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

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

فيدلتي المتحدة
Fidelity United
INSURANCE

The Board of Directors' Report – Half year ended 30th June 2025

On behalf of the Board, I present to you the Board of Directors Report for the half year ended June 30, 2025. I am pleased to share that after five challenging quarters, Fidelity United has been able to generate profitable results for June 2025 quarter on a standalone basis.

Insurance revenue for the half year ended June 30, 2025, amounted to AED 274m as compared to AED 314m for the same period last year representing a 13% reduction. This variation in the topline is attributable to business focus on profitable and preferred business segments. The Commercial and Employee Benefit lines of business showed reductions of AED 8.8m and AED 43.4m respectively, the Consumer business on the other hand remained strong and demonstrated increase of AED 12.6m as compared to the same period last year. The Insurance service expense amounted to AED 233m compared to last year's figure of AED 512m which is very high due to the last year's flooding related claims. After considering the reinsurance recoveries, the net Insurance service result portrays an unfavourable position of AED 16m as compared to AED 20.7m on a YTD basis as of June 2024.

After accounting for the Investment income of AED 10.7m (2024: AED 11.2m), finance income/ expenses and other operating expenses, the net loss after tax stands at AED 8.9m as compared to AED 9.9m for the prior period. Key Financial trends for the period under review are shared below.

Key Financial Trends (AED in Thousands)	Quarter ended		YTD June 30, 2025	Quarter ended		YTD June 30, 2024	Change YTD June 2025 vs 2024	
	Q1 2025	Q2 2025		Q1 2024	Q2 2024		Amount	%
Insurance Revenue	134,009	139,868	**273,877**	160,645	152,888	**313,533**	-39,657	-13%
Insurance Service Expenses	- 140,220	- 93,194	**- 233,414**	-164,529	- 346,970	**- 511,499**	278,085	-54%
Net Recovery from RI contracts held	- 11,407	- 45,088	**- 56,495**	- 24	177,277	**177,253**	-233,748	-132%
Insurance Service Result	**- 17,618**	**1,585**	**- 16,033**	**- 3,908**	**- 16,805**	**- 20,713**	**4,680**	**-23%**
Net Investment Income	5,133	5,585	**10,718**	8,000	3,174	**11,174**	-456	-4%
Finance Income (expenses) net	- 960	- 1,443	**- 2,403**	- 903	- 284	**- 1,187**	-1,216	102%
Other Operating Income / (Expenses)	741	- 2,553	**- 1,812**	- 548	- 277	**- 825**	-987	120%
Net Loss before Tax	**- 12,704**	**3,174**	**- 9,530**	**2,641**	**- 14,191**	**- 11,550**	**2,021**	**-17%**
Income tax benefit	1,388	- 780	**608**	359	1,246	**1,605**	-998	-62%
Net (Loss)/ Profit after tax	**- 11,316**	**2,394**	**- 8,922**	**3,000**	**- 12,945**	**- 9,945**	**1,023**	**-10%**

Outlook

While Fidelity United continues its steady path to recovery, this process will take time, we expect a stronger financial performance in the latter part of the year, supported by the strategic initiatives of our new management team. Our focus remains on profitable growth-renewing only quality accounts and applying strict underwriting discipline to new business. Given the recognition pattern of insurance premiums over the policy term, the benefits of these measures will become increasingly evident in the months ahead.

The Board is confident that Fidelity United will emerge from the current market challenges stronger, more resilient, and well-positioned to deliver sustainable profitability in 2025 and beyond.

We thank our customers and business partners for their continued trust, and our employees for their commitment and hard work in building a stronger Fidelity United.

Chairman of the Board
Dated: August 14th, 2025

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Review Report of the Condensed Interim Financial information

To the Shareholders of United Fidelity Insurance Company (P.S.C.)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Fidelity Insurance Company (P.S.C.). (the "Company") as at 30 June 2025 and the related condensed interim income statement, condensed interim statement of comprehensive income for the three-month and six-month periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended, and material accounting policy information and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

Emphasis of Matter

We draw attention to note 20 to the condensed interim financial information which states that, the Company had a deficit of AED 174.77 million as of 30 June 2025 (31 December 2024: AED 155.08 million) against the solvency capital requirement of AED 130.16 million (31 December 2024: AED 161.17 million). The Company's ability to comply with the solvency capital requirement depends on the effective implementation of its solvency recovery plan, including capital injection committed by major shareholders.

GRANT THORNTON UAE

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14 August 2025

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

Condensed interim statement of financial position
As at 30 June 2025

	Notes	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
ASSETS			
Property and equipment		**9,155,827**	9,613,144
Investment properties	4	**46,553,999**	46,553,999
Investments at fair value through profit or loss (FVTPL)	5	**140,501,321**	154,527,065
Investments at fair value through other comprehensive income (FVTOCI)	5	**96,937,599**	126,972,140
Reinsurance contract assets	6	**358,472,812**	450,862,720
Prepayments and other assets		**6,878,049**	7,319,700
Statutory deposits	7	**10,000,000**	10,000,000
Other receivables		**1,590,326**	881,839
Deferred tax asset	14	**8,020,377**	7,412,817
Bank balances and cash	8	**83,830,893**	21,971,602
TOTAL ASSETS		**761,941,203**	836,115,026
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**160,000,000**	160,000,000
Statutory reserve	10	**1,375,495**	1,375,495
General reserve		**447,524**	447,524
Reinsurance reserve		**6,140,985**	6,140,985
Cumulative change in fair value of FVTOCI investments		**15,857,484**	14,819,856
Accumulated losses		**(97,821,037)**	(94,521,181)
TOTAL EQUITY		**86,000,451**	88,262,679
LIABILITIES			
Employees' end of service benefits		**3,644,205**	3,691,234
Insurance contract liabilities	6	**605,002,341**	695,532,679
Reinsurance contract liabilities	6	**-**	3,805,132
Deferred tax liability	14	**2,791,267**	2,058,901
Bank borrowing	17	**40,000,000**	20,000,000
Lease liabilities		**3,957,580**	5,640,413
Accrued expenses and other payables		**20,545,359**	17,123,988
TOTAL LIABILITIES		**675,940,752**	747,852,347
TOTAL EQUITY AND LIABILITIES		**761,941,203**	836,115,026

This condensed interim financial information was authorised for issue on 14 August 2025 by the Board of Directors and signed on its behalf by:

Chairman
Nawwaf Ghubash

Chief Executive Officer
Ahmed Nasef

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

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

Condensed interim income statement
For the period ended 30 June 2025

	Notes	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
		2025 AED	2024 AED	**2025 AED**	2024 AED
Insurance revenue		**139,867,469**	152,887,993	**273,876,644**	313,533,414
Insurance services expenses	12	**(93,193,923)**	(346,970,268)	**(233,413,989)**	(511,498,933)
Insurance services results before reinsurance contracts held		**46,673,546**	(194,082,275)	**40,462,655**	(197,965,519)
Allocation of reinsurance premiums		**(56,746,877)**	(74,660,786)	**(118,998,544)**	(156,663,960)
Amounts recoverable from reinsurance for incurred claims		**11,658,453**	251,937,685	**62,503,341**	333,916,489
Net (expense)/ recovery from reinsurance contracts held		**(45,088,424)**	177,276,899	**(56,495,203)**	177,252,529
Insurance service results		**1,585,122**	(16,805,376)	**(16,032,548)**	(20,712,990)
Net investment income	13	**5,584,713**	3,173,887	**10,718,271**	11,174,201
Finance expenses from insurance contracts issued	13	**(5,527,231)**	(1,156,412)	**(10,506,798)**	(4,010,574)
Finance income from reinsurance contracts held	13	**4,084,741**	873,397	**8,103,975**	2,823,990
Net insurance finance results		**4,142,223**	2,890,872	**8,315,448**	9,987,617
Net insurance and investment results		**5,727,345**	(13,914,504)	**(7,717,100)**	(10,725,373)
Other operating expenses		**(2,553,350)**	(276,582)	**(1,812,463)**	(825,053)
Profit/ (loss) for the period before tax		**3,173,995**	(14,191,086)	**(9,529,563)**	(11,550,426)
Income tax (expense)/benefit		**(779,973)**	1,245,836	**607,560**	1,605,191
Profit/ (loss) for the period after tax		**2,394,022**	(12,945,250)	**(8,922,003)**	(9,945,235)
Basic and diluted earnings/ (loss) after tax per share (AED/share)	11	**0.015**	(0.081)	**(0.056)**	(0.062)

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

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

Condensed interim statement of comprehensive income
For the period ended 30 June 2025

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2025	2024	**2025**	2024
	AED	AED	**AED**	AED
Profit/(loss) for the period after tax	**2,394,022**	(12,945,250)	**(8,922,003)**	(9,945,235)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Net change in fair value of equity investments designated at FVTOCI – net of tax	**7,342,166**	(5,125,812)	**6,659,775**	(661,011)
Total other comprehensive income/ (loss) for the period	**7,342,166**	(5,125,812)	**6,659,775**	(661,011)
Total comprehensive income/ (loss) for the period	**9,736,188**	(18,071,062)	**(2,262,228)**	(10,606,246)

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

Condensed interim statement of changes in equity
For the period ended 30 June 2025

	Share capital AED	Statutory reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVTOCI investments AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2024 (Audited)	160,000,000	1,375,495	447,524	4,802,026	3,988,910	(36,303,139)	134,310,816
Loss for the period after tax	-	-	-	-	-	(9,945,235)	(9,945,235)
Other comprehensive income/ (loss) for the period	-	-	-	-	1,277,190	(1,938,201)	(661,011)
Total comprehensive income/ (loss) for the period	-	-	-	-	1,277,190	(11,883,436)	(10,606,246)
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	(9,713,760)	9,713,760	-
Balance at 30 June 2024 (Unaudited)	160,000,000	1,375,495	447,524	4,802,026	(4,447,660)	(38,472,815)	123,704,570
Balance at 1 January 2025 (Audited)	**160,000,000**	**1,375,495**	**447,524**	**6,140,985**	**14,819,856**	**(94,521,181)**	**88,262,679**
Loss for the period after tax	-	-	-	-	-	**(8,922,003)**	**(8,922,003)**
Other comprehensive income for the period	-	-	-	-	**6,659,775**	-	**6,659,775**
Total comprehensive income/ (loss) for the period	-	-	-	-	**6,659,775**	**(8,922,003)**	**(2,262,228)**
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	**(5,622,147)**	**5,622,147**	-
Balance at 30 June 2025 (Unaudited)	**160,000,000**	**1,375,495**	**447,524**	**6,140,985**	**15,857,484**	**(97,821,037)**	**86,000,451**

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

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

Condensed interim statement of cash flows
For the period ended 30 June 2025

	Note	For the six-month period ended 30 June (Unaudited)	
		2025	2024
		AED	AED
Cash flows from operating activities			
Loss for the period before tax		**(9,529,563)**	(11,550,426)
Adjustments for:			
Depreciation of property and equipment		**1,466,312**	1,489,021
Change in fair value for investments at FVTPL		**(96,991)**	1,736,027
Investment income		**(10,767,513)**	(13,014,362)
Provision for expected credit losses		**3,788,623**	1,397,200
Interest expense on lease liability		**182,460**	182,460
Provision for employees' end of service indemnity		**659,792**	592,306
Finance cost		**1,431,202**	-
Operating cash flows before changes in working capital		**(12,865,678)**	(19,167,774)
Changes in working capital:			
Insurance, other receivables, and prepayments		**(266,836)**	(7,334,870)
Reinsurance contract assets		**84,796,153**	(237,324,637)
Insurance contract liabilities		**(90,530,338)**	225,930,818
Accounts payable and premium collected in advance		**2,588,716**	9,695
Cash used in from operations		**(16,277,983)**	(37,886,768)
Employees end of service indemnity paid		**(706,807)**	(54,360)
Finance cost paid		**(598,547)**	-
Net cash used in operating activities		**(17,583,337)**	(37,941,128)
Cash flows from investing activities			
Purchase of property and equipment		**(1,009,201)**	(251,054)
Deposits redeemed during the period		**-**	10,000,000
Proceeds from disposal of investments at FVTOCI		**37,426,712**	36,704,886
Purchase of investments at FVTOCI		**-**	(48,181,924)
Interest received		**3,133,654**	3,439,121
Proceeds from disposal of investments at FVTPL		**14,152,096**	9,396,334
Purchase of investments at FVTPL		**-**	(11,486,304)
Dividend received from investments at FVTOCI		**6,502,302**	9,548,810
Income received from investment properties		**1,102,194**	958,730
Net cash generated from investing activities		**61,307,757**	10,128,599
Cash flows from financing activities			
Borrowing from bank		**20,000,000**	-
Payment of lease liability		**(1,865,129)**	(114,757)
Net cash generated from/(used in) financing activities		**18,134,871**	(114,757)
Net increase/ (decrease) in cash and cash equivalents		**61,859,291**	(27,927,286)
Cash and cash equivalents at beginning of the period		**18,971,602**	63,228,358
Cash and cash equivalents at end of the period	8	**80,830,893**	35,301,072

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

Notes to the condensed interim financial information
For the period ended 30 June 2025

1 Legal status and activities

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

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

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

2 Basis of preparation

This condensed interim financial information is for the six-month period ended 30 June 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

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

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

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

3 Material accounting policy information

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

Application of new and revised International Financial Reporting Standards IFRS Accounting Standards

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

3 Material accounting policy information (continued)

Application of new and revised International Financial Reporting Standards IFRS Accounting Standards (Continued)

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability	1 January 2025

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

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

Standard number	Title	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	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Taxation

Current

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Deferred taxation

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

Interim Measurement

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

- Revenues that are received seasonally, cyclically or occasionally within a financial year should not be anticipated or deferred as of the interim date, if anticipation or deferral would not be appropriate at the end of the financial year.
- Costs that are incurred unevenly during a financial year should be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year; and

3 Material accounting policy information (continued)

Interim measurement (continued)

- Income tax expense should be recognised based on the best estimate of the weighted average annual effective income tax rate expected for the full financial year.

Critical accounting estimates and judgments in applying accounting policies

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

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

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2024.

There have been no changes in any risk management policies since the year end.

4 Investment Properties

Investment properties comprises of two commercial buildings in Dubai, UAE and Ras Al Khaimah, UAE.

Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as level 3 in the fair value hierarchy as at 30 June 2025 (31 December 2024: Level 3).

5 Financial investments

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Financial assets at fair value through profit or loss (FVTPL)	**140,501,321**	154,527,065
Financial assets at fair value through other comprehensive income (FVTOCI)	**96,937,599**	126,972,140
	237,438,920	281,499,205

5 Financial investments (continued)

Movements in financial investments

The gross movements in investments at FVTPL is as follows:

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Opening balance	**154,527,065**	155,987,108
Purchased during the period/year	**-**	18,858,384
Sold during the period/year	**(14,152,096)**	(17,889,552)
Changes in fair value during the period/year	**126,352**	(2,428,875)
Closing balance	**140,501,321**	154,527,065

The gross movements in equity investments at FVTOCI is as follows:

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Opening balance	**126,972,140**	113,580,481
Purchased during the period/year	**-**	58,918,371
Sold during the period/year	**(37,426,712)**	(65,697,701)
Changes in fair value during the period/year	**7,392,171**	20,170,989
Closing balance	**96,937,599**	126,972,140

The Company's marketable listed securities of Emirates NBD Bank PJSC, totaling AED 71,428,571 (2024: AED 71,428,571), are pledged as collateral under a custody/lien arrangement.

6 Insurance and reinsurance contracts

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

Contracts measured under the PAA

30 June 2025 - Unaudited	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	131,137,240	27,792,709	503,686,789	32,915,941	695,532,679
Insurance revenue	(273,876,644)	-	-	-	(273,876,644)
Insurance service expenses	61,150,638	(12,266,639)	201,404,268	(16,874,278)	233,413,989
Incurred claims and other expenses	-	-	204,008,578	6,715,051	210,723,629
Amortisation of insurance acquisition cash flows	61,150,638	-	-	-	61,150,638
Losses on onerous contracts and reversals	-	180,454,459	-	-	180,454,459
Reversals of losses on onerous contracts	-	(192,721,098)	-	-	(192,721,098)
Changes to liabilities for incurred claims	-	-	(2,604,310)	(23,589,329)	(26,193,639)
Insurance service result	(212,726,006)	(12,266,639)	201,404,268	(16,874,278)	(40,462,655)
Insurance finance expense	-	-	9,816,411	690,387	10,506,798
Total changes in the statement of comprehensive income	(212,726,006)	(12,266,639)	211,220,679	(16,183,891)	(29,955,857)
Cash flows					
Premiums received	287,991,628	-	-	-	287,991,628
Claims and other expenses paid	-	-	(292,045,164)	-	(292,045,164)
Insurance acquisition paid	(56,520,945)	-	-	-	(56,520,945)
Total cash flows	231,470,683	-	(292,045,164)	-	(60,574,481)
Net insurance contract liabilities as at 30 June	149,881,917	15,526,070	422,862,304	16,732,050	605,002,341

6 Insurance and reinsurance contracts (continued)

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

31 December 2024 - Audited	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	126,274,391	20,876,146	304,650,502	13,697,488	465,498,527
Insurance revenue	(606,962,559)	-	-	-	(606,962,559)
Insurance service expenses	130,921,098	6,916,563	762,389,495	19,218,453	919,445,609
Incurred claims and other expenses	-	-	681,905,703	30,413,383	712,319,086
Amortisation of insurance acquisition cash flows	130,921,098	-	-	-	130,921,098
Losses on onerous contracts and reversals	-	6,916,563	-	-	6,916,563
Changes to liabilities for incurred claims	-	-	80,483,792	(11,194,930)	69,288,862
Insurance service result	(476,041,461)	6,916,563	762,389,495	19,218,453	312,483,050
Insurance finance expense	-	-	6,711,379	-	6,711,379
Total changes in the statement of comprehensive income	(476,041,461)	6,916,563	769,100,874	19,218,453	319,194,429
Cash flows					
Premiums received	624,758,186	-	-	-	624,758,186
Claims and other expenses paid	-		(570,064,587)	-	(570,064,587)
Insurance acquisition paid	(143,853,876)	-	-	-	(143,853,876)
Total cash flows	480,904,310	-	(570,064,587)	-	(89,160,277)
Net insurance contract liabilities as at 31 December	131,137,240	27,792,709	503,686,789	32,915,941	695,532,679

6 Insurance and reinsurance contracts (continued)

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

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

Contracts measured under the PAA

30 June 2025 - Unaudited	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	61,007,938	12,050,543	350,915,970	26,888,269	450,862,720
Reinsurance contract liabilities as at 1 January	(13,926,347)	140,615	9,979,685	915	(3,805,132)
Net reinsurance contract assets	47,081,591	12,191,158	360,895,655	26,889,184	447,057,588
An allocation of reinsurance premiums	118,998,544	-	-	-	118,998,544
Amounts recoverable from reinsurers for incurred claims	(2,982,033)	5,232,268	(79,400,722)	14,647,146	(62,503,341)
Amounts recoverable for incurred claims and other expenses	-	-	(108,907,721)	(4,385,449)	(113,293,170)
Amortisation of insurance acquisition cash flows	(2,982,033)	-	-	-	(2,982,033)
Loss-recovery on onerous underlying contracts and adjustments	-	5,232,268	-	-	5,232,268
Changes to amounts recoverable for incurred claims	-	-	29,506,999	19,032,595	48,539,594
Net income or expense from reinsurance contracts held	116,016,511	5,232,268	(79,400,722)	14,647,146	56,495,203
Reinsurance finance income	-	-	(7,507,211)	(596,764)	(8,103,975)
Total changes in the statement of comprehensive income	116,016,511	5,232,268	(86,907,933)	14,050,382	48,391,228
Cash flows					
Premiums paid	(140,888,147)	-	-	-	(140,888,147)
Amounts received	39,507,082	-	141,574,613	-	181,081,695
Total cash flows	(101,381,065)	-	141,574,613	-	40,193,548
Reinsurance contract assets as at 30 June	32,446,145	6,958,890	306,228,975	12,838,802	358,472,812

6 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

31 December 2024 - Audited	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	15,456,330	7,439,234	179,427,908	10,477,701	212,801,173
Reinsurance contract liabilities as at 1 January	(7,576,498)	-	2,117,884	16,209	(5,442,405)
Net reinsurance contract assets	7,879,832	7,439,234	181,545,792	10,493,910	207,358,768
An allocation of reinsurance premiums	(324,743,039)	-	-	-	(324,743,039)
Amounts recoverable from reinsurers for incurred claims	-	4,751,925	527,479,944	16,395,275	548,627,144
Amounts recoverable for incurred claims and other expenses	-	-	426,334,960	30,669,957	457,004,917
Loss-recovery on onerous underlying contracts and	-	4,751,925	-	-	4,751,925
Changes to amounts recoverable for incurred claims	-	-	101,144,984	(14,274,682)	86,870,302
Net income or expense from reinsurance contracts held	(324,743,039)	4,751,925	527,479,944	16,395,275	223,884,105
Reinsurance finance income	-	-	4,815,609	-	4,815,609
Total changes in the statement of comprehensive income	(324,743,039)	4,751,925	532,295,553	16,395,275	228,699,714
Cash flows					
Premiums paid	363,944,798	-	-	-	363,944,798
Amounts received	-	-	(352,945,692)	-	(352,945,692)
Total cash flows	363,944,798	-	(352,945,692)	-	10,999,106
Reinsurance contract assets as at 31 December	61,007,938	12,050,543	350,915,970	26,888,269	450,862,720
Reinsurance contract liabilities as at 31 December	(13,926,347)	140,615	9,979,685	915	(3,805,132)
Net reinsurance contract assets as at 31 December	47,081,591	12,191,159	360,895,653	26,889,185	447,057,588

7 Statutory deposits

As at 30 June 2025, deposit of AED 10,000,000 (31 December 2024: AED 10,000,000) has been placed with one of the Company's bank in accordance with UAE Federal Law No. 48 of 2023. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the Central Bank of the United Arab Emirates and bears an interest rate of 5% per annum (2024: 5% per annum).

8 Bank balances and cash

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Bank balances and cash with local banks in UAE	**83,830,893**	21,971,602
Less: Bank deposits with original maturity over 3 months	**(3,000,000)**	(3,000,000)
Cash and cash equivalents	**80,830,893**	18,971,602

9 Share capital

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Issued and fully paid:		
160,000,000 ordinary shares of AED 1 each	**160,000,000**	160,000,000

10 Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021, the Company has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation as the Company made a loss for the period ended 30 June 2025 (31 December 2024: nil), as this will be reassessed at the year-end.

11 Basic and diluted earnings per share

	Three-month period ended 30 June (Unaudited)		**Six-month period ended 30 June (Unaudited)**	
	2025 AED	2024 AED	**2025 AED**	2024 AED
Profit/ (loss) for the period after tax	**2,394,022**	(12,945,250)	**(8,922,003)**	(9,945,235)
Weighted average number of shares	**160,000,000**	160,000,000	**160,000,000**	160,000,000
Profit/ (loss) per share after tax	**0.015**	(0.081)	**(0.056)**	(0.062)

Basic and diluted earnings per share are calculated by dividing the profit/ (loss) for the period by the number of shares outstanding at the end of the reporting period. Diluted earnings per share are equivalent to basic earnings per share.

12 Insurance services expenses

	Six-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Incurred claims and other expenses	**210,723,629**	402,433,759
Amortisation of insurance acquisition cash flows	**61,150,638**	63,968,516
Losses on onerous contracts	**(12,266,639)**	4,173,625
Changes to liabilities for incurred claims	**(26,193,639)**	40,923,033
Insurance services expenses	**233,413,989**	511,498,933

	Three-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Incurred claims and other expenses	**122,061,465**	274,104,172
Amortisation of insurance acquisition cash flows	**31,430,055**	32,519,975
Losses on onerous contracts and reversals of those losses	**(11,562,079)**	4,149,351
Changes to liabilities for incurred claims	**(48,735,518)**	36,196,770
Insurance services expenses	**93,193,923**	346,970,268

13 Total investment income and net insurance financial results

	Six-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Rental income from investment properties	**1,597,895**	1,335,905
Investment property expenses	**(495,701)**	(377,172)
Income from investment property – net	**1,102,194**	958,733
Interest income - fixed deposits	**341,689**	571,589
Dividend income - investments at FVTOCI	**4,831,881**	6,805,308
Dividend income - investments at FVTPL	**1,670,421**	2,743,502
Interest income from bonds	**2,645,734**	2,762,340
Profit/(loss) in fair value of investments FVTPL	**126,352**	(2,667,271)
Net investment income	**10,718,271**	11,174,201

13 Total investment income and net insurance financial results (continued)

	Three-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Rental income from investment properties	**831,292**	922,439
Investment property expenses	**(244,780)**	(186,306)
Income from investment property – net	**586,512**	736,133
Interest income - fixed deposits	**150,151**	209,915
Dividend income - investments at FVTOCI	**2,535,401**	63,609
Dividend income - investments at FVTPL	**979,459**	1,946,494
Interest income from bonds	**1,236,783**	1,366,347
Profit/ (loss) in fair value of investments FVTPL	**96,407**	(1,148,611)
Net investment income	**5,584,713**	3,173,887

Insurance and reinsurance finance income and expense

	Six-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Finance expenses from insurance contracts issued	**(10,506,798)**	(4,010,574)
Finance income from reinsurance contracts held	**8,103,975**	2,823,990
Net insurance finance expenses	**(2,402,823)**	(1,186,584)

	Three-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Finance expenses from insurance contracts issued	**(5,527,231)**	(1,156,412)
Finance income from reinsurance contracts held	**4,084,741**	873,397
Net insurance finance expenses	**(1,442,490)**	(283,015)

13 Investment income and net insurance financial result (continued)

For the period of six-month 30 June 2025	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
Insurance finance expenses from insurance contracts issued				
Interest accreted to insurance contracts using current financial assumptions	(6,616,037)	(1,807,062)	(1,518,460)	(9,941,559)
Due to changes in interest rates and other financial assumptions	(482,036)	(64,670)	(18,533)	(565,239)
Total insurance finance expenses from insurance contracts issued	(7,098,073)	(1,871,732)	(1,536,993)	(10,506,798)
Represented by:				
Amounts recognised in profit or loss	(7,098,073)	(1,871,732)	(1,536,993)	(10,506,798)
Reinsurance finance income from reinsurance contracts held				
Interest accreted to reinsurance contracts using current financial assumptions	6,020,686	918,649	470,038	7,409,373
Due to changes in interest rates and other financial assumptions	648,156	28,065	18,381	694,602
Total reinsurance finance income from reinsurance contracts held	6,668,842	946,714	488,419	8,103,975
Represented by:				
Amounts recognised in profit or loss	6,668,842	946,714	488,419	8,103,975
Net insurance finance expense	(429,231)	(925,018)	(1,048,574)	(2,402,823)
Represented by:				
Amounts recognised in profit or loss	(429,231)	(925,018)	(1,048,574)	(2,402,823)

13 Investment income and net insurance financial result (continued)

For the period of six-month 30 June 2024	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
Insurance finance expenses from insurance contracts issued				
Interest accreted to insurance contracts using current financial assumptions	(2,744,355)	(1,361,036)	(1,380,638)	(5,486,029)
Due to changes in interest rates and other financial assumptions	1,070,903	272,360	132,192	1,475,455
Total insurance finance expenses from insurance contracts issued	(1,673,452)	(1,088,676)	(1,248,446)	(4,010,574)
Represented by:				
Amounts recognised in profit or loss	(1,673,452)	(1,088,676)	(1,248,446)	(4,010,574)
Reinsurance finance income from reinsurance contracts held				
Interest accreted to reinsurance contracts using current financial assumptions	2,589,266	511,690	1,003,060	4,104,016
Due to changes in interest rates and other financial assumptions	(1,081,928)	(94,661)	(103,437)	(1,280,026)
Total reinsurance finance income from reinsurance contracts held	1,507,338	417,029	899,623	2,823,990
Represented by:				
Amounts recognised in profit or loss	1,507,338	417,029	899,623	2,823,990
Net insurance finance expense	(166,114)	(671,646)	(348,824)	(1,186,584)
Represented by:				
Amounts recognised in profit or loss	(166,114)	(671,646)	(348,824)	(1,186,584)

13 Investment income and net insurance financial result (continued)

For the period of three-month 30 June 2025	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
Insurance finance expenses from insurance contracts issued				
Interest accreted to insurance contracts using current financial assumptions	(3,415,802)	(996,895)	(829,699)	(5,242,396)
Due to changes in interest rates and other financial assumptions	(258,198)	(25,484)	(1,153)	(284,835)
Total insurance finance expenses from insurance contracts issued	(3,674,000)	(1,022,379)	(830,852)	(5,527,231)
Represented by:				
Amounts recognised in profit or loss	(3,674,000)	(1,022,379)	(830,852)	(5,527,231)
Reinsurance finance income from reinsurance contracts held				
Interest accreted to reinsurance contracts using current financial assumptions	3,153,483	319,809	125,533	3,598,825
Due to changes in interest rates and other financial assumptions	456,409	21,894	7,613	485,916
Total reinsurance finance income from reinsurance contracts held	3,609,892	341,703	133,146	4,084,741
Represented by:				
Amounts recognised in profit or loss	3,609,892	341,703	133,146	4,084,741
Net insurance finance expense	(64,108)	(680,676)	(697,706)	(1,442,490)
Represented by:				
Amounts recognised in profit or loss	(64,108)	(680,676)	(697,706)	(1,442,490)

13 Investment income and net insurance financial result (continued)

For the period of three-month 30 June 2024	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
Insurance finance expenses from insurance contracts issued				
Interest accreted to insurance contracts using current financial assumptions	(1,103,565)	(462,745)	(529,702)	(2,096,012)
Due to changes in interest rates and other financial assumptions	788,311	114,185	37,104	939,600
Total insurance finance expenses from insurance contracts issued	(315,254)	(348,560)	(492,598)	(1,156,412)
Represented by:				
Amounts recognised in profit or loss	(315,254)	(348,560)	(492,598)	(1,156,412)
Reinsurance finance income from reinsurance contracts held				
Interest accreted to reinsurance contracts using current financial assumptions	1,080,844	236,556	426,038	1,743,438
Due to changes in interest rates and other financial assumptions	(786,906)	(52,990)	(30,145)	(870,041)
Total reinsurance finance income from reinsurance contracts held	293,938	183,566	395,893	873,397
Represented by:				
Amounts recognised in profit or loss	293,938	183,566	395,893	873,397
Net insurance finance expense	(21,316)	(164,994)	(96,705)	(283,015)
Represented by:				
Amounts recognised in profit or loss	(21,316)	(164,994)	(96,705)	(283,015)

14 Income Tax

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

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2025	2024	**2025**	2024
	AED	AED	**AED**	AED
Statement of profit or loss				
Deferred tax:				
Income tax (expense)/ credit on taxable profit/ (losses)	**(779,973)**	1,245,836	**607,560**	1,605,191
Statement of other comprehensive income				
Deferred tax:				
Net change in fair value of equity securities designated at OCI	**710,871**	506,949	**732,366**	65,375

During the current period, adjusted taxable losses amounted to AED 6,750,664 and as a result the company has not provided for current taxes.

Deferred taxation

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

	(Unaudited) 30 June 2025	(Audited) 31 December 2024
	AED	AED
Deferred tax asset	**8,020,377**	7,412,817
Deferred tax liability	**(2,791,267)**	(2,058,901)
Net deferred tax asset	**5,229,110**	5,353,916
Movement in net deferred tax asset:		
Opening balance	**5,353,916**	-
Income tax credit on taxable losses	**607,560**	7,412,817
Net change in the fair value of equity securities designated at OCI	**(732,366)**	(2,058,901)
Closing balance	**5,229,110**	5,353,916

15 Related party balances and transactions

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management. At the end of the reporting period, significant balances due from related parties are as follows:

	(Unaudited) 30 June 2025	(Audited) 31 December 2024
	AED	AED
Affiliates of major shareholders:		
Insurance contract liabilities	**(4,201,212)**	(1,961,250)
Liability for incurred claims	**(2,735,171)**	(3,842,960)
Other receivables	**511,431**	597,894

15 Related party balances and transactions (continued)

Transactions

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

	Three-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Affiliates of major shareholders:		
Insurance revenue	**3,727,906**	4,140,158
Insurance service expenses	**(5,567,512)**	(5,397,683)
Net payments to reinsurance brokers	**(3,028,747)**	(1,598,627)
Employee benefits to key management personnel	**2,191,971**	978,549

	Six-month period ended 30 June (Unaudited)	
	2025	2024
	AED	AED
Affiliates of major shareholders:		
Insurance revenue	**7,848,994**	8,300,021
Insurance service expenses	**(12,316,933)**	(11,042,114)
Net payments to reinsurance brokers	**(2,761,353)**	(11,326,470)
Employee benefits to key management personnel	**4,468,734**	2,142,521

16 Segment information

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

	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
For the six-month period ended 30 June 2025				
Insurance revenue	**64,920,711**	**115,938,443**	**93,017,490**	**273,876,644**
Insurance service expenses	**(30,776,815)**	**(111,403,743)**	**(91,233,431)**	**(233,413,989)**
Insurance service result before reinsurance contracts held	**34,143,896**	**4,534,700**	**1,784,059**	**40,462,655**
Allocation of reinsurance premiums	**(52,885,189)**	**(10,513,790)**	**(55,599,565)**	**(118,998,544)**
Amounts recoverable from reinsurance	**9,101,324**	**8,372,630**	**45,029,387**	**62,503,341**
Net (expenses) from reinsurance contracts held	**(43,783,865)**	**(2,141,160)**	**(10,570,178)**	**(56,495,203)**
Insurance service result	**(9,639,969)**	**2,393,540**	**(8,786,119)**	**(16,032,548)**

16 Segment information (continued)

	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
For the six-month period ended 30 June 2024				
Insurance revenue	73,766,723	103,303,445	136,463,246	313,533,414
Insurance service expenses	(233,311,728)	(158,892,363)	(119,294,842)	(511,498,933)
Insurance service result before reinsurance contracts held	(159,545,005)	(55,588,918)	17,168,404	(197,965,519)
Allocation of reinsurance premiums	(49,662,935)	(23,433,920)	(83,567,105)	(156,663,960)
Amounts recoverable from reinsurance	204,241,708	60,738,856	68,935,925	333,916,489
Net recovery from reinsurance contracts held	154,578,773	37,304,936	(14,631,180)	177,252,529
Insurance service result	(4,966,232)	(18,283,982)	2,537,224	(20,712,990)

	Commercial Unaudited AED	**Consumer Unaudited AED**	**Employee benefits Unaudited AED**	**Total Unaudited AED**
For the three-month period ended 30 June 2025				
Insurance revenue	**35,234,782**	**60,204,627**	**44,428,060**	**139,867,469**
Insurance service expenses	**13,457,434**	**(60,176,112)**	**(46,475,245)**	**(93,193,923)**
Insurance service result before reinsurance contracts held	**48,692,216**	**28,515**	**(2,047,185)**	**46,673,546**
Allocation of reinsurance premiums	**(36,909,993)**	**5,975,898**	**(25,812,782)**	**(56,746,877)**
Amounts recoverable from reinsurance	**(16,210,408)**	**4,779,112**	**23,089,749**	**11,658,453**
Net (expenses)/ recovery from reinsurance contracts held	**(53,120,401)**	**10,755,010**	**(2,723,033)**	**(45,088,424)**
Insurance service result	**(4,428,185)**	**10,783,525**	**(4,770,218)**	**1,585,122**

16 Segment information (continued)

	Commercial Unaudited AED	Consumer Unaudited AED	Employee benefits Unaudited AED	Total Unaudited AED
For the three-month period ended 30 June 2024				
Insurance revenue	36,892,950	53,874,418	62,120,625	152,887,993
Insurance service expenses	(197,399,989)	(99,309,976)	(50,260,303)	(346,970,268)
Insurance service result before reinsurance contracts held	(160,507,039)	(45,435,558)	11,860,322	(194,082,275)
Allocation of reinsurance premiums	(25,059,330)	(12,867,073)	(36,734,383)	(74,660,786)
Amounts recoverable from reinsurance	181,259,178	42,277,118	28,401,389	251,937,685
Net recovery from reinsurance contracts held	156,199,848	29,410,045	(8,332,994)	177,276,899
Insurance service result	(4,307,191)	(16,025,513)	3,527,328	(16,805,376)

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

	As at 30 June 2025 (Unaudited)			
	Commercial AED	**Consumer AED**	**Employee benefits AED**	**Total AED**
Insurance contract liabilities	**(280,784,594)**	**(212,756,527)**	**(111,461,220)**	**(605,002,341)**
Reinsurance contract assets	**157,154,062**	**23,346,388**	**177,972,362**	**358,472,812**

	As at 31 December 2024 (Audited)			
	Commercial AED	Consumer AED	Employee benefits AED	Total AED
Insurance contract liabilities	(357,402,988)	(151,610,693)	(186,518,998)	(695,532,679)
Reinsurance contract assets	306,848,909	69,104,901	71,103,778	447,057,588

17 Bank borrowing

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Opening balance	**20,000,000**	-
Additional draw downs	**20,000,000**	20,000,000
Closing balance	**40,000,000**	20,000,000

The Company entered into a renewable one-year term loan facility with a Bank in United Arab Emirates for an amount of AED 50,000,000, out of which AED 40,000,000 has been drawn as of 30 June 2025. The facility carries an effective interest rate of 3-month EIBOR + 0.65% and penal interest of 2% per annum.

17 Bank borrowing (continued)

Bank borrowing is secured by assignment of custody/lien over the financial investments amounting to AED 71,428,571 (2024; AED 71,428,571). Bank borrowings are utilised for Company's operational activities.

18 Contingent liabilities

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Letters of guarantee	**11,255,073**	11,114,948

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

During the period, the Company had AED 10 million (2024: AED 30 million) in undrawn commitment from financial institution.

19 Financial instruments

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

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

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

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2025 (Unaudited) AED	31 December 2024 (Audited) AED		
Investments at FVTPL				
Quoted equity securities	**140,501,321**	154,527,065	Level 3	Net assets valuation method.
Investment at FVTOCI				
Unquoted Investments	**96,937,599**	126,972,140	Level 1	Quoted bid prices in an active market.

20 Capital risk management

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

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	(Unaudited) 30 June 2025 AED	(Audited) 31 December 2024 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**130,157,233**	161,168,000
Minimum Guarantee Fund (MGF)	**76,300,356**	72,961,000
Basic Own Funds	**(44,615,310)**	6,089,000
MCR Solvency Margin - Minimum Capital Requirement Deficit	**(144,615,310)**	(93,911,000)
MCR Solvency Margin - Solvency Capital Requirement Deficit	**(174,772,543)**	(155,079,000)
MGF Solvency Margin – Minimum Guarantee Fund Deficit	**(120,915,666)**	(66,872,000)

As per Article (8) of Section 2 of the financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the requirements of Solvency Margins. As of 30 June 2025, the Company had solvency capital deficit of AED 174,772,543 as compared to requirements of AED 130,157,233. The Company's ability to comply with the solvency requirements depends on the effective implementation of the business plan submitted to the Central Bank of UAE.

21 Subsequent events

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

22 Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 14 August 2025.