

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

**Condensed interim consolidated financial information (Unaudited)  
For the six-month period ended 30 June 2025**

**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 30 June 2025.

### **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 UAE Federal Decree Law No. (48) of 2023 (previously UAE Federal Decree Law No. 6 of 2007, as amended), concerning the formation of Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE"). 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 all types - other than savings and accumulation of funds. The Group operates through its Head Office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

### **Financial position and results**

The consolidated financial position and results of the Group for the period ended 30 June 2025 are set out in the accompanying condensed interim consolidated financial statements.

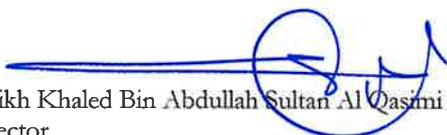
### **Directors**

The following were the Directors of the Group for the period ended 30 June 2025:

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. Nader Tawfiq Qaddumi (CEO)

### **Auditors**

KPMG Lower Gulf Limited were appointed as auditors of the Group for the year ended 31 December 2025.

  
Sheikh Khaled Bin Abdullah Sultan Al Qasimi  
Director

14 August 2025





KPMG Lower Gulf Limited  
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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 30 June 2025 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 30 June 2025;
- the condensed interim consolidated statements of profit or loss for the three-month and six-month periods ended 30 June 2025;
- the condensed interim consolidated statements of other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed interim consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2025; 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

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.



## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 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 and Minimum Guarantee Fund Requirement as stipulated by the Central Bank of U.A.E by an amount of AED 308,591,787 and AED 47,203,621 respectively and to note 3.4 which describes the judgements applied in evaluating the impact of these deficits. Our conclusion is not modified in respect of this matter.

## Other matter – Comparative Information

The condensed interim consolidated financial information of the Group for the three-month and six-month periods ended 30 June 2024, excluding the adjustments described in note 26 to the condensed interim consolidated financial information, were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim consolidated financial information on 12 August 2024 and the consolidated financial statements of the Group as at and for the year ended 31 December 2024, excluding the adjustments described in note 26 to the condensed interim consolidated financial information, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 March 2025.

KPMG Lower Gulf Limited – SHJ BR

Adil Abid  
Registration No: 5541  
Sharjah, United Arab Emirates

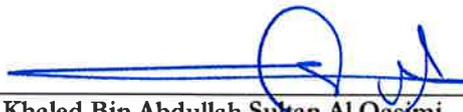
Date: 14 August 2025

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

**Condensed interim consolidated statement of financial position**

As at

		(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
	Notes		
<b>ASSETS</b>			
Property and equipment	4	13,918,454	11,181,248
Investment properties	5	849,055,989	849,055,989
Investments in securities at FVTOCI	6	59,439,056	56,414,041
Statutory deposit	7	10,000,000	10,000,000
Deferred tax asset	14	1,771,294	-
Reinsurance contract assets	8	267,637,696	199,273,200
Insurance contract assets	8	-	-
Other receivables	9	54,717,823	42,632,402
Deposits		322,532,621	317,534,720
Cash and cash equivalents	10	79,669,712	106,750,419
<b>TOTAL ASSETS</b>		<b>1,658,742,645</b>	<b>1,592,842,019</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		23,189,199	18,901,014
Cumulative changes in fair value		(16,102,150)	(18,842,169)
Retained earnings/ (accumulated losses)		6,875,673	(15,713,982)
<b>Total Equity</b>		<b>486,089,099</b>	<b>456,471,240</b>
<b>Liabilities</b>			
Provision for employees' end of service indemnity		50,532,913	46,784,750
Bank borrowings	12	182,949,159	300,075,193
Lease liabilities	13	6,439,033	3,231,693
Insurance contract liabilities	8	840,097,321	730,991,127
Reinsurance contract liabilities	8	23,562,237	-
Other payables		68,323,188	55,288,016
Income tax payable	14	478,704	-
Deferred tax liability	14	270,991	-
<b>Total liabilities</b>		<b>1,172,653,546</b>	<b>1,136,370,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,658,742,645</b>	<b>1,592,842,019</b>

  
 Sheikh Khaled Bin Abdullah Sultan Al Qasimi  
 Director



The accompanying notes on pages 9 to 30 form an integral part of these 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 profit or loss**  
**For the six-month period ended 30 June**

	Notes	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
Insurance revenue	16	414,013,088	348,799,514	821,101,544	684,186,820
Insurance service expenses	17	(435,433,444)	(441,476,639)	(780,793,314)	(818,588,744)
<b>Insurance service result before reinsurance contracts held</b>		<b>(21,420,356)</b>	<b>(92,677,125)</b>	<b>40,308,230</b>	<b>(134,401,924)</b>
Allocation of reinsurance premiums	18	(247,355,109)	(193,232,851)	(495,592,599)	(425,232,040)
Amounts recoverable from reinsurance for incurred claims	18	268,088,283	278,988,813	475,946,899	542,004,737
<b>Net income / (expense) from reinsurance contracts held</b>		<b>20,733,174</b>	<b>85,755,962</b>	<b>(19,645,700)</b>	<b>116,772,697</b>
<b>Insurance service result</b>		<b>(687,182)</b>	<b>(6,921,163)</b>	<b>20,662,530</b>	<b>(17,629,227)</b>
<b>Investment and other income*</b>		<b>13,410,452</b>	<b>13,058,322</b>	<b>24,894,270</b>	<b>24,992,200</b>
Insurance finance expense for insurance contracts issued	19	(6,460,987)	(5,684,608)	(18,152,516)	(15,045,765)
Reinsurance finance income for reinsurance contracts held	19	3,130,922	2,909,035	9,977,774	8,625,039
<b>Net insurance financial result</b>		<b>(3,330,065)</b>	<b>(2,775,573)</b>	<b>(8,174,742)</b>	<b>(6,420,726)</b>
<b>Net insurance and investment results</b>		<b>9,393,205</b>	<b>3,361,586</b>	<b>37,382,058</b>	<b>942,247</b>
General and administrative expenses		(1,198,745)	(1,546,884)	(4,051,618)	(2,299,389)
Finance costs		(3,642,483)	(5,809,950)	(7,594,471)	(9,837,364)
Finance costs – lease		(70,683)	(54,211)	(150,719)	(119,381)
<b>Profit/ (loss) for the period before tax</b>		<b>4,481,294</b>	<b>(4,049,459)</b>	<b>25,585,250</b>	<b>(11,313,887)</b>
Income tax	14	1,731,842	-	1,292,590	-
<b>Profit/ (loss) for the period after tax</b>		<b>6,213,136</b>	<b>(4,049,459)</b>	<b>26,877,840</b>	<b>(11,313,887)</b>
<b>Basic and diluted earnings / (loss) per share, in Fils</b>	15	<b>2.49</b>	<b>(1.62)</b>	<b>10.75</b>	<b>(4.53)</b>

\*This includes interest income calculated using effective interest rate amounting to AED 7.9 million (2024: AED 7.2 million).

The accompanying notes on pages 9 to 30 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 six-month period ended 30 June**

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
Profit/ (loss) for the period	<u>6,213,136</u>	<u>(4,049,459)</u>	<u>26,877,840</u>	<u>(11,313,887)</u>
<b>Other comprehensive income/ (loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Change in fair value of investments carried at FVTOCI	2,465,634	(7,587,173)	3,011,010	(8,631,330)
Related deferred tax liability	<u>(221,907)</u>	<u>-</u>	<u>(270,991)</u>	<u>-</u>
<b>Other comprehensive income/ (loss) for the period</b>	<u>2,243,727</u>	<u>(7,587,173)</u>	<u>2,740,019</u>	<u>(8,631,330)</u>
<b>Total comprehensive income/ (loss) for the period</b>	<u><u>8,456,863</u></u>	<u><u>(11,636,632)</u></u>	<u><u>29,617,859</u></u>	<u><u>(19,945,217)</u></u>

The accompanying notes on pages 9 to 30 form an integral part of these 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 six-month period ended 30 June**

	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 2024 (Audited)	250,000,000	122,126,377	200,000,000	14,293,181	(15,689,021)	(74,178,917)	496,551,620
Loss for the period	-	-	-	-	-	(11,313,887)	(11,313,887)
Other comprehensive income for the period	-	-	-	-	(8,631,330)	-	(8,631,330)
Total comprehensive loss for the period	-	-	-	-	(8,631,330)	(11,313,887)	(19,945,217)
Transfer to reinsurance reserve	-	-	-	3,654,987	-	(3,654,987)	-
Balance as at 30 June 2024 (Unaudited)	250,000,000	122,126,377	200,000,000	17,948,168	(24,320,351)	(89,147,791)	476,606,403
<b>Balance as at 1 January 2025 (Audited)</b>	<b>250,000,000</b>	<b>122,126,377</b>	<b>100,000,000</b>	<b>18,901,014</b>	<b>(18,842,169)</b>	<b>(15,713,982)</b>	<b>456,471,240</b>
Profit for the period after tax	-	-	-	-	-	26,877,840	26,877,840
Other comprehensive income for the period	-	-	-	-	2,740,019	-	2,740,019
Total comprehensive income for the period	-	-	-	-	2,740,019	26,877,840	29,617,859
Transfer to reinsurance reserve	-	-	-	4,288,185	-	(4,288,185)	-
<b>Balance as at 30 June 2025 (Unaudited)</b>	<b>250,000,000</b>	<b>122,126,377</b>	<b>100,000,000</b>	<b>23,189,199</b>	<b>(16,102,150)</b>	<b>6,875,673</b>	<b>486,089,099</b>

The accompanying notes on pages 9 to 30 form an integral part of these 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 six-month period ended 30 June**

		(Unaudited)	(Unaudited)
		Six-month period ended 30 June 2025	Six-month period ended 30 June 2024
	Notes	AED	AED
<b>OPERATING ACTIVITIES</b>			
Profit/ (loss) for the period before tax		25,585,250	(11,313,887)
Adjustments for:			
Depreciation of property and equipment	4	2,437,945	2,417,384
Interest income on deposits		(7,990,007)	(7,169,841)
Dividend income		(2,867,514)	(2,492,770)
Net rental income from investment properties		(14,016,621)	(15,296,889)
Provision for employees' end of service indemnity		6,003,648	1,727,706
Finance costs		7,745,190	9,956,745
Other income		(20,129)	(32,701)
<b>Operating cash flows before changes in working capital</b>		<b>16,877,762</b>	<b>(22,204,253)</b>
<b>Change in working capital</b>			
Change in reinsurance contract assets		(68,364,496)	(191,612,905)
Change in reinsurance contract liabilities		23,562,237	(26,329,592)
Other receivables		(12,085,421)	(10,011,013)
Change insurance contract assets		-	12,462,413
Change in insurance contract liabilities		109,106,194	150,347,980
Other payables		13,035,172	944,208
<b>Cash generated from / (used in) operating activities</b>		<b>82,131,448</b>	<b>(86,403,162)</b>
Employees' end of service benefits paid		(2,255,485)	(407,633)
<b>Net cash generated from / (used in) operating activities</b>		<b>79,875,963</b>	<b>(86,810,795)</b>
<b>INVESTING ACTIVITIES</b>			
Additions in fixed deposits		(7,938,928)	(53,334,902)
Withdrawal from fixed deposits		2,941,027	27,806,445
Movement in margin deposits		-	2,000
Purchase of investments in securities at FVTOCI		(14,005)	-
Purchase of property and equipment		(92,704)	(492,126)
Interest received		7,990,007	7,169,841
Dividends received		2,867,514	2,492,770
Net rental income from investment properties		14,016,621	15,296,889
Other income		20,129	32,701
<b>Net cash generated from / (used in) investing activities</b>		<b>19,789,661</b>	<b>(1,026,382)</b>
<b>FINANCING ACTIVITIES</b>			
Bank borrowings obtained		-	163,213,533
Bank borrowings repaid		(117,126,034)	(52,976,688)
Finance costs paid		(7,594,471)	(9,837,364)
Lease payments		(2,025,826)	(2,315,169)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(126,746,331)</b>	<b>98,084,312</b>
<b>Net change in cash and cash equivalents</b>		<b>(27,080,707)</b>	<b>10,247,135</b>
Cash and cash equivalents at the beginning of the period		106,750,419	72,952,230
<b>Cash and cash equivalents at the end of the period</b>	10	<b>79,669,712</b>	<b>83,199,365</b>

The accompanying notes on pages 9 to 30 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)**

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

**For the six-month period ended 30 June 2025**

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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 UAE Federal Decree Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), issued by the Central Bank of UAE 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 all types – other than savings and accumulation of funds. The Company operates through its head office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

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 2024. In addition, the results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

#### **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 United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 (“Companies Law”), relating to commercial companies and United Arab Emirates (UAE) Federal Decree Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Insurance Law issued by the Central Bank of the UAE (“CBUAE”) and regulation of its operations.

##### **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 six-month period ended 30 June 2025**

**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:

<b>Name of subsidiary</b>	<b>Place of incorporation and operation</b>	<b>Proportion of ownership interest and voting power held</b>	<b>Principal activity</b>
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 2024.

**3.1 New currently effective requirements**

<b>Effective Date</b>	<b>New accounting standards or amendments</b>
1 January 2025	Lack of Exchangeability – Amendments to IAS 21

**3.2 Forthcoming requirements**

<b>Effective Date</b>	<b>New accounting standards or amendments</b>
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 six-month period ended 30 June 2025

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

**3.2 Forthcoming requirements (continued)**

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

**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 2024.

**3.4 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 2024.

The 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) and Minimum Guarantee Fund (MGF) as at 30 June 2025.

The breach of the SCR and MGF 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 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 and MGF 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 and MGF deficit.

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

- The Group's current liquidity position and projected cash flows and that the Group has made profits in the six-month period ended 30 June 2025 and holds net assets of AED 486.1 million.
- Forecasts demonstrating profitability over the next 12 months which will improve the Group's solvency position;
- Management's solvency recovery plans to address the solvency deficits;
- Ongoing engagement and communication with the regulators;
- Availability of the financial support in the forms of letter of guarantee from the bank.

While this situation was assessed as a close call, 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 the Board approved business plan and management's ability to execute the 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 Company'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.

**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 six-month period ended 30 June 2025**

**4. Property and equipment**

- Property and equipment additions during the current period amounted to AED 92,704 in furniture and equipment and AED 5,082,447 in right of use assets (for the year ended 31 December 2024: AED 2,859,680).
- Depreciation charges for the current period amounted to AED 2,437,945 (six-month period ended 30 June 2024: AED 2,417,384).
- Gain from disposal for the current period amounted to AED Nil (six-month period ended 30 June 2024: AED Nil).
- All the property and equipment are located in U.A.E.

**5. Investment properties**

The fair value of the Group's investment properties as at 31 December 2024 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 six-month period ended 30 June 2025.

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 30 June 2025 (31 December 2024: Level 3).

Investment property amounting to AED 849 million (31 December 2024: AED 849 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>30 June 2025</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2024</b> <b>AED</b>
Quoted – at fair value	58,260,958	52,935,943
Unquoted – at fair value	1,178,098	3,478,098
	<u>59,439,056</u>	<u>56,414,041</u>
In U.A.E	59,439,056	56,414,041
	<u>59,439,056</u>	<u>56,414,041</u>

Movement during the period / year was as follows:

	<b>(Unaudited)</b> <b>30 June 2025</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2024</b> <b>AED</b>
Fair value at the beginning of the period/ year	56,414,041	59,567,189
Purchases during the period/ year	14,005	-
Disposals during the period/ year	-	-
Change in fair value during the period/ year	3,011,010	(3,153,148)
Fair value at the end of the period/ year	<u>59,439,056</u>	<u>56,414,041</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 six-month period ended 30 June 2025**

**7. Statutory deposit**

In accordance with the requirements of Article (38) of the UAE Federal Decree Law No. (48) of 2023 (previously UAE Federal Law No. 6 of 2007, as amended), the Group maintains a bank deposit of AED 10 million (31 December 2024: 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 2024: 5.40%).

**8. Insurance and reinsurance contracts**

***Discount rates:***

Insurance contract liabilities 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 0.66% applied for discounting of future cash flows listed below:

	1 year		3 years		5 years		10 years	
	Q2-2025	Year-2024	Q2-2025	Year-2024	Q2-2025	Year-2024	Q2-2025	Year-2024
Liability for Incurred Claims								
AED	5.01%	5.27%	4.54%	5.15%	4.57%	5.11%	4.86%	5.16%
USD	4.35%	4.55%	3.88%	4.43%	3.91%	4.39%	4.20%	4.44%
Liability for reinsurance contracts issued								
AED	5.01%	5.27%	4.54%	5.15%	4.57%	5.11%	4.86%	5.16%
USD	4.35%	4.55%	3.88%	4.43%	3.91%	4.39%	4.20%	4.44%

**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 six-month period ended 30 June 2025**

**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

30 June 2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	
<b>Insurance contract assets as at 1 January 2025</b>	-	-	-	-	-
<b>Insurance contract liabilities as at 1 January 2025</b>	(128,305,031)	(5)	836,027,898	23,268,265	730,991,127
<b>Net insurance contract liabilities as at 1 January 2025</b>	(128,305,031)	(5)	836,027,898	23,268,265	730,991,127
Insurance revenue	(821,101,544)	-	-	-	(821,101,544)
Insurance service expenses					
Incurred claims and other expenses	-	-	767,778,883	16,900,354	784,679,237
Amortisation of insurance acquisition cash flows	32,616,036	-	-	-	32,616,036
Losses on onerous contracts and reversals	-	5	-	-	5
Changes to liabilities for incurred claims	-	-	(20,519,306)	(15,982,658)	(36,501,964)
<b>Insurance service result</b>	(788,485,508)	5	747,259,577	917,696	(40,308,230)
Insurance finance expenses	-	-	17,642,166	510,350	18,152,516
<b>Total changes in the statement of comprehensive income</b>	(788,485,508)	5	764,901,743	1,428,046	(22,155,714)
<b>Cash flows</b>					
Premiums received	786,447,804	-	-	-	786,447,804
Claims and other expenses	-	-	(622,569,860)	-	(622,569,860)
Insurance acquisition cash flows	(32,616,036)	-	-	-	(32,616,036)
<b>Total cash flows</b>	753,831,768	-	(622,569,860)	-	131,261,908
<b>Net insurance contract liabilities as at 30 June 2025</b>	(162,958,771)	-	978,359,781	24,696,311	840,097,321
Insurance contract assets as at 30 June 2025	-	-	-	-	-
Insurance contract liabilities as at 30 June 2025	(162,958,771)	-	978,359,781	24,696,311	840,097,321
<b>Net insurance contract liabilities as at 30 June 2025</b>	(162,958,771)	-	978,359,781	24,696,311	840,097,321

**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 six-month period ended 30 June 2025

**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			Risk adjustment Unaudited AED
			Unaudited AED	Unaudited AED		
31 December 2024						
Insurance contract assets as at 1 January 2024	-	-	-	-	-	
Insurance contract liabilities as at 1 January 2024	(154,811,341)	(5)	660,763,181	19,270,071	525,221,906	
Insurance contract liabilities as at 1 January 2024	(154,811,341)	(5)	660,763,181	19,270,071	525,221,906	
Insurance revenue	(1,448,902,391)	-	-	-	(1,448,902,391)	
Insurance service expenses						
Incurred claims and other expenses	-	-	1,455,400,817	18,536,681	1,473,937,498	
Amortisation of insurance acquisition cash flows	59,503,727	-	-	-	59,503,727	
Losses on onerous contracts and reversals	-	-	-	-	-	
Changes to liabilities for incurred claims	-	-	(48,562,223)	(15,150,172)	(63,712,395)	
Insurance service result	(1,389,398,664)	-	1,406,838,594	3,386,509	20,826,439	
Insurance finance expenses	-	-	19,524,630	611,685	20,136,315	
Total changes in the statement of comprehensive income	(1,389,398,664)	-	1,426,363,224	3,998,194	40,962,754	
<i>Cash flows</i>						
Premiums received	1,475,408,701	-	-	-	1,475,408,701	
Claims and other expenses	-	-	(1,251,098,507)	-	(1,251,098,507)	
Insurance acquisition cash flows	(59,503,727)	-	-	-	(59,503,727)	
Total cash flows	1,415,904,974	-	(1,251,098,507)	-	164,806,467	
Net insurance contract liabilities as at 31 December 2024	(128,305,031)	(5)	836,027,898	23,268,265	730,991,127	
Insurance contract assets as at 31 December 2024	-	-	-	-	-	
Insurance contract liabilities as at 31 December 2024	(128,305,031)	(5)	836,027,898	23,268,265	730,991,127	
Net insurance contract liabilities as at 31 December 2024	(128,305,031)	(5)	836,027,898	23,268,265	730,991,127	

**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 six-month period ended 30 June 2025

**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	
30 June 2025	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Total Unaudited AED
Reinsurance contract assets as at 1 January 2025	(309,027,143)	-	493,794,244	14,506,099	199,273,200
Reinsurance contract liabilities as at 1 January 2025	-	-	-	-	-
<b>Net reinsurance contract assets as at 1 January 2025</b>	<b>(309,027,143)</b>	<b>-</b>	<b>493,794,244</b>	<b>14,506,099</b>	<b>199,273,200</b>
An allocation of reinsurance premiums	(495,592,599)	-	-	-	(495,592,599)
Amount recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	405,869,518	9,490,132	415,359,650
Changes to amounts recoverable for incurred claims	-	-	17,352,831	(6,919,371)	10,433,460
Amortization of insurance acquisition cash flows	50,153,789	-	-	-	50,153,789
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
<b>Net (expense) or income from reinsurance contracts</b>	<b>(445,438,810)</b>	<b>-</b>	<b>423,222,349</b>	<b>2,570,761</b>	<b>(19,645,700)</b>
Reinsurance finance income	-	-	9,686,126	291,648	9,977,774
<b>Total changes in the statement of comprehensive income</b>	<b>(445,438,810)</b>	<b>-</b>	<b>432,908,475</b>	<b>2,862,409</b>	<b>(9,667,926)</b>
<b>Cash flows</b>					
Premiums paid	439,272,936	-	-	-	439,272,936
Reinsurance acquisition cash flows	(50,153,789)	-	-	-	(50,153,789)
Amounts received	-	-	(334,648,962)	-	(334,648,962)
<b>Total cash flows</b>	<b>389,119,147</b>	<b>-</b>	<b>(334,648,962)</b>	<b>-</b>	<b>54,470,185</b>
<b>Net reinsurance contract assets as at 30 June 2025</b>	<b>(365,346,806)</b>	<b>-</b>	<b>592,053,757</b>	<b>17,368,508</b>	<b>244,075,459</b>
Reinsurance contract assets as at 30 June 2025	18,740,047	-	238,828,418	10,069,231	267,637,696
Reinsurance contract liabilities as at 30 June 2025	(384,086,853)	-	353,225,339	7,299,277	(23,562,237)
<b>Net reinsurance contract assets as at 30 June 2025</b>	<b>(365,346,806)</b>	<b>-</b>	<b>592,053,757</b>	<b>17,368,508</b>	<b>244,075,459</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 six-month period ended 30 June 2025

**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 2024	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January 2024	(237,531,092)	-	366,792,600	10,489,428	139,750,936
Reinsurance contract liabilities as at 1 January 2024	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)
Net reinsurance contract assets as at 1 January 2024	(296,599,869)	-	397,939,063	12,082,150	113,421,344
An allocation of reinsurance premiums	(920,601,503)	-	-	-	(920,601,503)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	792,690,280	10,062,388	802,752,668
Changes to amounts recoverable for incurred claims	-	-	(15,476,161)	(7,961,226)	(23,437,387)
Amortisation of insurance acquisition cash flows	119,887,749	-	-	-	119,887,749
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net expense or income from reinsurance contracts held	(800,713,754)	-	777,214,119	2,101,162	(21,398,473)
Reinsurance finance income	-	-	10,210,152	322,787	10,532,939
Total changes in the statement of profit or loss	(800,713,754)	-	787,424,271	2,423,949	(10,865,534)
<i>Cash flows</i>					
Premiums paid	908,174,229	-	-	-	908,174,229
Reinsurance acquisition cash flows	(119,887,749)	-	-	-	(119,887,749)
Amounts received	-	-	(691,569,090)	-	(691,569,090)
Total cash flows	788,286,480	-	(691,569,090)	-	96,717,390
Net reinsurance contract assets as at 31 December 2024	(309,027,143)	-	493,794,244	14,506,099	199,273,200
Reinsurance contract assets as at 31 December 2024	(309,027,143)	-	493,794,244	14,506,099	199,273,200
Reinsurance contract liabilities as at 31 December 2024	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2024	(309,027,143)	-	493,794,244	14,506,099	199,273,200

**9. Other receivables**

	<b>(Unaudited)</b> <b>30 June 2025</b> <b>AED</b>	(Audited) 31 December 2024 AED
Staff receivables	3,513,236	3,393,984
Rent receivable	27,139,076	23,697,192
Prepayments and others	24,065,511	15,541,226
	<u>54,717,823</u>	<u>42,632,402</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 six-month period ended 30 June 2025**

**10. Cash and cash equivalents**

	<b>(Unaudited)</b> <b>30 June 2025</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2024</b> <b>AED</b>
Bank balances and cash	<b>402,202,333</b>	424,285,139
Less: Deposits under lien	<b>(277,789,859)</b>	(276,447,330)
Fixed deposits on maturity of more than three months	<b>(43,655,372)</b>	(40,000,000)
Margin deposits	<b>(1,087,390)</b>	(1,087,390)
	<b><u>79,669,712</u></b>	<b><u>106,750,419</u></b>

Fixed deposits amounting to AED 277.8 million (31 December 2024: AED 276.4 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 2024: 3.89% to 5.75%) per annum.

**11. Share capital**

	<b>(Unaudited)</b> <b>30 June 2025</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2024</b> <b>AED</b>
Authorised, issued and fully paid:		
250 million ordinary shares of AED 1 each		
(31 December 2024: 250 million ordinary shares of AED 1 each)	<b><u>250,000,000</u></b>	<b><u>250,000,000</u></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 six-month period ended 30 June 2025**

**12. Bank borrowings**

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Bank overdrafts	119,222,492	125,475,926
Term loans	63,726,667	174,599,267
	<u>182,949,159</u>	<u>300,075,193</u>
<b>Bank borrowings are payable as follows:</b>		
On demand or within one year	132,949,159	213,409,193
In the second year	50,000,000	61,718,000
In the third and subsequent years	-	24,948,000
	<u>182,949,159</u>	<u>300,075,193</u>
Less: Amount due for settlement within 12 months	<u>(132,949,159)</u>	<u>(213,409,193)</u>
Amount due for settlement after 12 months	<u>50,000,000</u>	<u>86,666,000</u>

Main features of bank borrowings:

- Bank loans are obtained to finance the construction of investment properties. The interest rate on term loans with banks ranges from 0.65% plus fixed deposit rate to 2.75% plus 1 month EIBOR (31 December 2024: 0.65% plus fixed deposit rate to 2.75% plus 1 month EIBOR) per annum.
- Bank overdrafts are repayable on demand and carry out interest rates ranging from CSAF (Cash Security Against Facility) plus 0.5% to 2.5% plus 3 months EIBOR (31 December 2024: CSAF plus 0.5% to 2.5% plus 3 months EIBOR) per annum.

At 30 June 2025, bank borrowings were secured by lien on fixed deposits amounting to AED 277.8 million (31 December 2024: AED 276.4 million) (note 10) and mortgage of investment properties with fair value of AED 849 million (31 December 2024: AED 849 million) (note 5) and assignment of rental proceeds from certain investment properties against bank credit facilities granted to the Group. Borrowing agreement with United Arab Bank having outstanding balance of AED 85,537,074 includes financial covenant requiring tangible net worth of AED 500 million, which was breached as at reporting date. This breach as communicated by the lender did not result in any financial consequences or penalties, and the borrowing arrangements remain in place.

**13. Lease liabilities**

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

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Current	3,047,858	2,072,832
Non-current	3,391,175	1,158,861
	<u>6,439,033</u>	<u>3,231,693</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 six-month period ended 30 June 2025

**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

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 and 31 December 2024 are as follows:

	Minimum lease payments due		
	Within 1 year AED	1-2 years AED	Total AED
<b>30 June 2025</b>			
Lease payments	3,243,626	3,493,017	6,736,643
Finance charges	(195,768)	(101,842)	(297,610)
<b>Net present value</b>	<b>3,047,858</b>	<b>3,391,175</b>	<b>6,439,033</b>
<b>31 December 2024</b>			
Lease payments	2,163,498	1,197,020	3,360,518
Finance charges	(90,666)	(38,159)	(128,825)
<b>Net present value</b>	<b>2,072,832</b>	<b>1,158,861</b>	<b>3,231,693</b>

**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 June 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 30 June 2025 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.

	(Unaudited) 30 June 2025 AED	(Unaudited) 30 June 2024 AED
<b>Condensed interim consolidated statement of profit or loss</b>		
Current income tax expense	(478,704)	-
Deferred tax credit	1,771,294	-
	<b>1,292,590</b>	<b>-</b>
<b>Condensed interim consolidated statement of other comprehensive income</b>		
Deferred tax expense	(270,991)	-

**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 six-month period ended 30 June 2025**

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

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
Profit/ (loss) for the period	<u>6,213,136</u>	<u>(4,049,459)</u>	<u>26,877,840</u>	<u>(11,313,887)</u>
Weighted average number of shares	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Basic and diluted earnings/ (loss) per share, in Fils	<u>2.49</u>	<u>(1.62)</u>	<u>10.75</u>	<u>(4.53)</u>

**16. Insurance revenue**

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
<b>Contract measured under PAA</b>				
Insurance contract issued	<u>414,013,088</u>	<u>348,799,514</u>	<u>821,101,544</u>	<u>684,186,820</u>

**17. Insurance service expenses**

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
<b>Contract measured under PAA</b>				
Incurring claims and other expenses	344,378,503	443,405,551	784,679,237	859,465,886
Changes to liabilities for incurred claims	82,865,581	(12,927,020)	(36,501,964)	(71,624,630)
Amortisation of insurance acquisition cash flows	11,038,112	13,195,558	32,616,036	27,763,809
Losses on onerous contracts and reversals of those losses – net	<u>(2,848,752)</u>	<u>(2,197,450)</u>	<u>5</u>	<u>2,983,679</u>
	<u>435,433,444</u>	<u>441,476,639</u>	<u>780,793,314</u>	<u>818,588,744</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 six-month period ended 30 June 2025

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

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
<b>Allocation of reinsurance premiums</b>	<b>(247,355,109)</b>	<b>(193,232,851)</b>	<b>(495,592,599)</b>	<b>(425,232,040)</b>
<b>Amount recoverable from claims and other expenses</b>				
Amounts recoverable for incurred claims	251,777,939	281,431,329	415,359,650	486,655,410
Changes to amounts recoverable for incurred claims	15,036,710	(23,973,335)	10,433,460	(16,748,485)
Amortisation of insurance acquisition cash flows	1,098,556	22,263,039	50,153,789	72,097,812
Losses on onerous contracts and reversals of those losses – net	175,078	(732,220)	-	-
	<u>268,088,283</u>	<u>278,988,813</u>	<u>475,946,899</u>	<u>542,004,737</u>
<b>Net income / (expense) from reinsurance contracts held</b>	<b>20,733,174</b>	<b>85,755,962</b>	<b>(19,645,700)</b>	<b>116,772,697</b>

**19. Net insurance financial result**

	(Unaudited) Three-month period ended 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
Insurance finance expenses from insurance contracts issued	<u>(6,460,987)</u>	<u>(5,684,608)</u>	<u>(18,152,516)</u>	<u>(15,045,765)</u>
Reinsurance finance income from reinsurance contracts held	<u>3,130,922</u>	<u>2,909,035</u>	<u>9,977,774</u>	<u>8,625,039</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 six-month period ended 30 June 2025

**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 2024 of the Group.

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

	(Unaudited) 30 June 2025			(Audited) 31 December 2024		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
<b>Segment assets</b>	267,637,696	1,257,079,352	1,524,717,048	199,273,200	1,245,614,552	1,444,887,752
<b>Unallocated assets</b>	-	-	134,025,597	-	-	147,954,267
<b>Total</b>	<b>267,637,696</b>	<b>1,257,079,352</b>	<b>1,658,742,645</b>	<b>199,273,200</b>	<b>1,245,614,552</b>	<b>1,592,842,019</b>
<b>Segment liabilities</b>	863,659,558	87,153,455	950,813,013	730,991,127	193,894,661	924,885,788
<b>Unallocated liabilities</b>	-	-	221,840,533	-	-	211,484,991
<b>Total</b>	<b>863,659,558</b>	<b>87,153,455</b>	<b>1,172,653,546</b>	<b>730,991,127</b>	<b>193,894,661</b>	<b>1,136,370,779</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 six-month period ended 30 June 2025**

**20. Segment information (continued)**

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

**For the six-month period ended 30 June 2025 (Unaudited)**

	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
	AED	AED	AED
Insurance revenue	821,101,544		821,101,544
Insurance service expenses	(780,793,314)		(780,793,314)
Net expense from reinsurance contracts held	(19,645,700)		(19,645,700)
Net insurance financial result	<u>(8,174,742)</u>		<u>(8,174,742)</u>
<b>Segment result</b>	<u>12,487,788</u>	<u>24,894,270</u>	<u>37,382,058</u>
Unallocated costs			<u>(11,796,808)</u>
<b>Profit for the period before tax</b>			<u>25,585,250</u>

**For the six-month period ended 30 June 2024 (Unaudited)**

	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
	AED	AED	AED
Insurance revenue	684,186,820		684,186,820
Insurance service expenses	(818,588,744)		(818,588,744)
Net income from reinsurance contracts held	116,772,697		116,772,697
Net insurance financial result	<u>(6,420,726)</u>		<u>(6,420,726)</u>
<b>Segment result</b>	<u>(24,049,953)</u>	<u>24,992,200</u>	<u>942,247</u>
Unallocated costs			<u>(12,256,134)</u>
<b>Loss for the period before tax</b>			<u>(11,313,887)</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 six-month period ended 30 June 2025**

**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>30 June 2025</b> <b>AED</b>	<b>(Audited)</b> <b>31 December 2024</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>	<b>6,675,847</b>	5,892,532
Gross outstanding claims <i>(included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	<b>1,756,063</b>	764,949

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</b> <b>period ended</b> <b>30 June 2025</b> <b>AED</b>	<b>(Unaudited)</b> <b>Three-month</b> <b>period ended</b> <b>30 June 2024</b> <b>AED</b>	<b>(Unaudited)</b> <b>Six-month</b> <b>period ended</b> <b>30 June 2025</b> <b>AED</b>	<b>(Unaudited)</b> <b>Six-month</b> <b>period ended</b> <b>30 June 2024</b> <b>AED</b>
<b>Board members and entities under common control</b>				
Insurance revenue	<b>395,473</b>	423,364	<b>2,781,609</b>	2,643,376
Insurance service expense	<b>676,398</b>	2,732,262	<b>1,133,032</b>	3,940,207

**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 six-month period ended 30 June 2025**

**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 30 June 2025 AED	(Unaudited) Three-month period ended 30 June 2024 AED	(Unaudited) Six-month period ended 30 June 2025 AED	(Unaudited) Six-month period ended 30 June 2024 AED
Key management staff:				
Short term benefits	1,351,996	1,114,696	2,703,992	2,229,392
Long term benefits	<u>59,852</u>	<u>47,801</u>	<u>131,703</u>	<u>105,193</u>

**22. Commitments and contingent liabilities**

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
<b>Commitments</b>		
Letters of guarantee	<u>8,678,722</u>	<u>111,663,190</u>

**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 2024.

**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 six-month period ended 30 June 2025**

**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)				
	30 June 2025	31 December 2024				
	AED	AED				
Quoted equity securities – FVTOCI	58,260,958	52,935,943	Level 1	Quoted bid prices in an active market.	None.	NA.
Unquoted equity securities – FVTOCI	1,178,098	3,478,098	Level 3	Net assets valuation method	Net assets value.	Higher the net assets value of the investees, higher the fair value.
	<b>59,439,056</b>	<b>56,414,041</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 six-month period ended 30 June 2025**

**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).

**30 June 2025 (Unaudited)**

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets at FVTOCI</b>				
Quoted equities	58,260,958	-	-	58,260,958
Unquoted equities	-	-	1,178,098	1,178,098
Investment properties	-	-	849,055,989	849,055,989
	<b>55,960,958</b>	<b>-</b>	<b>852,534,087</b>	<b>908,495,045</b>

31 December 2024 (Audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>Financial assets at FVTOCI</b>				
Quoted equities	52,935,943	-	-	52,935,943
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	849,055,989	849,055,989
	<b>52,935,943</b>	<b>-</b>	<b>852,534,087</b>	<b>905,470,030</b>

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:

**30 June 2025 (Unaudited)**

	Opening balance AED	Additions/ (Disposals) AED	Change in fair value AED	Ending balance AED
Investment properties	<b>849,055,989</b>	<b>-</b>	<b>-</b>	<b>849,055,989</b>
<i>Financial assets at FVTOCI</i>				
Unquoted equities	<b>3,478,098</b>	<b>-</b>	<b>(2,300,000)</b>	<b>1,178,098</b>

31 December 2024 (Audited)

Investment properties	847,850,000	4,205,989	(3,000,000)	849,055,989
<i>Financial assets at FVTOCI</i>				
Unquoted Equity securities	3,478,098	-	-	3,478,098

# 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 six-month period ended 30 June 2025

#### 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 prepared in accordance with IFRS 4. The group has disclosed the solvency position for the period ended 31 March 2025 as the current six-month period ended 30 June 2025 solvency position is not finalised.

	<b>31 March 2025</b> <b>AED</b> <i>(Unaudited)</i>	31 December 2024 AED <i>(Audited)</i> <i>(Restated)*</i>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	427,468,575	306,677,859
Minimum Guarantee Fund (MGF)	166,080,409	151,345,709
Total Basic Own Funds	118,876,788	120,468,561
Ancillary Own Funds	37,753,576	40,937,121
MCR Solvency Margin – Surplus	-	-
SCR Solvency Margin – Deficit	(308,591,787)	(186,209,299)
MGF Solvency Margin – (Deficit)/ Surplus	(47,203,621)	(30,877,149)

As of 31 March 2025, the Group has a deficit in the Solvency Capital Requirement and Minimum Guarantee Fund Requirement as stipulated by the Central Bank of the U.A.E. by an amount of AED 308,591,787 and AED 47,203,621 respectively. The Group's ability to comply with the solvency requirements depends on implementing an effective business plan.

\*The amount of total basic own funds was incorrectly stated amounting to AED 100,000,000 in the audited Group's consolidated financial statements for the year ended 31 December 2024; however, it has been restated with the correct amount of AED 120,468,561 as at 31 December 2024 in the above table.

#### 25. Subsequent events

There have been no events subsequent to the condensed interim consolidated financial position date that would significantly affect the amounts reported in the condensed interim consolidated financial information as at and for the three-month period ended 30 June 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 six-month period ended 30 June 2025

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#### 26. Restatement of comparatives – reinsurance contract assets and liabilities

In the current period, the Group identified a presentation misclassification relating to the reinsurance contract assets and liabilities which were presented on gross basis in the consolidated financial statements for the year ended 31 December 2024.

In accordance with IFRS 17, these balances have been presented considering the carrying value at portfolio level in the condensed interim consolidated financial information for the period ended 30 June 2025 and the comparative figures have been restated accordingly.

In the table below, we have presented the amounts of assets and liabilities before and after correction of this error.

#### Consolidated Statement of Financial Position

<i>Line item</i>	31 December 2024 (as previously presented)	31 December 2024 (restated)
Reinsurance contract assets	522,194,793	199,273,200
Reinsurance contract liabilities	322,921,593	-

#### Consolidated Statement of Cashflows

<i>Line item</i>	30 June 2024 (as previously presented)	30 June 2024 (restated)
Change in reinsurance contract assets	(206,991,037)	(191,612,905)
Change in reinsurance contract liabilities	(10,951,460)	(26,329,592)

There is no impact on the Group's profit or loss, basic or diluted EPS for the three-month and six-month periods ended 30 June 2024 and no impact on the total operating, investing or financing cash flows for the six-month period ended 30 June 2024.

#### 27. 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 14 August 2025.