance finance expenses</b>	<b>(960,333)</b>	<b>(903,569)</b>

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

**13 Investment income and net insurance financial result (continued)**

31 March 2025	Commercial	Consumer	Employee benefits	Total
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
<b>Insurance finance expenses from insurance contracts issued</b>				
Interest accreted to insurance contracts using current financial assumptions	3,200,235	810,167	688,761	4,699,163
Due to changes in interest rates and other financial assumptions	223,838	39,186	17,380	280,404
<b>Total insurance finance expenses from insurance contracts issued</b>	<b>3,424,073</b>	<b>849,353</b>	<b>706,141</b>	<b>4,979,567</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	3,424,073	849,353	706,141	4,979,567
<b>Reinsurance finance income from reinsurance contracts held</b>				
Interest accreted to reinsurance contracts using current financial assumptions	2,867,203	598,840	344,505	3,810,548
Due to changes in interest rates and other financial assumptions	191,747	6,171	10,768	208,686
<b>Total reinsurance finance income from reinsurance contracts held</b>	<b>3,058,950</b>	<b>605,011</b>	<b>355,273</b>	<b>4,019,234</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	3,058,950	605,011	355,273	4,019,234
<b>Net insurance finance expense</b>	<b>(365,123)</b>	<b>(244,342)</b>	<b>(350,868)</b>	<b>(960,333)</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	(365,123)	(244,342)	(350,868)	(960,333)



**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information  
For the period ended 31 March 2025

**13 Investment income and net insurance financial result (continued)**

31 March 2024	Commercial	Consumer	Employee benefits	Total
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
<b>Insurance finance expenses from insurance contracts issued</b>				
Interest accreted to insurance contracts using current financial assumptions	1,640,790	898,291	850,936	3,390,017
Due to changes in interest rates and other financial assumptions	(282,592)	(158,175)	(95,088)	(535,855)
<b>Total insurance finance expenses from insurance contracts issued</b>	<b>1,358,198</b>	<b>740,116</b>	<b>755,848</b>	<b>2,854,162</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	1,358,198	740,116	755,848	2,854,162
<b>Reinsurance finance income from reinsurance contracts held</b>				
Interest accreted to reinsurance contracts using current financial assumptions	1,508,422	275,134	577,022	2,360,578
Due to changes in interest rates and other financial assumptions	(295,022)	(41,671)	(73,292)	(409,985)
<b>Total reinsurance finance income from reinsurance contracts held</b>	<b>1,213,400</b>	<b>233,463</b>	<b>503,730</b>	<b>1,950,593</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	1,213,400	233,463	503,730	1,950,593
<b>Net insurance finance expense</b>	<b>(144,798)</b>	<b>(506,653)</b>	<b>(252,118)</b>	<b>(903,569)</b>
<b>Represented by:</b>				
Amounts recognised in profit or loss	(144,798)	(506,653)	(252,118)	(903,569)

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**14 Income Tax Benefit**

The tables below show the details of the provision for current and deferred income tax benefit/(expense):

	<b>Three-month period ended</b>	
	<b>31 March (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
<b>Statement of profit or loss</b>		
<i>Deferred tax:</i>		
Income tax credit on taxable losses	<u>1,387,533</u>	<u>359,355</u>

**Statement of other comprehensive income**

<i>Deferred tax:</i>		
Net change in fair value of equity securities designated at OCI	<u>21,195</u>	<u>(441,574)</u>

During the current period, adjusted taxable losses amounted to AED 15,417,033 and as a result the company has not provided for current taxes.

**Deferred taxation**

Following is the analysis of net deferred tax asset presented in the statement of financial position:

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Deferred tax asset	8,800,350	7,412,817
Deferred tax liability	<u>(2,037,706)</u>	<u>(2,058,901)</u>
<b>Net deferred tax asset</b>	<u><b>6,762,644</b></u>	<u><b>5,353,916</b></u>

**Movement in net deferred tax asset:**

Opening balance	5,353,916	-
Income tax credit on taxable losses	1,387,533	7,412,817
Net change in the fair value of equity securities designated at OCI	21,195	(2,058,901)
<b>Closing balance</b>	<u><b>6,762,644</b></u>	<u><b>5,353,916</b></u>

**15 Related party balances and transactions**

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management.

At the end of the reporting period, significant balances due from / due to related parties are as follows:

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
<i>Affiliates of major shareholders:</i>		
Insurance contract liabilities	(3,679,609)	(1,961,250)
Liability for incurred claims	(2,486,951)	(3,842,960)
Other receivables	<u>471,441</u>	<u>597,894</u>

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**15 Related party balances and transactions (continued)**

**Transactions**

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

	<b>Three-month period ended</b>	
	<b>31 March (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
<i>Affiliates of major shareholders:</i>		
Insurance revenue	4,121,088	4,159,863
Insurance service expenses	(6,749,421)	(5,644,431)
Net payments to reinsurance brokers	(267,394)	(5,096,442)
Employee benefits to key management personnel	<u>2,276,763</u>	<u>1,163,972</u>

**16 Segment information**

For management purposes, the Company is organised into three business segments commercial, consumer and employee benefits (Medical and Group Life). The commercial insurance segment comprises engineering, marine, property, liability and casualty and consumer segment comprises of motor, pet, travel and others. These segments are the basis on which the Company reports its primary segment information. Segment-wise information is disclosed below:

<b>2025</b>	<b>Commercial AED</b>	<b>Consumer AED</b>	<b>Employee benefits AED</b>	<b>Total AED</b>
Insurance revenue	29,685,929	55,733,816	48,589,430	134,009,175
Insurance service expenses	(44,234,249)	(51,227,631)	(44,758,186)	(140,220,066)
<b>Insurance service result before reinsurance contracts held</b>	<b>(14,548,320)</b>	<b>4,506,185</b>	<b>3,831,244</b>	<b>(6,210,891)</b>
Allocation of reinsurance premiums	(15,975,196)	(16,489,688)	(29,786,783)	(62,251,667)
Amounts recoverable from reinsurance for incurred claims	25,311,732	3,593,518	21,939,638	50,844,888
<b>Net recovery/(expenses) from reinsurance contracts held</b>	<b>9,336,536</b>	<b>(12,896,170)</b>	<b>(7,847,145)</b>	<b>(11,406,779)</b>
<b>Insurance service result</b>	<b>(5,211,784)</b>	<b>(8,389,985)</b>	<b>(4,015,901)</b>	<b>(17,617,670)</b>

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**16 Segment information (continued)**

2024	Commercial AED	Consumer AED	Employee benefits AED	Total AED
Insurance revenue	36,873,773	49,429,027	74,342,621	160,645,421
Insurance service expenses	(35,911,739)	(59,582,387)	(69,034,539)	(164,528,665)
Insurance service result before reinsurance contracts held	962,034	(10,153,360)	5,308,082	(3,883,244)
Allocation of reinsurance premiums	(24,603,605)	(10,566,847)	(46,832,722)	(82,003,174)
Amounts recoverable from reinsurance for incurred claims	22,724,479	18,719,789	40,534,536	81,978,804
Net recovery/(expenses) from reinsurance contracts held	(1,879,126)	8,152,942	(6,298,186)	(24,370)
Insurance service result	(917,092)	(2,000,418)	(990,104)	(3,907,614)

The following is an analysis of the Company's assets and liabilities classified by segment:

As at 31 March 2025 (Unaudited)				
	Commercial AED	Consumer AED	Employee benefits AED	Total AED
Insurance contract liabilities	(354,808,477)	(201,482,268)	(121,378,665)	(677,669,410)
Reinsurance contract assets	310,386,421	67,465,160	73,554,622	451,406,203
Reinsurance contract liabilities	(13,352,542)	(153,749)	(917,612)	(14,423,903)

As at 31 December 2024 (Audited)				
	Commercial AED	Consumer AED	Employee benefits AED	Total AED
Insurance contract liabilities	(357,402,988)	(151,610,693)	(186,518,998)	(695,532,679)
Reinsurance contract assets	309,479,161	69,160,039	72,223,520	450,862,720
Reinsurance contract liabilities	(2,630,252)	(55,138)	(1,119,742)	(3,805,132)

**17 Bank borrowing**

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Opening balance	20,000,000	-
Additional borrowing	20,000,000	20,000,000
Closing balance	40,000,000	20,000,000

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**17 Bank borrowing (continued)**

The Company entered into a term loan facility with a Bank in United Arab Emirates for an amount of AED 50,000,000, out of which AED 40,000,000 has been drawn as of 31 March 2025. The facility carried an effective interest rate of 3-month EIBOR + 0.65% and penal interest of 2% per annum.

Bank borrowing is secured by assignment of custody/lien over the financial investments amounting to AED 71,428,571. Bank borrowings are utilised for Company's operational activities.

**18 Contingent liabilities**

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Letters of guarantee	11,114,948	11,114,948

Letters of guarantee includes AED 10 million (31 December 2024: AED 10 million) issued in favour of the CBUAE. The Company in common with the significant majority of insures, is subject to litigation in normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

**19 Financial instruments**

The fair values of financial assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024. Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED		
<i>Investments at FVTPL - unquoted investments</i>	143,945,840	154,527,065	Level 3	Net assets valuation method
<i>Investments at FVTOCI - quoted equity securities</i>	99,304,011	126,972,140	Level 1	Quoted bid prices in an active market.



**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim financial information (Unaudited)**

**Notes to the condensed interim financial information**  
**For the period ended 31 March 2025**

**20 Capital risk management**

The Company is subject to solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin must be maintained at all times throughout the period.

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.

	(Unaudited)	(Audited)
	31 March 2025	31 December 2024
	AED	AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	155,616,000	161,168,000
Minimum Guarantee Fund (MGF)	73,246,000	72,961,000
Basic Own Funds	(53,522,000)	6,089,000
MCR Solvency Margin - Minimum Capital Requirement Deficit	(153,522,000)	(93,911,000)
MCR Solvency Margin - Solvency Capital Requirement Deficit	(209,138,000)	(155,079,000)
MGF Solvency Margin – Minimum Guarantee Fund Deficit	(126,768,000)	(66,872,000)

As per Article (8) of Section 2 of the financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the solvency requirements. As of 31 March 2025, the Company had a deficit of AED 209,138,000 against the solvency capital requirement of AED155,616,000 and the Company's ability to comply with the solvency capital requirements depends on the effective implementation of the solvency recovery plan, including capital injection from principal shareholders. The Company is currently addressing the feedback received from Central Bank of UAE on the solvency recovery plan, after which it will be resubmitted.

**21 Subsequent events**

There have been no other events subsequent to the condensed interim statement of financial position date that would significantly affect the amounts reported in the condensed interim financial information as at and for the three-month period ended 31 March 2025.

**22 Approval of the condensed interim financial information**

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 12 May 2025.