

**Al Buhaira National Insurance Company P.S.C.  
and its Subsidiary**

**Condensed interim consolidated financial information (Unaudited)  
For the three-month period ended 31 March 2026**

## **Al Buhaira National Insurance Company P.S.C. and its Subsidiary Condensed interim consolidated financial information (Unaudited)**

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## Directors' Report

The Board of Directors has pleasure in submitting their report and the reviewed condensed interim consolidated financial information for the period ended 31 March 2026.

### **Incorporation and registered offices**

Al Buhaira National Insurance Company P.S.C. (the "Parent Company"), is incorporated as a public shareholding Company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Parent Company is subject to the regulations of applicable provisions of UAE Federal Decree Law No. (6) of 2025. The Parent Company is registered in the Insurance Companies register of the Central Bank of the U.A.E. under registration number 15. The address of the Parent Company's registered corporate office is P.O. Box 6000, Sharjah, United Arab Emirates.

### **Principal activities**

The principal activity of the Group is the writing of insurance of property, engineering, motor, marine and aviation, miscellaneous, accidents, group life and medical. The Group operates through its Head Office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah, Ajman and Ras Al Khaimah.

### **Financial position and results**

The consolidated financial position and results of the Group for the period ended 31 March 2026 are set out in the accompanying condensed interim consolidated financial statements.

### **Directors**

The following were the Directors of the Group for the period ended 31 March 2026:

Sheikh Faisal Bin Khalid Sultan Al Qasimi (Chairman)  
Sheikh Abdulla Mohd Ali Al Thani (Vice Chairman)  
Sheikh Khaled Abdulla Sultan Al Qasimi (Director)  
Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani (Director)  
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla (Director)  
Mr. Rashid Ali Rashid Dimas Al Suwaidi (Director)  
Mr. Abdulla Mohamed Salih Abdul Rahim Al Zarooni (Director)  
Ms. Noura Mahmoud Mohamed Al Mahmoud Al-Ali (Director)  
Mr. Bassam Ibrahim Mohammed Elayyan (Director)  
Mr. Issam Mehdawi General Manager

### **Auditors**

KPMG Lower Gulf Limited were appointed as auditors of the Group for the year ended 31 December 2026.

  
Sheikh Faisal Bin Khalid Sultan Al Qasimi  
Chairman of the Board of Directors

13 May 2026





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# Independent Auditors' Report on Review of Condensed Interim Consolidated Financial Information

## To the Shareholders of Al Buhaira National Insurance Company P.S.C

### Introduction

We have reviewed the accompanying 31 March 2026 condensed interim consolidated financial information of Al Buhaira National Insurance Company P.S.C ("the Company") and its subsidiary ("the Group"), which comprises:

- the condensed interim consolidated statement of financial position as at 31 March 2026;
- the condensed interim consolidated statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed interim consolidated statement of other comprehensive income for the three-month period ended 31 March 2026;
- the condensed interim consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed interim consolidated statement of cash flows for the three-month period ended 31 March 2026; and
- notes to the condensed interim consolidated financial information.

Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

### Scope of Review

Except as explained in the following paragraph, 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 consolidated 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.



### **Basis for Qualified Conclusion**

At the direction of those charged with governance, management appointed forensic experts to investigate certain irregular transactions and related matters concerning the Company. As of the date of our report, the investigation had not been finalised and we had not received the forensic experts' final report or sufficient related information to enable us to complete our review procedures that we considered necessary in respect of these matters. Had we been able to complete our review of the aforementioned matters, additional matters might have come to our attention indicating that adjustments might be necessary to the condensed interim consolidated financial information.

### **Qualified Conclusion**

Except for the adjustments to the condensed interim consolidated financial information that we might have become aware of had we been able to complete our review procedures for the matter described in the Basis for Qualified Conclusion paragraph above, based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

### **Emphasis of Matter**

We draw attention to note 24 to the condensed interim consolidated financial information, which describes that the Group has a deficit in the Solvency Capital Requirement as stipulated by the Central Bank of U.A.E by an amount of AED 144,995,440 and to note 3.5 which describes the judgements applied in evaluating the impact of these deficits. Our conclusion is not modified in respect of this matter.

KPMG Lower Gulf Limited – SHJ BR

Adil Abid  
Registration No: 5541  
Sharjah, United Arab Emirates

Date: **14 MAY 2026**

*Professional License No.: 23155*

# Al Buhaira National Insurance Company P.S.C. and its Subsidiary

## Condensed interim consolidated statement of financial position

As at

	Notes	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
<b>ASSETS</b>			
Property and equipment	4	12,812,294	8,142,345
Investment properties	5	794,540,000	794,540,000
Investments in securities at FVTOCI	6	70,078,201	70,124,670
Statutory deposit	7	10,000,000	10,000,000
Deferred tax asset		4,906,870	4,906,870
Reinsurance contract assets	8	139,384,961	134,650,653
Insurance contract assets	8	7,047,304	429,406
Other receivables	9	49,533,118	42,977,582
Deposits	10	392,567,843	391,005,328
Cash and cash equivalents	10	61,839,274	107,569,936
<b>TOTAL ASSETS</b>		<b>1,542,709,865</b>	<b>1,564,346,790</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	250,000,000	250,000,000
Statutory reserve		122,126,377	122,126,377
Voluntary reserve		100,000,000	100,000,000
Reinsurance reserve		28,074,677	23,695,002
Cumulative changes in fair value		(6,659,402)	(6,617,115)
Retained earnings / (accumulated losses)		20,081,832	(6,507,700)
<b>Total equity</b>		<b>513,623,484</b>	<b>482,696,564</b>
<b>Liabilities</b>			
Provision for employees' end of service indemnity		46,779,685	46,782,351
Bank borrowings	12	114,749,567	115,294,207
Lease liabilities	13	3,912,854	1,158,860
Insurance contract liabilities	8	689,055,123	793,905,807
Reinsurance contract liabilities	8	101,740,477	63,081,130
Other payables		68,614,320	58,390,341
Income tax payable	14	3,029,466	1,828,459
Deferred tax liability		1,204,889	1,209,071
<b>Total liabilities</b>		<b>1,029,086,381</b>	<b>1,081,650,226</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,542,709,865</b>	<b>1,564,346,790</b>

Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi  
Chairman

Issam Melhdawi  
General Manager

The accompanying notes on pages 9 to 34 form an integral part of this condensed interim consolidated financial information.

The independent auditors' report on review of the condensed interim consolidated financial information is set out on pages 2 to 3.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Condensed interim consolidated statement of profit or loss**  
**For the three-month period ended 31 March**

	Notes	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
Insurance revenue	16	431,541,288	407,885,692
Insurance service expenses	17	<u>(311,234,136)</u>	<u>(348,144,326)</u>
<b>Insurance service result before reinsurance contracts held</b>		<b>120,307,152</b>	<b>59,741,366</b>
Allocation of reinsurance premiums	18	(248,091,709)	(210,073,863)
Amounts recoverable from reinsurance for incurred claims	18	<u>152,959,105</u>	<u>157,772,210</u>
<b>Net expense from reinsurance contracts held</b>		<b>(95,132,604)</b>	<b>(52,301,653)</b>
<b>Insurance service result</b>		<b>25,174,548</b>	<b>7,439,713</b>
<b>Investment and other income**</b>		<b>14,451,541</b>	<b>11,483,818</b>
Insurance finance expense for insurance contracts issued	19	(6,598,221)	(9,067,095)
Reinsurance finance income for reinsurance contracts held	19	<u>4,676,825</u>	<u>6,813,970</u>
<b>Net insurance financial result</b>		<b>(1,921,396)</b>	<b>(2,253,125)</b>
<b>Net insurance and investment results</b>		<b>37,704,693</b>	<b>16,670,406</b>
General and administrative expenses		(1,863,898)	(2,852,873)
Finance costs		(1,758,864)	(3,951,988)
Finance costs – lease		<u>(83,258)</u>	<u>(80,036)</u>
<b>Profit for the period before tax</b>		<b>33,998,673</b>	<b>9,785,509</b>
Income tax	14	<u>(3,029,466)</u>	<u>(439,252)</u>
<b>Profit for the period after tax</b>		<b>30,969,207</b>	<b>9,346,257</b>
<b>Basic and diluted earnings after tax per share, in Fils</b>	15	<b><u>12.39</u></b>	<b><u>3.74</u></b>

\*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 25).

\*\* This includes interest income calculated using effective interest rate amounting to AED 4.1 Million (2025: AED 4.0 Million).

The accompanying notes on pages 9 to 34 form an integral part of this condensed interim consolidated financial information.

The independent auditors' report on review of the condensed interim consolidated financial information is set out on pages 2 and 3.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Condensed interim consolidated statement of other comprehensive income**  
**For the three-month period ended 31 March**

	<b>(Unaudited)</b> <b>Three-month</b> <b>period ended</b> <b>31 March 2026</b> <b>AED</b>	<b>(Unaudited)</b> <b>Three-month</b> <b>period ended</b> <b>31 March 2025</b> <b>AED</b> <b>(Restated)*</b>
Profit for the period after tax	<u>30,969,207</u>	<u>9,346,257</u>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments carried at FVTOCI	<b>(46,469)</b>	545,376
Related deferred tax liability / (asset)	<u>4,182</u>	<u>(49,084)</u>
<b>Other comprehensive (loss) /income for the period</b>	<u><b>(42,287)</b></u>	<u>496,292</u>
<b>Total comprehensive income for the period</b>	<u><b>30,926,920</b></u>	<u>9,842,549</u>

\*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 25).

The accompanying notes on pages 9 to 34 form an integral part of this condensed interim consolidated financial information.

The independent auditors' report on review of the condensed interim consolidated financial information is set out on pages 2 and 3.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Condensed interim consolidated statement of changes in equity**  
**For the three-month period ended 31 March**

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value AED	Retained earnings / (accumulated losses) AED	Total AED
Balance as at 1 January 2025	250,000,000	122,126,377	100,000,000	18,901,014	(18,842,169)	(7,385,923)	464,799,299
Profit for the period after tax (restated)*	-	-	-	-	-	9,346,257	9,346,257
Other comprehensive income for the period	-	-	-	-	496,292	-	496,292
Total comprehensive income for the period (restated)*	-	-	-	-	496,292	9,346,257	9,842,549
Transfer to reinsurance reserve	-	-	-	3,827,524	-	(3,827,524)	-
Balance as at 31 March 2025 (Unaudited) (restated)	250,000,000	122,126,377	100,000,000	22,728,538	(18,345,877)	(1,867,190)	474,641,848
<b>Balance as at 1 January 2026</b>	<b>250,000,000</b>	<b>122,126,377</b>	<b>100,000,000</b>	<b>23,695,002</b>	<b>(6,617,115)</b>	<b>(6,507,700)</b>	<b>482,696,564</b>
Profit for the period after tax	-	-	-	-	-	30,969,207	30,969,207
Other comprehensive loss for the period	-	-	-	-	(42,287)	-	(42,287)
Total comprehensive income for the period	-	-	-	-	(42,287)	30,969,207	30,926,920
Transfer to reinsurance reserve	-	-	-	4,379,675	-	(4,379,675)	-
<b>Balance as at 31 March 2026 (Unaudited)</b>	<b>250,000,000</b>	<b>122,126,377</b>	<b>100,000,000</b>	<b>28,074,677</b>	<b>(6,659,402)</b>	<b>20,081,832</b>	<b>513,623,484</b>

\*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 25).

The accompanying notes on pages 9 to 34 form an integral part of this condensed interim consolidated financial information.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Condensed interim consolidated statement of cash flows**  
**For the three-month period ended 31 March**

	Notes	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
<b>OPERATING ACTIVITIES</b>			
Profit for the period before tax		33,998,673	9,785,509
Adjustments for:			
Depreciation of property and equipment	4	1,233,334	1,119,187
Interest income on deposits		(4,123,545)	(4,077,309)
Dividend income		(14,615)	(108,984)
Provision for employees' end of service indemnity		679,648	301,370
Finance costs		1,842,122	4,032,024
Other income		(390,904)	(11,892)
<b>Operating cash flows before changes in working capital</b>		<b>33,224,713</b>	<b>11,039,905</b>
<b>Change in working capital</b>			
Change in reinsurance contract assets		(4,734,308)	28,754,713
Change in reinsurance contract liabilities		38,659,347	4,241,215
Other receivables		(6,555,536)	(7,539,560)
Change in insurance contract assets		(6,617,898)	(148,426,424)
Change in insurance contract liabilities		(104,850,684)	88,029,288
Other payables		6,302,569	555,721
<b>Cash used in operating activities</b>		<b>(44,571,797)</b>	<b>(23,345,142)</b>
Employees' end of service benefits paid		(682,314)	(1,586,594)
<b>Net cash used in operating activities</b>		<b>(45,254,111)</b>	<b>(24,931,736)</b>
<b>INVESTING ACTIVITIES</b>			
Additions in fixed deposits		(1,562,515)	(1,834,344)
Purchase of investments in securities at FVTOCI		-	(14,005)
Purchase of property and equipment		(318,857)	(44,251)
Proceeds from sale of property and equipment		586,092	-
Interest received		4,123,545	4,077,309
Dividends received		14,615	108,984
Other income		390,904	11,892
<b>Net cash generated from investing activities</b>		<b>3,233,784</b>	<b>2,305,585</b>
<b>FINANCING ACTIVITIES</b>			
Bank borrowings repaid		(544,640)	(38,867,830)
Finance costs paid		(1,758,864)	(3,951,988)
Lease payments		(1,406,831)	(1,012,911)
<b>Net cash used in financing activities</b>		<b>(3,710,335)</b>	<b>(43,832,729)</b>
<b>Net change in cash and cash equivalents</b>		<b>(45,730,662)</b>	<b>(66,458,880)</b>
Cash and cash equivalents at the beginning of the period		107,569,936	106,750,419
<b>Cash and cash equivalents at the end of the period</b>	10	<b>61,839,274</b>	<b>40,291,539</b>

The accompanying notes on pages 9 to 34 form an integral part of this condensed interim consolidated financial information. The independent auditors' report on review of the condensed interim consolidated financial information is set out on pages 2 and 3.

\*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 25).

# **Al Buhaira National Insurance Company P.S.C. and its Subsidiary**

## **Condensed interim consolidated financial information (Unaudited)**

### **Notes to the condensed interim consolidated financial information (continued)**

**For the three-month period ended 31 March 2026**

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#### **1. General information**

Al Buhaira National Insurance Company P.S.C. (the “Company”) is incorporated as a public shareholding company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Company is subject to the regulations of applicable provision of UAE Federal Decree Law No. (6) of 2025 and is registered in the Insurance Companies Register of the Central Bank of the UAE under registration Number 15.

This condensed interim consolidated financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (32) of 2021.

The Company is domiciled and operates in the UAE and its registered address is P.O. Box 6000, Sharjah, United Arab Emirates. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

The principal activity of the Company is the writing of insurance of of property, engineering, motor, marine and aviation, miscellaneous, accidents, group life and medical. The Company operates through its head office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah, Ajman and Ras Al Khaimah.

This condensed interim consolidated financial information comprise the Company and its subsidiary, Al Buhaira Economic Investments Establishment 100% owned by the Company, (together referred to as “the Group”).

The condensed interim financial information does not contain all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025. In addition, the results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

#### **2. Basis of preparation**

##### **2.1 Statement of compliance**

This condensed interim consolidated financial information have been prepared in accordance with International Financial Reporting Standards (“IFRS Standards”) promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee and in compliance with the applicable requirements of the UAE Federal Decree Law No. (32) of 2021 (“Companies Law”), relating to commercial companies and and applicable provision of UAE Federal Decree Law No. (6) of 2025.

##### **2.2 Basis of measurement**

This condensed interim consolidated financial information has been prepared on an accrual basis and under the historical cost convention except for investment properties and certain financial instruments that are measured at fair values and insurance and reinsurance contracts which are measured at the estimated fulfilment cash flows that are expected to arise as the Group fulfils its contractual obligations as at the end of each reporting date and the provision for employees’ end of service indemnity which is calculated in line with UAE labour laws.

##### **2.3 Functional and reporting currency**

This condensed interim consolidated financial information is presented in UAE Dirhams (AED) being the functional and presentation currency of the Company.

##### **2.4 Basis of presentation**

The Group presents its condensed interim consolidated statement of financial position in order of liquidity.

# Al Buhaira National Insurance Company P.S.C. and its Subsidiary

## Condensed interim consolidated financial information (Unaudited)

### Notes to the condensed interim consolidated financial information (continued)

For the three-month period ended 31 March 2026

#### 2. Basis of preparation (continued)

##### 2.5 Basis of consolidation

This condensed interim consolidated financial information incorporate the financial information of the Group and its subsidiary. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The consolidated financial information includes:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activity
Al Buhaira Economic Investments Establishment	Sharjah, U.A.E.	100%	Investing in economic projects.

Al Buhaira National Insurance Company P.S.C. has control over the above entity and derives economic benefit from equity holdings. The Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity via management agreements and accordingly, the entity is consolidated as wholly owned subsidiary in this condensed interim consolidated financial information. Accordingly, the condensed interim consolidated financial information incorporates 100% of the assets, liabilities, income, and expenses of the above company.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

#### 3. Material accounting policies

The accounting policies applied in the condensed interim consolidated financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

##### 3.1 New currently effective requirements

Effective Date	New accounting standards or amendments
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards – Volume II

# Al Buhaira National Insurance Company P.S.C. and its Subsidiary

## Condensed interim consolidated financial information (Unaudited)

### Notes to the condensed interim consolidated financial information (continued)

For the three-month period ended 31 March 2026

#### 3. Material accounting policies (continued)

##### 3.2 Forthcoming requirements

Effective Date	New accounting standards or amendments
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability Disclosures
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS28)

##### 3.3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2025.

##### 3.4 Ongoing internal investigation

The Company had identified concerns relating to certain matters that may affect internal controls over financial reporting and certain amounts recorded in the Company's accounting records. The Audit Committee and the Board have initiated an internal investigation and have engaged forensic specialists to assist. At the date these condensed interim consolidated financial information were authorised for issue, the forensic investigation had not concluded.

At this stage, management is unable to reliably measure any financial effect arising from the matters under investigation. No amount has been recognised in these condensed interim consolidated financial information in relation to amounts that may be identified by the forensic investigation, because (i) management cannot at present determine whether a present obligation exists that requires recognition, and (ii) no reliable estimate of any such obligation can be made until the forensic investigation and any related specialist reviews are complete. The outcome of the investigation, and of any subsequent regulatory or legal actions, could result in adjustments to recognised amounts or the recognition of provisions in a future reporting period.

##### Use of judgements and estimates

The matters under investigation have increased the estimation uncertainty associated with certain judgements and estimates used in applying the Company's accounting policies. The areas of the condensed interim consolidated financial information most affected include, but are not limited to:

- measurement of insurance contract liabilities, reinsurance recoverables and claim provisions;
- recognition and measurement of provisions for liabilities and possible recoveries;
- assessment of impairment indicators for financial assets.

Management has applied its accounting policies consistently and, where possible, has used the best information available at the reporting date to make estimates and judgements.

##### Subsequent events

The Company continues to monitor developments arising from the internal investigation and any related regulatory or legal matters after the reporting date.

At the date these condensed interim consolidated financial information were authorised for issue, it is not practicable to quantify any potential financial effect where such quantification would be speculative. Management will update the disclosures and recognised amounts in future reporting periods as further information becomes available.

# Al Buhaira National Insurance Company P.S.C. and its Subsidiary

## Condensed interim consolidated financial information (Unaudited)

### Notes to the condensed interim consolidated financial information (continued)

For the three-month period ended 31 March 2026

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#### 3. Material accounting policies (continued)

##### 3.5 Use of estimates and judgements

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

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2025.

The condensed interim consolidated financial information has been prepared on a going concern basis. In making this assessment, the directors have exercised significant judgement, particularly in evaluating the impact of a breach of the Group's Solvency Capital Requirement (SCR) as at 31 March 2026.

The breach of the SCR arose due to several reasons including the inadmissibility of certain assets, including investment properties, and credit risk charge associated with certain balances receivables. For the purposes of the SCR calculations, the credit charge is calculated following the Central Bank of UAE's solvency calculation rules however, in management's view those certain balances receivables that are due from Government entities carry minimal default risk. While the breach of SCR does not affect the Group's operational liquidity or ability to meet its financial obligations in the normal course of business, it triggers enhanced oversight by the regulators and necessitates proactive measures to restore the solvency position in respect of the SCR deficit.

In determining whether a material uncertainty to the Going Concern assumption exists, the directors considered:

- the Group has received a no-objection letter from the Central Bank of UAE on the Solvency Recovery Plan;
- the Group continues to comply with the action plan proposed in the Solvency Recovery Plan;
- the Group's current liquidity position and projected cash flows and that the Group has made profits in the three-month period ended 31 March 2026 and holds net assets of AED 513.6 million; and
- forecasts demonstrating profitability over the next 12 months which will improve the Group's solvency position.

The directors concluded that there is no material uncertainty that casts significant doubt on the Group's ability to continue as a going concern. This judgement is based on reasonably foreseeable outcomes including that the Central Bank of UAE has approved the Group's Solvency Recovery Plan. This conclusion involved significant judgement, and the directors acknowledge that the actual outcomes may differ if there are adverse conditions including worsening loss ratios, large retained losses, catastrophe events exceeding the Group's reinsurance capacity, or any other regulatory concerns. However, the Board is confident about the management's solvency recovery plan and expects significant improvement in the Group's solvency position in the near future.

#### 4. Property and equipment

- Property and equipment additions during the current period amounted to AED 318,857 in furniture and equipment and AED 3,919,314 in right of use assets (for the year ended 31 December 2025: AED 6,879,264).
- Depreciation charges for the current period amounted to AED 1,233,334 (three-month period ended 31 March 2025: AED 1,119,187).
- Gain from disposal for the current period amounted to AED Nil (three-month period ended 31 March 2025: AED Nil).
- All the property and equipment are located in U.A.E.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

**For the three-month period ended 31 March 2026**

**5. Investment properties**

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of valuations carried on the respective dates by independent competent valuers who have recent market experience in the valuation of properties in the United Arab Emirates. Management estimates that there has been no significant change in the fair value of the investment properties during the three-month period ended 31 March 2026.

The fair value of plots of land and buildings was determined using market approach.

The Group's investment properties are classified as Level 3 in fair value hierarchy as at 31 March 2026 (31 December 2025: Level 3).

Investment property amounting to AED 590 million (31 December 2025: AED 794 million) is mortgaged to a bank (note 12) towards credit facilities granted to the Group.

The rental proceeds from Al Khan, Al Nahda Tower and Al Buhairah Corniche Tower are assigned to a bank against credit facilities granted to the Group.

**6. Investment in securities at fair value through other comprehensive income (FVTOCI)**

**Financial assets carried at fair value through other comprehensive income**

The Group's financial investments at the end of reporting period are as follows:

	<b>(Unaudited)</b> <b>31 March 2026</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2025</b> <b>AED</b>
Quoted – at fair value	<b>68,900,103</b>	68,946,572
Unquoted – at fair value	<b>1,178,098</b>	1,178,098
	<b><u>70,078,201</u></b>	<u>70,124,670</u>
In U.A.E	<b><u>70,078,201</u></b>	<u>70,124,670</u>
	<b><u>70,078,201</u></b>	<u>70,124,670</u>

Movement during the period / year was as follows:

	<b>(Unaudited)</b> <b>31 March 2026</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2025</b> <b>AED</b>
Fair value at the beginning of the period/ year	<b>70,124,670</b>	56,414,041
Purchases during the period/ year	-	276,505
Change in fair value during the period/ year	<b>(46,469)</b>	13,434,124
Fair value at the end of the period/ year	<b><u>70,078,201</u></b>	<u>70,124,670</u>

**7. Statutory deposit**

In accordance with the requirements of UAE Federal Decree Law No. (6) of 2025, the Group maintains a bank deposit of AED 10 million (31 December 2025: AED 10 million) as a statutory deposit. This deposit cannot be withdrawn without prior approval of the CBUAE and yields interest rate per annum of 4.65% (31 December 2025: 4.65%).

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**8. Insurance and reinsurance contracts**

*Discount rates:*

Insurance contract liabilities and related assets are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

EIOPA USD risk free Volatility Adjusted (Spot) rates were used with country risk premium/ illiquidity premium of 0.64% applied for discounting of future cash flows listed below:

	1 year		3 years		5 years		10 years	
	Q1-2026	Year-2025	Q1-2026	Year-2025	Q1-2026	Year-2025	Q1-2026	Year-2025
Liability for Incurred Claims								
AED	4.73%	4.44%	4.61%	4.35%	4.65%	4.48%	4.93%	4.85%
USD	4.09%	3.80%	3.97%	3.71%	4.01%	3.84%	4.29%	4.21%
Liability for reinsurance contracts issued								
AED	4.73%	4.44%	4.61%	4.35%	4.65%	4.48%	4.93%	4.85%
USD	4.09%	3.80%	3.97%	3.71%	4.01%	3.84%	4.29%	4.21%

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**8. 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

31 March 2026	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Insurance contract assets as at 1 January 2026	(10,468,584)	-	10,008,983	30,195	(429,406)
Insurance contract liabilities as at 1 January 2026	24,775,877	1,677,840	747,834,014	19,618,076	793,905,807
<b>Net insurance contract liabilities as at 1 January 2026</b>	<b>14,307,293</b>	<b>1,677,840</b>	<b>757,842,997</b>	<b>19,648,271</b>	<b>793,476,401</b>
Insurance revenue	(431,541,288)	-	-	-	(431,541,288)
Insurance service expenses					
Incurred claims and other expenses	-	-	311,796,714	5,679,510	317,476,224
Amortisation of insurance acquisition cash flows	17,043,351	-	-	-	17,043,351
Losses on onerous contracts and reversals	-	(1,677,840)	-	-	(1,677,840)
Changes to liabilities for incurred claims	-	-	(16,950,390)	(4,657,209)	(21,607,599)
<b>Insurance service result</b>	<b>(414,497,937)</b>	<b>(1,677,840)</b>	<b>294,846,324</b>	<b>1,022,301</b>	<b>(120,307,152)</b>
Insurance finance expenses	-	-	6,416,716	181,505	6,598,221
<b>Total changes in the statement of comprehensive income</b>	<b>(414,497,937)</b>	<b>(1,677,840)</b>	<b>301,263,040</b>	<b>1,203,806</b>	<b>(113,708,931)</b>
<b>Cash flows</b>					
Premiums received	250,910,548	-	-	-	250,910,548
Claims and other expenses	-	-	(224,166,336)	-	(224,166,336)
Insurance acquisition cash flows	(24,503,863)	-	-	-	(24,503,863)
<b>Total cash flows</b>	<b>226,406,685</b>	<b>-</b>	<b>(224,166,336)</b>	<b>-</b>	<b>2,240,349</b>
<b>Net insurance contract liabilities as at 31 March 2026</b>	<b>(173,783,959)</b>	<b>-</b>	<b>834,939,701</b>	<b>20,852,077</b>	<b>682,007,819</b>
Insurance contract assets as at 31 March 2026	(17,277,120)	-	10,200,765	29,051	(7,047,304)
Insurance contract liabilities as at 31 March 2026	(156,506,839)	-	824,738,936	20,823,026	689,055,123
<b>Net insurance contract liabilities as at 31 March 2026</b>	<b>(173,783,959)</b>	<b>-</b>	<b>834,939,701</b>	<b>20,852,077</b>	<b>682,007,819</b>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**8. 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**

	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
31 December 2025					
Insurance contract assets as at 1 January 2025	-	-	-	-	-
Insurance contract liabilities as at 1 January 2025	2,252,936	2,621,440	671,633,381	18,677,323	695,185,080
Insurance contract liabilities as at 1 January 2025	2,252,936	2,621,440	671,633,381	18,677,323	695,185,080
Insurance revenue	(1,645,918,528)	-	-	-	(1,645,918,528)
Insurance service expenses					
Incurred claims and other expenses	-	-	1,378,587,146	13,321,288	1,391,908,434
Amortisation of insurance acquisition cash flows	75,527,810	-	-	-	75,527,810
Losses on onerous contracts and reversals	-	(943,600)	-	-	(943,600)
Changes to liabilities for incurred claims	-	-	(56,908,081)	(12,865,246)	(69,773,327)
Insurance service result	(1,570,390,718)	(943,600)	1,321,679,065	456,042	(249,199,211)
Insurance finance expenses	-	-	15,771,681	514,906	16,286,587
Total changes in the statement of comprehensive income	(1,570,390,718)	(943,600)	1,337,450,746	970,948	(232,912,624)
<i>Cash flows</i>					
Premiums received	1,641,145,483	-	-	-	1,641,145,483
Claims and other expenses	-	-	(1,251,241,130)	-	(1,251,241,130)
Insurance acquisition cash flows	(58,700,408)	-	-	-	(58,700,408)
Total cash flows	1,582,445,075	-	(1,251,241,130)	-	331,203,945
Net insurance contract liabilities as at 31 December 2025	14,307,293	1,677,840	757,842,997	19,648,271	793,476,401
Insurance contract assets as at 31 December 2025	(10,468,584)	-	10,008,983	30,195	(429,406)
Insurance contract liabilities as at 31 December 2025	24,775,877	1,677,840	747,834,014	19,618,076	793,905,807
Net insurance contract liabilities as at 31 December 2025	14,307,293	1,677,840	757,842,997	19,648,271	793,476,401

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**8. 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

	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
			Unaudited	Unaudited	
31 March 2026	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Total Unaudited AED
Reinsurance contract assets as at 1 January 2026	1,473,104	(167,784)	(130,509,277)	(5,446,696)	(134,650,653)
Reinsurance contract liabilities as at 1 January 2026	410,312,598	-	(340,481,997)	(6,749,471)	63,081,130
<b>Net reinsurance contract assets as at 1 January 2026</b>	<b>411,785,702</b>	<b>(167,784)</b>	<b>(470,991,274)</b>	<b>(12,196,167)</b>	<b>(71,569,523)</b>
An allocation of reinsurance premiums	248,091,709	-	-	-	248,091,709
Amount recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	(172,615,592)	(3,246,104)	(175,861,696)
Changes to amounts recoverable for incurred claims	-	-	19,946,875	2,787,932	22,734,807
Losses on onerous contracts and reversals of those losses – net	-	167,784	-	-	167,784
<b>Net (expense) or income from reinsurance</b>	<b>248,091,709</b>	<b>167,784</b>	<b>(152,668,717)</b>	<b>(458,172)</b>	<b>95,132,604</b>
Reinsurance finance income	-	-	(4,563,934)	(112,891)	(4,676,825)
<b>Total changes in the statement of comprehensive income</b>	<b>248,091,709</b>	<b>167,784</b>	<b>(157,232,651)</b>	<b>(571,063)</b>	<b>90,455,779</b>
<b>Cash flows</b>					
Premiums paid	(189,125,600)	-	-	-	(189,125,600)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	132,594,860	-	132,594,860
<b>Total cash flows</b>	<b>(189,125,600)</b>	<b>-</b>	<b>132,594,860</b>	<b>-</b>	<b>(56,530,740)</b>
<b>Net reinsurance contract assets as at 31 March 2026</b>	<b>470,751,811</b>	<b>-</b>	<b>(495,629,065)</b>	<b>(12,767,230)</b>	<b>(37,644,484)</b>
Reinsurance contract assets as at 31 March 2026	(71,403)	-	(133,845,049)	(5,468,509)	(139,384,961)
Reinsurance contract liabilities as at 31 March 2026	470,823,214	-	(361,784,016)	(7,298,721)	101,740,477
<b>Net reinsurance contract assets as at 31 March 2026</b>	<b>470,751,811</b>	<b>-</b>	<b>(495,629,065)</b>	<b>(12,767,230)</b>	<b>(37,644,484)</b>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**8. 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 2025	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January 2025	316,838,556	(288,780)	(477,591,217)	(12,002,244)	(173,043,685)
Reinsurance contract liabilities as at 1 January 2025	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2025	316,838,556	(288,780)	(477,591,217)	(12,002,244)	(173,043,685)
An allocation of reinsurance premiums	905,841,036	-	-	-	905,841,036
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(723,605,811)	(8,256,035)	(731,861,846)
Changes to amounts recoverable for incurred claims	-	-	35,302,458	8,381,521	43,683,979
Losses on onerous contracts and reversals of those losses – net	-	120,996	-	-	120,996
Net expense or income from reinsurance contracts held	905,841,036	120,996	(688,303,353)	125,486	217,784,165
Reinsurance finance income	-	-	(11,913,699)	(319,409)	(12,233,108)
Total changes in the statement of profit or loss	905,841,036	120,996	(700,217,052)	(193,923)	205,551,057
<i>Cash flows</i>					
Premiums paid	(810,893,890)	-	-	-	(810,893,890)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	706,816,995	-	706,816,995
Total cash flows	(810,893,890)	-	706,816,995	-	(104,076,895)
Net reinsurance contract assets as at 31 December 2025	411,785,702	(167,784)	(470,991,274)	(12,196,167)	(71,569,523)
Reinsurance contract assets as at 31 December 2025	1,473,104	(167,784)	(130,509,277)	(5,446,696)	(134,650,653)
Reinsurance contract liabilities as at 31 December 2025	410,312,598	-	(340,481,997)	(6,749,471)	63,081,130
Net reinsurance contract assets as at 31 December 2025	411,785,702	(167,784)	(470,991,274)	(12,196,167)	(71,569,523)

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**9. Other receivables**

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
Staff receivables	2,023,305	2,440,735
Rent receivable	28,005,443	28,269,995
Prepayments and others	19,504,370	12,266,852
	<u>49,533,118</u>	<u>42,977,582</u>

**10. Cash and cash equivalents**

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
Bank balances and cash	454,407,117	498,575,264
Less: Deposits under lien	(255,944,829)	(255,026,109)
Fixed deposits on maturity of more than three months	(135,535,624)	(134,891,829)
Margin deposits	(1,087,390)	(1,087,390)
	<u>61,839,274</u>	<u>107,569,936</u>

Fixed deposits amounting to AED 256 million (31 December 2025: AED 255 million) (note 12) are under lien in respect of bank credit facilities granted to the Group. All fixed deposits are held in local banks in the United Arab Emirates. The interest rate on fixed deposits with banks ranges from 3.89% to 5.75% (31 December 2025: 4.00% to 4.65%) per annum.

**11. Share capital**

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
Authorised, issued and fully paid: 250 million ordinary shares of AED 1 each (31 December 2025: 250 million ordinary shares of AED 1 each)	<u>250,000,000</u>	<u>250,000,000</u>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**12. Bank borrowings**

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
Bank overdrafts	64,749,567	65,294,207
Term loans	50,000,000	50,000,000
	<u>114,749,567</u>	<u>115,294,207</u>
<b>Bank borrowings are payable as follows:</b>		
On demand or within one year	114,749,567	115,294,207
In the second year	-	-
In the third and subsequent years	-	-
	<u>114,749,567</u>	<u>115,294,207</u>
Less: Amount due for settlement within 12 months	<u>(114,749,567)</u>	<u>(115,294,207)</u>
Amount due for settlement after 12 months	<u>-</u>	<u>-</u>

Main features of bank borrowings:

- Bank loan for the amount of AED 50,000,000 was obtained in December 2023 to be repaid in one bullet payment in December 2026 and bears interest rate of 0.50% plus fixed deposit rate (4.35%).
- Bank overdrafts are repayable on demand and carry out interest rates ranging from CSAF (Cash Security Against Facility) plus 0.5% to 2.8% plus 3 months EIBOR (31 December 2025: CSAF 0.5% to 2.8% plus 1-month EIBOR) per annum.

At 31 March 2026, bank borrowings were secured by lien on fixed deposits amounting to AED 256 million (31 December 2025: AED 255 million) (note 10) and mortgage of investment properties with fair value of AED 590 million (31 December 2025: AED 590 million) (note 5) and assignment of rental proceeds from certain investments properties against bank credit facilities granted to the Group.

**13. Lease liabilities**

Lease liabilities are presented in the statement of financial position as follows:

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
Current	1,792,819	762,655
Non-current	2,120,035	396,205
	<u>3,912,854</u>	<u>1,158,860</u>

The Group has leases for all its offices in UAE. Each lease is reflected on the condensed interim consolidated statement of financial position as a right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a consistent manner to its property and equipment.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**13. Lease liabilities (continued)**

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
Offices	19	2 to 3 years	2 years	19	19

**14. Taxation**

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime is effective for the accounting periods beginning on or after 1 September 2023. For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. The UAE CT Law applies to the standalone results of the Group's entities.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The income tax expense is recognised at an amount determined by multiplying the profit before tax for the reporting period ended 31 March 2026 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the period.

	<b>(Unaudited)</b> <b>31 March 2026</b> <b>AED</b>	<b>(Unaudited)</b> <b>31 March 2025</b> <b>AED (Restated)*</b>
<b>Condensed interim consolidated statement of profit or loss</b>		
Current income tax expense	3,029,466	439,252
Deferred tax credit	-	-
	<u>3,029,466</u>	<u>439,252</u>
<b>Condensed interim consolidated statement of other comprehensive income</b>		
Deferred tax expense	<u>4,182</u>	<u>49,084</u>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**15. Basic and diluted earnings / (loss) per share**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
Profit for the period after tax	<u>30,969,207</u>	<u>9,346,257</u>
Weighted average number of shares	<u>250,000,000</u>	<u>250,000,000</u>
Basic and diluted earnings per share, in Fils	<u>12.39</u>	<u>3.74</u>

**16. Insurance revenue**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
<b>Contract measured under PAA</b>		
Insurance contract issued	<u>431,541,288</u>	<u>407,885,692</u>

**17. Insurance service expenses**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
<b>Contract measured under PAA</b>		
Incurring claims and other expenses	317,476,224	333,028,811
Changes to liabilities for incurred claims	(21,607,599)	(12,579,834)
Amortisation of insurance acquisition cash flows	17,043,351	15,927,864
Losses on onerous contracts and reversals of those losses – net	<u>(1,677,840)</u>	<u>11,767,485</u>
	<u>311,234,136</u>	<u>348,144,326</u>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**18. Net expense from reinsurance contracts held**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
<b>Allocation of reinsurance premiums</b>	<b>248,091,709</b>	<b>210,073,863</b>
<b>Amount recoverable from claims and other expenses</b>		
Amounts recoverable for incurred claims	(175,861,696)	(160,032,298)
Changes to amounts recoverable for incurred claims	22,734,807	2,810,041
Losses on onerous contracts and reversals of those losses – net	167,784	(549,953)
	<b>(152,959,105)</b>	<b>(157,772,210)</b>
<b>Net expense from reinsurance contracts held</b>	<b>95,132,604</b>	<b>52,301,653</b>

**19. Net insurance financial result**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED (Restated)*
Insurance finance expenses for insurance contracts issued	(6,598,221)	(9,067,095)
Reinsurance finance income from reinsurance contracts held	4,676,825	6,813,970

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**

For the three-month period ended 31 March 2026

**20. Segment information**

The Group is organised into two business segments: underwriting and investments. The underwriting segment incorporates motor insurance, marine insurance, FGA insurance, medical insurance and life insurance.

Investments segment includes investments in equity securities, investment properties, bank deposits and fixed deposits.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating decision maker. There are no transactions between the business segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the annual audited consolidated financial statements for the year ended 31 December 2025 of the Group.

a) *Segment condensed interim consolidated statement of financial position is as follows:*

	(Unaudited) 31 March 2026			(Audited) 31 December 2025		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
<b>Segment assets</b>	146,432,266	1,289,271,921	1,435,704,187	135,080,059	1,288,276,087	1,423,356,146
<b>Unallocated assets</b>	-	-	107,005,678	-	-	140,990,644
<b>Total</b>	<b>146,432,266</b>	<b>1,289,271,921</b>	<b>1,542,709,865</b>	<b>135,080,059</b>	<b>1,288,276,087</b>	<b>1,564,346,790</b>
<b>Segment liabilities</b>	790,795,600	73,934,363	864,729,963	856,986,937	74,279,777	931,266,714
<b>Unallocated liabilities</b>	-	-	164,356,418	-	-	150,383,512
<b>Total</b>	<b>790,795,600</b>	<b>73,934,363</b>	<b>1,029,086,381</b>	<b>856,986,937</b>	<b>74,279,777</b>	<b>1,081,650,226</b>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**20. Segment information (continued)**

*b) Segment condensed interim consolidated statement of income is as follows:*

**For the three-month period ended 31 March 2026 (Unaudited)**

	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
	AED	AED	AED
Insurance revenue	431,541,288		431,541,288
Insurance service expenses	(311,234,136)		(311,234,136)
Net expense from reinsurance contracts held	(95,132,604)		(95,132,604)
Net insurance financial result	(1,921,396)		(1,921,396)
<b>Segment result</b>	<u>23,253,152</u>	<u>14,451,541</u>	<u>37,704,693</u>
Unallocated costs			<u>(3,706,020)</u>
<b>Profit for the period before tax</b>			<u><u>33,998,673</u></u>

**For the three-month period ended 31 March 2025 (Unaudited) Restated\***

	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
	AED	AED	AED
Insurance revenue	407,885,692		407,885,692
Insurance service expenses	(348,144,326)		(348,144,326)
Net income from reinsurance contracts held	(52,301,653)		(52,301,653)
Net insurance financial result	(2,253,125)		(2,253,125)
<b>Segment result</b>	<u>5,186,588</u>	<u>11,483,818</u>	<u>16,670,406</u>
Unallocated costs			<u>(6,884,897)</u>
<b>Profit for the period before tax</b>			<u><u>9,785,509</u></u>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**21. Related party balances and transactions**

Related parties include the Group's major shareholders, directors and businesses controlled by them and their families over which they exercise significant influence as well as key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, being the directors, chief executive officer and his direct reports.

The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows.

***Related parties as per the requirement of local regulations:***

**21.1 Due from/to related parties**

At the end of reporting period, amounts due from / to related parties included under due from policy holders and gross outstanding claims from Board of Directors, affiliated companies and key management staff were as follows:

	<b>(Unaudited)</b> <b>31 March 2026</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2025</b> <b>AED</b>
<b>Board members and entities under common control</b>		
Due from policy holders <i>(included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	7,745,780	6,254,820
Gross outstanding claims <i>(included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	<u>3,870,099</u>	<u>2,112,324</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received, and no expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

**21.2 Transactions with related parties**

During the period, the Group entered into the following transactions with Board of Directors, affiliated companies and key management staff:

	<b>(Unaudited)</b> <b>Three-month period</b> <b>ended</b> <b>31 March 2026</b> <b>AED</b>	<b>(Unaudited)</b> <b>Three-month period</b> <b>ended</b> <b>31 March 2025</b> <b>AED</b>
<b>Board members and entities under common control</b>		
Insurance revenue	3,771,196	2,386,136
Insurance service expense	<u>1,100,596</u>	<u>456,634</u>

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**21. Related party balances and transactions (continued)**

**21.2 Transactions with related parties (continued)**

*Related parties as per the requirement of IAS 24:*

**Compensations of key management staff and Board of Directors**

	(Unaudited) Three-month period ended 31 March 2026 AED	(Unaudited) Three-month period ended 31 March 2025 AED
Key management staff:		
Short term benefits	1,265,368	1,270,996
Long term benefits	74,824	67,892

**22. Commitments and contingent liabilities**

	(Unaudited) 31 March 2026 AED	(Audited) 31 December 2025 AED
<b>Commitments</b>		
Letters of guarantee	321,974,414	322,439,750

**Legal claims**

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, doesn't believe that the outcome of these court cases will have a material impact on the Group's income or financial condition.

**23. 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

**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 consolidated financial information approximate their fair values.

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

The fair values of financial and non-financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2025.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**23. Fair value measurement (continued)**

**Fair value of the Group's financial assets that are measured at fair value on recurring basis**

Some of the Group's financial assets 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 are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited)	(Audited)				
	31	31				
	March	December				
	2026	2025				
	AED	AED				
Quoted equity securities – FVTOCI	<b>68,900,103</b>	68,946,572	Level 1	Quoted bid prices in an active market.	None.	NA.
Unquoted equity securities – FVTOCI	<b>1,178,098</b>	1,178,098	Level 3	Net assets valuation method	Net assets value.	Higher the net assets value of the investees, higher the fair value.
	<b>70,078,201</b>	70,124,670				

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**23. Fair value measurement (continued)**

Fair value measurements recognised in the condensed interim consolidated statement of financial position

The following table provides an analysis of financial assets and non-financial assets 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).

**31 March 2026 (Unaudited)**

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets at FVTOCI</b>				
Quoted equities	68,900,103	-	-	68,900,103
Unquoted equities	-	-	1,178,098	1,178,098
Investment properties	-	-	794,540,000	794,540,000
	<u>68,900,103</u>	<u>-</u>	<u>795,718,098</u>	<u>846,618,201</u>

31 December 2025 (Audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets at FVTOCI</b>				
Quoted equities	68,946,572	-	-	68,946,572
Unquoted equities	-	-	1,178,098	1,178,098
Investment properties	-	-	794,540,000	794,540,000
	<u>68,946,572</u>	<u>-</u>	<u>795,718,098</u>	<u>864,664,670</u>

There was no transfer between the levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Movement of level 3 instruments is as below:

**31 March 2026 (Unaudited)**

	Opening balance AED	Additions/ (Disposals) AED	Change in fair value AED	Ending balance AED
Investment properties	<u>794,540,000</u>	-	-	<u>794,540,000</u>
<i>Financial assets at FVTOCI</i>				
Unquoted equities	<u>1,178,098</u>	-	-	<u>1,178,098</u>

31 December 2025 (Audited)

Investment properties	<u>849,055,989</u>	4,786	(54,520,775)	794,540,000
<i>Financial assets at FVTOCI</i>				
Unquoted Equity securities	<u>3,478,098</u>	-	(2,300,000)	1,178,098

# Al Buhaira National Insurance Company P.S.C. and its Subsidiary

## Condensed interim consolidated financial information (Unaudited)

### Notes to the condensed interim consolidated financial information (continued)

For the three-month period ended 31 March 2026

#### 24. 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 Group is subject to solvency regulations which it has not complied with during the period. The Group 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 Group and the total capital held to meet these required Solvency Margins.

The following disclosure has been prepared based on financial information in accordance with CBUAE rules (which are consistent with IFRS 4).

	31 March 2026 AED	31 December 2025 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	437,690,481	296,913,686
Minimum Guarantee Fund (MGF)	207,106,590	201,831,065
Basic Own Funds*	292,695,041	280,087,210
Ancillary Own Funds	303,200,000	303,200,000
MCR Solvency Margin – Surplus	41,095,041	28,487,210
SCR Solvency Margin – (Deficit)	(144,995,440)	(16,826,476)
MGF Solvency Margin – Surplus	85,588,450	78,256,145

As of 31 March 2026, the Group has a deficit in the Solvency Margin Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 144,995,440. The Group's ability to comply with the solvency requirements depends on implementing an effective business plan.

The Company has received a no-objection letter from the Central Bank on the Solvency Recovery Plan submitted by the management. The Company intends to continue complying with the action plan mentioned in the Solvency Recovery Plan.

\*This represents Based Own Funds eligible to meet SCR.

#### 25. Change in accounting policies and correction of errors

During the year ended 31 December 2025, the Group retrospectively restated its consolidated financial statements to reflect changes in accounting policies and the correction of errors relating to the recognition of acquisition costs, commissions, and the classification of insurance contract balances, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, in this condensed interim consolidated financial information, the affected financial statements line items for the period ended 31 March 2025 have been restated.

##### Nature and reason for the change:

The principal changes and the reasons for them are described below.

During the year ended 31 December 2025, the Group identified certain adjustments and reclassifications relating to insurance and reinsurance contract assets and liabilities, in accordance with IAS 8. Accordingly, the affected line items in the comparative financial statements for the period ended 31 March 2025 have been restated to ensure consistent presentation and comparability with the current period.

# **Al Buhaira National Insurance Company P.S.C. and its Subsidiary**

## **Condensed interim consolidated financial information (Unaudited)**

### **Notes to the condensed interim consolidated financial information (continued)**

#### **For the three-month period ended 31 March 2026**

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#### **25. Change in accounting policies and correction of errors (continued)**

Certain acquisition costs and commission incomes, which were previously recognised immediately, are now deferred over the coverage period to better align with the IFRS 17 requirements for contracts with contract boundary more than 12 months. Further, to ensure reliable, consistent reporting and comparability across all lines of business and contracts the deferral option has been considered also for contracts with contract boundaries less than 12 months. This deferral results in these balances being treated as future expenses and income, leading to an increase in insurance contract liabilities at subsequent measurement dates. In some instances, this has given rise to the recognition of loss components and the corresponding loss recovery components on reinsurance contracts, reflecting the revised cash flow profiles of the affected contracts. In addition, there has been a reclassification of reinsurance commission incomes from the amounts recoverable from reinsurers on incurred claims to allocation of reinsurance premiums of AED 37.2 million that are non-contingent on claims.

The application of risk adjustment on the claims payable component of the liability for incurred claims has been foregone on the claims which were finalised but unpaid as there is no insurance risk on these balances. This change aligns with management's current risk assessment approach and simplifies the measurement of incurred claim liabilities, while ensuring the financial statements continue to provide a faithful representation of the Group's insurance obligations.

In addition to the above, certain cash flow presentation changes were made within operating activities to better reflect the revised classification of insurance and reinsurance contract assets and liabilities. Changes previously presented on a net basis have been disaggregated to separately present movements in insurance and reinsurance contract assets and liabilities, improving transparency and consistency. Additionally, Group previously included cash flows for net rental income from investment properties within investing activities in the condensed interim consolidated statement of cash flows which now has been reclassified to operating activities.

#### **Rationale for the changes**

The changes were undertaken to improve the reliability, relevance and comparability of financial information about the Group's insurance and reinsurance contracts by ensuring that measurement and presentation reflect the economic substance of the contracts.

The changes align the Group's accounting and presentation with IFRS 17 requirements, and management's reporting used for evaluating contract profitability and performance.

The reclassifications and reallocations correct prior presentations where balances and cash flows were allocated or presented in a manner that did not fully reflect the timing or nature of the underlying fulfilment cash flows.

#### **Application of the change and basis of transition**

The change has been applied in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group has applied the change retrospectively to all prior periods presented in accordance with IAS 8 requirements.

The change has been applied retrospectively. Comparative amounts for the period ended 31 March 2025 have been restated and opening balances of equity as at 1 January 2024 have been adjusted.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**25. Change in accounting policies and correction of errors (continued)**

**Quantitative effect of the change**

The effect of the change on the condensed interim consolidated statements of profit or loss and other comprehensive income for the period ended 31 March 2025 is set out below.

	Published	Adjustments	Restated
Insurance revenue	407,088,456	797,236	407,885,692
Insurance service expenses	(345,359,870)	(2,784,456)	(348,144,326)
<b>Insurance service result before reinsurance contracts held</b>	<b>61,728,586</b>	<b>(1,987,220)</b>	<b>59,741,366</b>
Allocation of reinsurance premiums	(248,237,490)	38,163,627	(210,073,863)
Amounts recoverable from reinsurance for incurred claims	207,858,616	(50,086,406)	157,772,210
<b>Net expenses from reinsurance contracts held</b>	<b>(40,378,874)</b>	<b>(11,922,779)</b>	<b>(52,301,653)</b>
<b>Insurance service result</b>	<b>21,349,712</b>	<b>(13,909,999)</b>	<b>7,439,713</b>
Investment and other income	<b>11,483,818</b>	-	<b>11,483,818</b>
Insurance finance expense for insurance contracts issued	(11,691,529)	2,624,434	(9,067,095)
Reinsurance finance income for reinsurance contracts held	6,846,852	(32,882)	6,813,970
<b>Net insurance financial result</b>	<b>(4,844,677)</b>	<b>2,591,552</b>	<b>(2,253,125)</b>
<b>Net insurance and investment results</b>	<b>27,988,853</b>	<b>(11,318,447)</b>	<b>16,670,406</b>
General and administrative expenses	(2,852,873)	-	(2,852,873)
Finance costs	(3,951,988)	-	(3,951,988)
Finance costs - lease	(80,036)	-	(80,036)
	<b>(6,884,897)</b>	-	<b>(6,884,897)</b>
<b>Profit for the period before tax</b>	<b>21,103,956</b>	<b>(11,318,447)</b>	<b>9,785,509</b>

The comparative earnings per share figures have been restated due to restatements and correction of errors, with the basic and diluted EPS restated from 8.44 fils to 3.74 fils.

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

**25. Change in accounting policies and correction of errors (continued)**

The key components for the effect of the change on condensed interim consolidated statements of profit or loss and other comprehensive income for the period ended 31 March 2025:

	<b>AED</b>
Risk adjustment on insurance contracts issued	(1,053,462)
Risk adjustment on reinsurance contracts held	654,475
Loss component	(8,918,729)
Loss recovery component	725,030
Discounting on liability for incurred claims – component of insurance service expense	(1,550,363)
Discounting on liability for incurred claims – component of insurance finance expense	2,624,434
Recognition of deferred acquisition cost	9,853,248
Recognition of unearned commission income	(14,441,927)
Advance premium	797,227
Non-performance Reserve on RI receivables	(2,174)
Others	(6,206)
	<b>(11,318,447)</b>

The effect of the restatements on the condensed interim consolidated statement of cashflows for the period ended 31 March 2025:

**Operating activities**

**Change in working capital**

	<b>As previously reported</b>
Change in net reinsurance contract assets	14,697,536
Change in net insurance contract liabilities	(58,644,792)
Other payables	5,783,324

**Change in working capital**

	<b>Restated</b>
Change in insurance contract assets	(148,426,424)
Change in insurance contract liabilities	88,029,288
Change in reinsurance contract assets	28,754,713
Change in reinsurance contract liabilities	4,241,215
Other payables	555,721

**Operating activities**

**Adjustments for:**

	<b>As previously reported</b>
Net rental income from investing properties	(7,285,633)

**Adjustments for:**

	<b>Restated</b>
Net rental income from investment properties	-

**Investing activities**

	<b>As previously reported</b>
Net rental income from investment properties	7,285,633

	<b>Restated</b>
Net rental income from investment properties	-

**Al Buhaira National Insurance Company P.S.C. and its Subsidiary**  
**Condensed interim consolidated financial information (Unaudited)**

**Notes to the condensed interim consolidated financial information (continued)**  
**For the three-month period ended 31 March 2026**

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**26. Approval of condensed interim consolidated financial information**

The condensed interim consolidated financial information was approved by the Board of Directors and authorised for issue on 13 May 2026.