

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information
(Unaudited)

For the three-months period ended 31 March 2026

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (Unaudited)
For the three-months period ended 31 March 2026

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REF: QT/AUH-B-375/MAY 2026

**Report on review of the condensed interim financial information
To the Board of Directors of Al Dhafra Insurance Company P.S.C.****Introduction**

We have reviewed the accompanying condensed interim financial information of Al Dhafra Insurance Company P.S.C (the "Company"), which comprise the condensed interim statement of financial position as at 31 March 2026 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows for the three-months period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 ("IAS 34") "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all material 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 IAS 34 "*Interim Financial Reporting*".

Other Matters

The condensed interim financial information of the Company for the three-months period ended 31 March 2025 was reviewed by another auditor, who expressed an unmodified review conclusion dated 07 May 2025. The financial information of the Company for the year ended 31 December 2025 was audited by another auditor, who expressed an unmodified opinion dated 12 February 2026.

For, Crowe Mak



Qutubuddin Tilawad Wala
Partner
Registered Auditor No. 5708
Abu Dhabi, United Arab Emirates
13 May 2026




**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**


**Condensed interim statement of financial position
As at 31 March 2026**

		31 March 2026	31 December 2025
	Notes	(Unaudited) AED	(Audited) AED
ASSETS			
Property and equipment		1,129,659	1,210,311
Intangible assets		2,379,241	2,784,007
Right-of-use assets		6,229,003	6,492,987
Investment properties		75,480,000	75,480,000
Statutory deposit	4	9,980,000	9,980,000
Investments carried at fair value through other comprehensive income (FVTOCI)	5	321,609,501	352,897,683
Investments carried at fair value through profit and loss (FVTPL)	6	157,063,894	176,112,491
Insurance contract assets	8	54,434,317	40,551,844
Reinsurance contract assets	8	446,747,867	482,215,125
Prepayments and other receivables	7	30,682,583	9,351,474
Deposits	9	159,438,835	174,438,835
Cash and cash equivalents	9	86,339,035	51,651,191
TOTAL ASSETS		1,351,513,935	1,383,165,948
EQUITY AND LIABILITIES			
EQUITY			
Share capital		100,000,000	100,000,000
Statutory reserve		50,000,000	50,000,000
General reserve		145,000,000	145,000,000
Investment revaluation reserve		125,457,934	153,849,909
Reinsurance reserve		8,137,981	7,529,430
Retained earnings		124,263,347	135,483,073
TOTAL EQUITY		552,859,262	591,862,412
LIABILITIES			
Retirement benefit obligation		8,158,124	8,086,968
Lease liabilities		6,965,763	6,970,889
Insurance contract liabilities	8	647,774,789	692,147,637
Reinsurance contract liabilities	8	77,402,011	50,605,823
Deferred tax liability		8,052,330	10,681,535
Provision for tax		4,056,154	3,763,175
Other payables	11	46,245,502	19,047,509
TOTAL LIABILITIES		798,654,673	791,303,536
TOTAL EQUITY AND LIABILITIES		1,351,513,935	1,383,165,948

This condensed interim financial information was approved by the Board of Directors on 13 May 2026 and signed on their behalf by:


Assistant General Manager -
Finance




Board member

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of profit or loss
For the three-months period ended 31 March 2026

	Notes	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
Insurance revenue		132,495,858	91,708,821
Insurance service expenses	8, 3.5	(62,376,101)	(36,154,363)
Insurance service result before reinsurance contracts held		70,119,757	55,554,458
Allocation of re-insurance premiums		(108,216,020)	(73,729,541)
Amount recoverable from reinsurance for incurred claims	8, 3.5	41,341,443	24,019,117
Net expenses from reinsurance contracts held		(66,874,577)	(49,710,424)
Insurance service result		3,245,180	5,844,034
Income from investments, net	14	15,178,037	23,507,331
Income from investment properties, net	14	454,179	559,532
Total investment income		15,632,216	24,066,863
Net insurance finance expense for insurance/re-insurance contracts issued/held		(710,295)	(662,119)
Net insurance and investment results		18,167,101	29,248,778
Other finance cost		(105,974)	(124,910)
Other operating expenses		(1,308,438)	(1,100,614)
Other operating income		6,121,331	1,094,032
Profit for the period before tax		22,874,020	29,117,286
Provision for corporate tax		(292,979)	(1,081,521)
Profit for the period after tax		22,581,041	28,035,765
Basic and diluted earnings per share	13	0.23	0.28

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of comprehensive income
For the three-months period ended 31 March 2026

	Note	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
Profit for the period after tax		22,581,041	28,035,765
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss:			
Change in fair value relating to investments carried at fair value through other comprehensive income, net of tax	5	(26,584,191)	17,546,113
Other comprehensive (loss)/income for the period		(26,584,191)	17,546,113
Total comprehensive (loss)/income for the period		(4,003,150)	45,581,878

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of changes in equity
For the three-months period ended 31 March 2026

	Share capital	Legal reserve	General reserve	Investment revaluation reserve	Reinsurance reserve	Retained earnings	Total equity
	AED	AED	AED	AED	AED	AED	AED
Balance as at 1 January 2025(audited)	100,000,000	50,000,000	145,000,000	93,246,517	6,110,954	107,522,187	501,879,658
Profit for the period after tax	-	-	-	-	-	28,035,765	28,035,765
Other comprehensive income for the period, net of tax	-	-	-	17,546,113	-	-	17,546,113
Total comprehensive income for the period	-	-	-	17,546,113	-	28,035,765	45,581,878
Dividends declared (note 12)	-	-	-	-	-	(35,000,000)	(35,000,000)
Transfer to reinsurance reserve	-	-	-	-	488,142	(488,142)	-
Balance as at 31 March 2025 (Unaudited)	100,000,000	50,000,000	145,000,000	110,792,630	6,599,096	100,069,810	512,461,536
Balance as at 1 January 2026(audited)	100,000,000	50,000,000	145,000,000	153,849,909	7,529,430	135,483,073	591,862,412
Profit for the period after tax	-	-	-	-	-	22,581,041	22,581,041
Other comprehensive income for the period, net of tax	-	-	-	(26,584,191)	-	-	(26,584,191)
Total comprehensive income for the period	-	-	-	(26,584,191)	-	22,581,041	(4,003,150)
Dividends declared (note 12)	-	-	-	-	-	(35,000,000)	(35,000,000)
Transfer to reinsurance reserve	-	-	-	-	608,551	(608,551)	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	-	(1,807,784)	-	1,807,784	-
Balance as at 31 March 2026 (Unaudited)	100,000,000	50,000,000	145,000,000	125,457,934	8,137,981	124,263,347	552,859,262

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of cash flows
For the three-months period ended 31 March 2026

	Notes	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
OPERATING ACTIVITIES			
Profit for the period before tax		22,874,020	29,117,286
Adjustments for:			
Change in fair value of investments carried at fair value through profit or loss	6, 14	10,660,115	(2,842,996)
Realised gain on sale of investments at fair value through profit or loss	14	(3,234,118)	(264,795)
Provision for employees' end of service benefits		122,580	118,275
Depreciation of property and equipment and right-of-use asset		389,499	405,176
Amortisation of intangible assets		407,662	465,564
Finance cost		105,974	124,910
Gain on disposal of property and equipment		(25,500)	(36,190)
Dividend income	14	(19,756,632)	(17,884,880)
Interest income	14	(2,815,432)	(2,728,296)
Cash flows from operating activities		8,728,168	6,474,054
Changes in working capital			
Change in insurance and reinsurance contract assets/liabilities		4,008,125	10,834,747
Decrease in other payables		(7,802,007)	(14,815,568)
Increase in prepayments & other receivables		(21,331,109)	(10,902,341)
Cash used in operations		(16,396,823)	(8,409,108)
Employees' end of service benefits paid		(51,424)	(4,763)
Net cash used in operating activities		(16,448,247)	(8,413,871)
INVESTING ACTIVITIES			
Purchase of property and equipment		(44,862)	(159,048)
Proceeds from disposal of property and equipment		25,500	36,190
Purchase of intangible assets		(2,896)	(1,263,667)
Purchase of investments at FVTPL		(5,175,824)	-
Proceeds from disposal of investments at FVTPL		16,798,424	6,012,393
Proceeds from disposal of FVTOCI investments		2,074,785	-
Movement in term deposits		15,000,000	35,644,053
Dividends received		19,756,632	17,884,880
Interest received		2,815,432	2,816,302
Net cash generated from investing activities		51,247,191	60,971,103
FINANCING ACTIVITIES			
Lease liability instalment paid		(111,100)	(718,016)
Net cash used in financing activities		(111,100)	(718,016)
NET INCREASE IN CASH AND CASH EQUIVALENTS		34,687,844	51,839,216
Cash and cash equivalents at the beginning of the period		51,651,191	54,094,606
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	86,339,035	105,933,822

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

Notes to the condensed interim financial information
For the three-months period ended 31 March 2026

1 Legal status and principal activities

Al Dhafra Insurance Company P.S.C. (the “Company”) is a public shareholding company incorporated in Abu Dhabi by an Amiri Decree No. 8 of 1979 and is registered in the Insurance Companies Register of Central Bank of the UAE, under registration number 5.

In 2025, Federal Decree by Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business was issued, effective 16 September 2025, repealing Federal Decree Law No. (48) of 2023. Pursuant to Article 184 of CBUAE Law, the Company has a period of one year from the effective date to align its operations and governance framework with the requirements of the new legislation. The Company is currently evaluating the impact of the CBUAE Law and will implement any necessary changes within the permitted transition period.

The Company is engaged in insurance of all classes of business with the exception of endowments and annuities.

The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box 319, Abu Dhabi, United Arab Emirates.

The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

2 Standards, interpretations, and amendments to existing standards

2.1 Application of new and revised IFRS Accounting Standards (“IFRS”)

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in this condensed interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in this condensed interim financial information.

New Standards or amendments	Effective date
IFRS 9 & IFRS 7- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-Dependent Electricity to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

2.2 New and revised IFRS in issue but not yet effective and not early adopted

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

New Standards or amendments	Effective date
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	1 January 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 – Deferred indefinitely	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s condensed financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial information of the Company in the period of initial application.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

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

3 Summary of material accounting policies

3.1 Statement of compliance and basis of preparation

The condensed interim financial information is prepared in accordance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*” and in compliance with the applicable requirements of the UAE Federal Decree Law No. 32 of 2021 (“Companies Law”), relating to commercial companies.

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

3.2 Basis of measurement

The condensed interim financial information has been prepared on the historical cost basis except for the investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties and the provision for employees’ end of service indemnity which is calculated in line with UAE labour laws.

3.3 Functional currency

The condensed interim financial information is presented in United Arab Emirates Dirhams (“AED”), being the functional and presentation currency of the Company.

3.4 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 information as at and for the year ended 31 December 2025. There have been no changes in any risk management policies since the year end.

3.5 Use of estimates and judgements

The preparation of this condensed interim 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 financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial information as at and for the year ended 31 December 2025.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

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

4 Statutory deposits

In accordance with the requirements of Federal Decree Law No. (6) of 2025 regarding the Central Bank Regulation of Financial Institutions and Activities, and Insurance Business, the Company maintains the below deposit which cannot be utilized without the consent of the Central Bank of the United Arab Emirates.

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Statutory deposit	10,000,000	10,000,000
Less: Allowance for expected credit losses	(20,000)	(20,000)
	<u>9,980,000</u>	<u>9,980,000</u>

5 Investments carried at fair value through other comprehensive income

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Quoted UAE equity securities	<u>321,609,501</u>	<u>352,897,683</u>

The movement in the investments at fair value through other comprehensive income is as follows:

	31 March 26 (Unaudited) AED	31 December 25 (Audited) AED
Fair value at beginning of period / year	352,897,683	288,156,172
Disposals	(2,074,785)	(18,816,599)
Change in fair value	(29,213,397)	83,558,110
Fair value at end of the period / year	<u>321,609,501</u>	<u>352,897,683</u>

6 Investments carried at fair value through profit or loss

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Managed funds (i)	56,291,630	56,789,095
Quoted UAE equity securities	52,016,996	58,765,332
Quoted debt securities (ii)	45,405,054	53,808,749
Quoted foreign equity securities	2,232,689	5,631,790
Unquoted equity security	1,117,525	1,117,525
	<u>157,063,894</u>	<u>176,112,491</u>

(i) It represents investment in equity and credit funds.

(ii) Quoted debts securities carry interest at a rate ranging from 3.875% to 8.00% (2025: from 3.72% to 8.00%)

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

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

6 Investments carried at fair value through profit or loss (continued)

The movement in investments at fair value through profit or loss is as follows:

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Fair value at beginning of period / year	176,112,491	151,652,452
Additions	5,175,824	26,950,171
Disposals	(13,564,306)	(20,353,874)
Change in fair value	(10,660,115)	17,863,742
Fair value at end of the period / year	157,063,894	176,112,491

7 Prepayments and other receivables

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Prepayments	2,719,281	1,178,217
Interest receivables	6,811,170	5,850,956
Dividend receivables	19,808,667	772,358
Other receivables	1,343,465	1,549,943
Prepayments and other receivables	30,682,583	9,351,474

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

8 Insurance and reinsurance contracts

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

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	5,701,400	(28,486,152)	(22,784,752)	6,799,985	(30,928,390)	(24,128,405)
General and Motor	48,732,917	(619,288,637)	(570,555,720)	33,751,859	(661,219,247)	(627,467,388)
Total insurance contracts issued	54,434,317	(647,774,789)	(593,340,472)	40,551,844	(692,147,637)	(651,595,793)
Reinsurance contracts held						
Life and Medical	21,558,167	(80,229)	21,477,938	20,646,240	(475,735)	20,170,505
General and Motor	425,189,700	(77,321,782)	347,867,918	461,568,885	(50,130,088)	411,438,797
Total reinsurance contracts held	446,747,867	(77,402,011)	369,345,856	482,215,125	(50,605,823)	431,609,302

Discount rates:

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

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

	1 year		3 years		5 years		10 years	
	2026	2025	2026	2025	2026	2025	2026	2025
Insurance issued	4.75%	5%	4.75%	5%	4.75%	5%	4.75%	5%
Reinsurance contracts held	4.75%	5%	4.75%	5%	4.75%	5%	4.75%	5%

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-months 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

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
2026	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Insurance contract liabilities as at 1 January	68,079,462	16,848,768	538,493,102	28,174,461	651,595,793
Insurance revenue	132,495,858	-	-	-	132,495,858
Insurance service expenses	12,481,309	(1,723,039)	53,030,905	(1,413,074)	62,376,101
Incurred claims and other expenses	-	-	77,656,193	-	77,656,193
Losses on onerous contracts and reversals (Note 3.5)	-	(1,723,039)	-	-	(1,723,039)
Changes to liabilities for incurred claims	-	-	(24,625,288)	(1,413,074)	(26,038,362)
Acquisition cashflows amortisation	12,481,309	-	-	-	12,481,309
Insurance service result	120,014,549	1,723,039	(53,030,905)	1,413,074	70,119,757
Insurance finance expense	-	-	(5,400,260)	(328,771)	(5,729,031)
Total changes in the condensed interim statement of comprehensive income	120,014,549	1,723,039	(58,431,165)	1,084,303	64,390,726
Cash flows					
Premiums received	97,326,580	-	-	-	97,326,580
Claims and other expenses paid	-	-	(68,535,094)	-	(68,535,094)
Directly attributable expenses paid	-	-	(8,573,296)	-	(8,573,296)
Insurance acquisition cash flows	(14,082,785)	-	-	-	(14,082,785)
Total cash flows	83,243,795	-	(77,108,390)	-	6,135,405
Net insurance contract liabilities as at 31 March	31,308,708	15,125,729	519,815,877	27,090,158	593,340,472

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-months 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 (continued)

2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January	41,674,725	36,448,540	720,825,586	43,872,948	842,821,799
Insurance revenue	379,026,629	-	-	-	379,026,629
Insurance service expenses	53,195,301	(19,599,772)	207,404,053	(17,892,135)	223,107,447
Incurred claims and other expenses	-	-	409,681,832	-	409,681,832
Losses on onerous contracts and reversals	-	(19,599,772)	-	-	-19,599,772
Changes to liabilities for incurred claims	-	-	(202,277,779)	(17,892,135)	-220,169,914
Acquisition cashflows amortization	53,195,301	-	-	-	53,195,301
Insurance service result	325,831,328	19,599,772	(207,404,053)	17,892,135	155,919,182
Insurance finance expense	-	-	(31,669,455)	(2,193,648)	(33,863,103)
Total changes in the condensed interim statement of comprehensive income	325,831,328	19,599,772	(239,073,508)	15,698,487	122,056,079
<i>Cash flows</i>					
Premiums received	404,252,874	-	-	-	404,252,874
Claims and other expenses paid	-	-	(382,738,492)	-	(382,738,492)
Directly attributable expenses paid	-	-	(38,667,500)	-	(38,667,500)
Insurance acquisition cash flows	(52,016,809)	-	-	-	(52,016,809)
Total cash flows	352,236,065	-	(421,405,992)	-	(69,169,927)
Net insurance contract liabilities as at 31 December	68,079,462	16,848,768	538,493,102	28,174,461	651,595,793

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-months 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 (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
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Reinsurance contract assets as at 1 January	39,759,250	10,665,033	406,315,080	25,475,762	482,215,125
Reinsurance contract liabilities as at 1 January	(49,399,744)	499,157	(1,624,033)	(81,203)	(50,605,823)
Net reinsurance contract assets/(liabilities)	(9,640,494)	11,164,190	404,691,047	25,394,559	431,609,302
An allocation of reinsurance premiums	(108,216,020)	-	-	-	(108,216,020)
Amounts recoverable from reinsurers for incurred claims	14,625,336	(1,181,476)	29,647,722	(1,750,139)	41,341,443
Amounts recoverable for incurred claims and other expenses	-	-	59,563,883	-	59,563,883
Loss-recovery on onerous underlying contracts and	-	(1,181,476)	-	-	(1,181,476)
Acquisition cashflows amortization	10,296,780	-	-	-	10,296,780
Changes to amounts recoverable for incurred claims	-	-	(29,916,161)	(1,750,139)	(31,666,300)
Changes in non-performance risk of reinsurer	4,328,556	-	-	-	4,328,556
Net income or expense from reinsurance contracts held	(93,590,684)	(1,181,476)	29,647,722	(1,750,139)	(66,874,577)
Reinsurance finance income	-	-	4,722,402	296,334	5,018,736
Total changes in the condensed interim statement of comprehensive income	(93,590,684)	(1,181,476)	34,370,124	(1,453,805)	(61,855,841)
Cash flows					
Premiums paid	69,508,621	-	-	-	69,508,621
Amount received	-	-	(59,563,883)	-	(59,563,883)
Insurance acquisition cash flow	(10,352,343)	-	-	-	(10,352,343)
Total cash flows	59,156,278	-	(59,563,883)	-	(407,605)
Net reinsurance contract assets/(liabilities) as at 31 March	(44,074,900)	9,982,714	379,497,288	23,940,754	369,345,856
Reinsurance contract assets as at 31 March	34,132,578	6,471,761	382,047,422	24,096,106	446,747,867
Reinsurance contract liabilities as at 31 March	(78,207,478)	3,510,953	(2,550,134)	(155,352)	(77,402,011)
Net reinsurance contract assets/(liabilities) as at 31 March	(44,074,900)	9,982,714	379,497,288	23,940,754	369,345,856

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-months 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)

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	Audited AED	Audited AED	Audited AED	Audited AED	
Reinsurance contract assets as at 1 January	26,842,498	29,214,028	672,416,777	45,407,783	773,881,086
Reinsurance contract liabilities as at 1 January	(59,952,757)	53,444	(90,460,168)	(4,026,291)	(154,385,772)
Net reinsurance contract assets/(liabilities)	(33,110,259)	29,267,472	581,956,609	41,381,492	619,495,314
Allocation of reinsurance premiums	(293,614,677)	-	-	-	(293,614,677)
Amounts recoverable from reinsurers for incurred claims	50,960,568	(18,103,282)	126,204,458	(18,056,007)	141,005,737
Amounts recoverable for incurred claims and other expenses	-	-	332,537,739	-	332,537,739
Loss-recovery on onerous underlying contracts and adjustments	-	(18,103,282)	-	-	(18,103,282)
Acquisition cashflows amortization	45,443,892	-	-	-	45,443,892
Changes to amounts recoverable for incurred claims	-	-	(206,333,281)	(18,056,007)	(224,389,288)
Changes in non-performance risk of reinsurer	5,516,676	-	-	-	5,516,676
Net income or expense from reinsurance contracts held	(242,654,109)	(18,103,282)	126,204,458	(18,056,007)	(152,608,940)
Reinsurance finance income	-	-	29,096,397	2,069,074	31,165,471
Total changes in the condensed interim statement of comprehensive income	(242,654,109)	(18,103,282)	155,300,855	(15,986,933)	(121,443,469)
Cash flows					
Premiums paid	306,465,347	-	-	-	306,465,347
Amount received	-	-	(332,566,417)	-	(332,566,417)
Insurance acquisition cash flows	(40,341,473)	-	-	-	(40,341,473)
Total cash flows	266,123,874	-	(332,566,417)	-	(66,442,543)
Net reinsurance contract assets/(liabilities) as at 31 December	(9,640,494)	11,164,190	404,691,047	25,394,559	431,609,302
Reinsurance contract assets as at 31 December	39,759,250	10,665,033	406,315,080	25,475,762	482,215,125
Reinsurance contract liabilities as at 31 December	(49,399,744)	499,157	(1,624,033)	(81,203)	(50,605,823)
Net reinsurance contract assets/(liabilities) as at 31 December	(9,640,494)	11,164,190	404,691,047	25,394,559	431,609,302

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

9 Cash and cash equivalents

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Cash on hand	97,710	103,702
Bank balance		
Call account and deposit	63,432,835	17,322,667
Current accounts	22,808,490	23,224,822
Term deposits*	<u>159,438,835</u>	<u>185,438,835</u>
Bank balances and cash	245,777,870	226,090,026
Less: Term deposits with an original maturity of more than three- months	<u>(159,438,835)</u>	<u>(174,438,835)</u>
Cash and cash equivalents	<u><u>86,339,035</u></u>	<u><u>51,651,191</u></u>

*Term deposits are stated net of expected credit losses amounting to AED 392,227 as at 31 March 2026 (31 December 2025: AED 392,227).

The interest rate on term deposits and current accounts with banks ranges between 3.1% and 5.5% (31 December 2025: 3.2% - 5.5%) per annum. All bank balances are held in local banks in the United Arab Emirates.

10 Related party transactions and balances

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

	Nature of relationships	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Due from policy holders (related parties)	Affiliates	<u>1,196,516</u>	248,947

Transactions with related parties during the period are as follows:

	Nature of relationships	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
Gross premiums written	Affiliates	<u>1,451,093</u>	1,350,685
Claims paid	Affiliates	<u>100,127</u>	1,802,328

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

10 Related party transactions and balances (continued)

Remuneration of key management personnel

	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
Remuneration of management personnel	683,400	651,410
Post-employment benefits	28,333	28,333
	711,733	679,743

11 Other payables

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Dividend payable	35,002,441	2,441
Central Bank of the UAE - fees reserve	2,009,684	1,410,538
Deferred income	1,570,863	1,381,204
Provision for directors' remuneration	-	4,000,000
Other payables	7,662,514	12,253,326
	46,245,502	19,047,509

12 Dividends

On 26 March 2026, the shareholders at the Annual General Assembly approved cash dividends of 0.35 fils per share amounting to AED 35,000,000 (2025: 0.35 fils per share amounting to AED 35,000,000) and paid on 24 April 2026.

13 Basic and diluted earnings per share

Basic earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Profit for the period after tax (AED)	22,581,041	28,035,765
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000
Basic and diluted earnings per share (AED)	0.23	0.28

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

14 Income from investments, net

	31 March 2026 (Unaudited) AED	31 March 2025 (Unaudited) AED
Dividend income	19,756,632	17,884,880
Interest income	2,815,432	2,728,296
Change in fair value of investments at fair value through profit or loss	(10,660,115)	2,842,996
Realised gain on sale of investments at fair value through profit or loss	3,234,118	264,795
Exch Rate & other profit on FVTPL	333,013	-
Investment expense	(301,043)	(213,636)
	<hr/>	
Income from investments, net	15,178,037	23,507,331
Income from investment properties, net	454,179	559,532
Income from investments, net	15,632,216	24,066,863

15.1 Segment revenue and results

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units are managed separately because they require different approach, technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis.

The following summary describes the two main business segments:

- Underwriting of general insurance business - incorporating all classes of general insurance such as fire, marine, motor, medical, general accident and miscellaneous.
- Investments - incorporating investments in marketable equity securities and investment funds, development bonds, term deposits with banks and investment properties and other securities.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

15 Segment reporting (continued)

15.1 Segment revenue and results (continued)

Information regarding the Company's reportable segments is presented below:

	31 March 2026 (Unaudited)			31 March 2025 (Unaudited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Insurance revenue	132,495,858	-	132,495,858	91,708,821	-	91,708,821
Insurance service expenses	(62,376,101)	-	(62,376,101)	(36,154,363)	-	(36,154,363)
Insurance service result before reinsurance contracts held	70,119,757	-	70,119,757	55,554,458	-	55,554,458
Allocation of reinsurance premiums	(108,216,020)	-	(108,216,020)	(73,729,541)	-	(73,729,541)
Amounts recoverable from reinsurance	41,341,443	-	41,341,443	24,019,117	-	24,019,117
Net income from reinsurance contracts held	(66,874,577)	-	(66,874,577)	(49,710,424)	-	(49,710,424)
Investment income, net	-	15,632,216	15,632,216	-	24,066,863	24,066,863
Finance expenses from insurance contracts issued	(5,729,031)	-	(5,729,031)	(8,311,518)	-	(8,311,518)
Finance income from reinsurance contracts held	5,018,736	-	5,018,736	7,649,399	-	7,649,399
Net insurance and financial result	2,534,885	15,632,216	18,167,101	5,181,915	24,066,863	29,248,778
Other underwriting income	6,121,331	-	6,121,331	1,094,032	-	1,094,032
Other operating cost	(1,414,412)	-	(1,414,412)	(1,225,524)	-	(1,225,524)
Profit for the period before tax	7,241,804	15,632,216	22,874,020	5,050,423	24,066,863	29,117,286
Provision for corporate tax			(292,979)			(1,081,521)
Profit for the period after tax	7,241,804	15,632,216	22,581,041	5,050,423	24,066,863	28,035,765

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

15 Segment reporting (continued)

15.2 Segment assets and liabilities

	31 March 2026 (Unaudited)			
	Underwriting AED	Investments AED	Unallocated AED	Total AED
Total assets	501,182,184	809,911,265	40,420,486	1,351,513,935
Total liabilities	725,176,800	8,637,724	64,840,149	798,654,673

	31 December 2025 (Audited)			
	Underwriting AED	Investments AED	Unallocated AED	Total AED
Total assets	522,766,969	840,560,200	19,838,779	1,383,165,948
Total liabilities	742,753,460	8,445,401	40,104,675	791,303,536

16 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of statutory deposit, investments carried at fair value through other comprehensive income, investments carried at fair value through profit and loss, insurance receivables, deposits, bank balances and cash, and certain other assets. Financial liabilities consist of insurance payables and certain other liabilities.

The fair values of the financial assets and liabilities are not materially different from their carrying values.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31 March 2026 and 31 December 2025:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2026 (Unaudited)				
Investments at fair value through other comprehensive income	321,609,501	-	-	321,609,501
Investments at fair value through profit and loss	52,016,996	103,929,373	1,117,525	157,063,894
	<u>373,626,497</u>	<u>103,929,373</u>	<u>1,117,525</u>	<u>478,673,395</u>
31 December 2025 (Audited)				
Investments at fair value through other comprehensive income	352,897,683	-	-	352,897,683
Investments at fair value through profit and loss	58,765,332	116,229,634	1,117,525	176,112,491
	<u>411,663,015</u>	<u>116,229,634</u>	<u>1,117,525</u>	<u>529,010,174</u>

**I Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

16 Fair value of financial instruments (continued)

Valuation technique:

Level 1: Quoted bid prices in an active market
Level 2: Valuation based on selected observable market inputs
Level 3: Net assets value based on audited financials

17 Contingent liability

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Bank guarantees	<u>11,954,421</u>	<u>11,954,421</u>

18 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summaries the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	31 March 2026 (Unaudited) AED	31 December 2025 (Audited) AED
Minimum Capital Requirement (MCR)	<u>100,000,000</u>	100,000,000
Solvency Capital Requirement (SCR)	<u>165,926,398</u>	169,030,164
Minimum Guarantee Fund (MGF)	<u>55,308,799</u>	56,343,388
Basic Own Funds	<u>236,180,284</u>	272,486,381
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	<u>136,180,284</u>	172,486,381
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	<u>70,253,886</u>	103,456,217
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>180,871,485</u>	216,142,993

19 Post reporting date events

No adjusting or significant non-adjusting events occurred between the reporting date and the date of authorization of the condensed interim financial information.

20 Approval of condensed interim financial information

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