

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

**INTERIM CONDENSED FINANCIAL  
STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2026 (UNAUDITED)**

## The Board of Directors' Report – Period ended 31<sup>st</sup> March 2026

On behalf of the Board, I am pleased to present the Directors' Report for the period ended March 31, 2026.

During the first quarter of 2026, Fidelity United delivered an improved financial performance compared with the corresponding period of 2025. While the Company reported a net loss for the quarter, the loss narrowed significantly year on year, reflecting continued progress toward sustainable profitability.

Insurance revenue for the quarter ended March 31, 2026 increased to AED 176.4 million from AED 134.0 million in the corresponding period of 2025, representing growth of 32%. This demonstrates a stronger top-line performance during the quarter.

Insurance service expenses for the quarter were AED 245.6 million compared with AED 140.2 million in the prior-year period. However, this was materially offset by a strong improvement in reinsurance results, with net recovery from reinsurance contracts held amounting to AED 64.3 million compared with a net expense of AED 11.4 million in the first quarter of 2025. As a result, the insurance service result improved significantly, with the loss narrowing to AED 4.9 million from AED 17.6 million, representing a 72% improvement year on year.

Net investment income amounted to AED 3.7 million compared with AED 5.1 million in the corresponding period last year, driven by the geopolitical situation in the region. Overall, the Company reported a net loss before tax of AED 1.8 million for the quarter, compared with a net loss before tax of AED 12.7 million in the first quarter of 2025, representing an improvement of 86%. After recognizing an income tax benefit of AED 0.6 million, net loss after tax stood at AED 1.3 million versus AED 11.3 million in the corresponding period last year, an improvement of 89%.

During the first quarter of 2026, the Company also received AED 30 million as a capital injection, further strengthening its capital base and supporting the execution of its strategic priorities.

Key Financial Parameters (in '000)	For the period ended on 31 <sup>st</sup> March		Variance
	2026	2025	
Insurance Revenue	176,395	134,009	32%
Insurance Service Expenses	(245,619)	(140,220)	(75%)
Insurance Service Result	(4,905)	(17,618)	72%
Investment Income	3,733	5,133	(27%)
Net Profit/(Loss) before Tax	(1,830)	(12,704)	86%
Income tax	577	1,388	(58%)
Net Profit/(Loss) after tax	(1,252)	(11,316)	89%

### Looking Ahead

The Board is pleased with the significant improvement in the Company's quarterly results. The continued reduction in losses, together with the capital injection received during the quarter, provides a stronger foundation for the business. Management will remain focused on disciplined underwriting, prudent risk selection, optimized reinsurance arrangements, operational efficiency and selective growth in profitable segments. These actions are expected to further strengthen the Company's financial position and support its path toward sustained profitability and long-term value creation for shareholders and stakeholders.

  
Chairman of the Board  
14/05/2026



### **UNITED FIDELITY INSURANCE COMPANY**

In Conformity with the Federal Law No. 6/2007 Reg. No (8) dated 22/12/1984, Authorized paid-up Capital Dh. 190,000,000

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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNITED FIDELITY INSURANCE COMPANY (P.S.C.)**

### ***Introduction***

We have reviewed the accompanying interim condensed statement of financial position of United Fidelity Insurance Company (P.S.C.) (the "Company") as at 31 March 2026 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the three-month period then ended, and material accounting policy information and other 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 condensed financial statements 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 – Solvency Deficit***

We draw attention to note 20 to the interim condensed financial statements which states that the Company had a deficit of AED 120,869,888 against the solvency capital requirement of AED 139,551,002 required as at 31 March 2026. The Company's ability to comply with the solvency capital requirement depends on the effective implementation of its solvency recovery plan, including capital injection as stated in note 20.

### ***Other Matters***

The interim condensed financial statements of the Company for three-month period ended 31 March 2025 were reviewed by another auditor whose report dated 12 May 2025 expressed an unmodified conclusion on those interim condensed financial statements. Also, the financial statements as of 31 December 2025, were audited by another auditor whose report dated 16 March 2026 expressed an unmodified opinion on those financial statements.

Ernst & Young Middle East (Abu Dhabi Branch)



Ashraf Abu-Sharkh  
Registration No.: 690

14 May 2026

Abu Dhabi, United Arab Emirates


United Fidelity Insurance Company (P.S.C.)


INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026 (unaudited)

	<i>Notes</i>	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
<b>ASSETS</b>			
Property and equipment		9,759,613	7,776,752
Investment properties	4	47,767,999	47,767,999
Investments at fair value through profit or loss (FVTPL)	5	119,391,974	138,142,934
Investments at fair value through other comprehensive income (FVTOCI)	5	117,119,481	98,474,491
Reinsurance contract assets	6	361,266,034	259,603,083
Prepayments and accrued income		13,726,129	6,264,477
Statutory deposits	7	10,000,000	10,000,000
Deferred tax asset	14	8,410,410	7,833,008
Bank balances and cash	8	125,962,234	79,612,747
<b>TOTAL ASSETS</b>		<b>813,403,874</b>	<b>655,475,491</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	190,000,000	160,000,000
Statutory reserve	10	1,952,347	1,952,347
General reserve		447,524	447,524
Reinsurance reserve		7,179,574	7,179,574
Cumulative change in fair value of FVTOCI investments		16,448,430	16,649,119
Accumulated losses		(91,725,546)	(84,139,015)
<b>TOTAL EQUITY</b>		<b>124,302,329</b>	<b>102,089,549</b>
<b>LIABILITIES</b>			
Employees' end of service benefits		3,209,639	3,019,709
Insurance contract liabilities	6	583,824,574	474,105,454
Reinsurance contract liabilities	6	13,287,071	1,936,094
Deferred tax liability	14	2,299,807	2,929,587
Bank borrowing	17	45,200,000	37,500,000
Lease liabilities		3,745,883	3,928,698
Accrued expenses and other payables		37,534,571	29,966,400
<b>TOTAL LIABILITIES</b>		<b>689,101,545</b>	<b>553,385,942</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>813,403,874</b>	<b>655,475,491</b>

This condensed interim financial information was authorised for issue on 14 May 2026 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.)  
**INTERIM CONDENSED INCOME STATEMENT**  
For three-month period ended 31 March 2026 (unaudited)

	<i>Notes</i>	<i>Three-month period ended 31 March (unaudited)</i>	
		<i>2026 AED</i>	<i>2025 AED</i>
Insurance revenue	16	<b>176,394,573</b>	134,009,175
Insurance service expenses	12	<b>(245,619,475)</b>	(140,220,066)
<b>Insurance service result before reinsurance contracts held</b>		<b>(69,224,902)</b>	(6,210,891)
Allocation of reinsurance premiums		<b>(55,229,347)</b>	(62,251,667)
Amounts recoverable from reinsurance for incurred claims		<b>119,549,522</b>	50,844,888
Net recovery from reinsurance contracts held		<b>64,320,175</b>	(11,406,779)
<b>Insurance service result</b>		<b>(4,904,727)</b>	(17,617,670)
Investment income	13	<b>3,733,045</b>	5,133,558
Finance expenses from insurance contracts issued	13	<b>(2,354,047)</b>	(4,979,567)
Finance income from reinsurance contracts held	13	<b>1,958,516</b>	4,019,234
<b>Net insurance finance expenses</b>		<b>(395,531)</b>	(960,333)
<b>Net insurance and investment results</b>		<b>(1,567,213)</b>	(13,444,445)
Other operating (expenses) / income		<b>(262,593)</b>	740,887
<b>LOSS BEFORE TAX</b>		<b>(1,829,806)</b>	(12,703,558)
Income tax benefit	14	<b>577,402</b>	1,387,533
<b>LOSS AFTER TAX</b>		<b>(1,252,404)</b>	(11,316,025)
Basic and diluted loss per share	11	<b>(0.007)</b>	(0.071)

The notes from 1 to 22 form an integral part of these interim condensed financial statements.

United Fidelity Insurance Company (P.S.C.)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For three-month period ended 31 March 2026 (unaudited)

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
<b>Loss after tax</b>	<b>(1,252,404)</b>	(11,316,025)
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net change in fair value of equity investments designated at FVTOCI – net of tax	<b>(6,006,327)</b>	(682,391)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net change in fair value of debt instruments designated at FVTOCI – net of tax	<b>(528,489)</b>	-
<b>Other comprehensive loss for the period</b>	<b>(6,534,816)</b>	(682,391)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(7,787,220)</b>	(11,998,416)

The notes from 1 to 22 form an integral part of these interim condensed financial statements.

United Fidelity Insurance Company (P.S.C.)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For three-month period ended 31 March 2026 (unaudited)

	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>General reserve AED</i>	<i>Reinsurance reserve AED</i>	<i>Cumulative change in fair value of FVTOCI investments AED</i>	<i>Accumulated losses AED</i>	<i>Total equity AED</i>
Balance at 1 January 2025 (audited)	160,000,000	1,375,495	447,524	6,140,986	14,819,856	(94,521,181)	88,262,680
Loss for the period	-	-	-	-	-	(11,316,025)	(11,316,025)
Other comprehensive loss for the period	-	-	-	-	(682,391)	-	(682,391)
Total comprehensive loss for the period	-	-	-	-	(682,391)	(11,316,025)	(11,998,416)
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	(3,460,018)	3,460,018	-
Balance at 31 March 2025 (unaudited)	<u>160,000,000</u>	<u>1,375,495</u>	<u>447,524</u>	<u>6,140,986</u>	<u>10,677,447</u>	<u>(102,377,188)</u>	<u>76,264,264</u>
Balance at 1 January 2026 (audited)	160,000,000	1,952,347	447,524	7,179,574	16,649,119	(84,139,015)	102,089,549
Increase in share capital (note 9)	30,000,000	-	-	-	-	-	30,000,000
Loss for the period	-	-	-	-	-	(1,252,404)	(1,252,404)
Other comprehensive loss for the period	-	-	-	-	(6,534,816)	-	(6,534,816)
Total comprehensive loss for the period	-	-	-	-	<b>(6,534,816)</b>	<b>(1,252,404)</b>	<b>(7,787,220)</b>
Transfer to accumulated losses on sale of equity instruments designated at FVTOCI	-	-	-	-	6,334,127	(6,334,127)	-
Balance at 31 March 2026 (unaudited)	<u><b>190,000,000</b></u>	<u><b>1,952,347</b></u>	<u><b>447,524</b></u>	<u><b>7,179,574</b></u>	<u><b>16,448,430</b></u>	<u><b>(91,725,546)</b></u>	<u><b>124,302,329</b></u>

The notes from 1 to 22 form an integral part of these interim condensed financial statements.

United Fidelity Insurance Company (P.S.C.)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For three-month period ended 31 March 2026 (unaudited)

	Notes	<i>Three-month period ended 31 March (unaudited)</i>	
		<i>2026 AED</i>	<i>2025 AED</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(1,829,806)	(12,703,558)
Adjustments for:			
Depreciation of property and equipment		602,976	729,368
Change in fair value for investments at FVTPL	13	3,125,417	489
Investment income	13	(6,975,404)	(5,128,069)
Provision for expected credit losses		(2,200,149)	180,078
Interest expense lease liability		38,949	91,230
Provision for employees' end of service indemnity		745,597	108,734
Finance cost		291,542	823,547
Operating cash flows before changes in working capital		(6,200,878)	(15,898,181)
Changes in working capital:			
Prepayments and other receivables		(5,034,233)	(5,812,804)
Reinsurance contract assets		(101,662,951)	(723,560)
Reinsurance contract liabilities and insurance contract liabilities		121,070,105	(7,244,498)
Accrued expenses and other payables		7,568,163	3,644,491
		15,740,206	(26,034,552)
Employees end of service indemnity paid		(555,667)	(212,394)
Finance cost paid		(459,237)	(423,547)
Net cash generated from / (used in) operating activities		14,725,302	(26,670,493)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(2,585,837)	(348,117)
Proceeds from disposal of investments at FVTOCI		8,884,169	26,964,544
Interest received		1,918,030	1,594,510
Dividend received from investments at FVTOCI		4,988,272	2,987,441
Purchase of investments at FVTOCI		(14,210,699)	-
Proceeds from disposal of investments at FVTPL		15,625,543	10,611,169
Purchase of investments at FVTPL		(20,483,057)	-
Movement in fixed deposits		(10,340,594)	-
Income received from investment properties		69,101	515,682
Net cash (used in) / generated from investing activities		(16,135,072)	42,325,229
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowing from bank	17	7,700,000	20,000,000
Increase in share capital	9	30,000,000	-
Payment of lease liabilities		(281,336)	(1,153,481)
Net cash generated from financing activities		37,418,664	18,846,519
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>36,008,894</b>	<b>34,501,255</b>
Cash and cash equivalents at beginning of the period		48,105,713	18,971,602
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	8	<b>84,114,607</b>	<b>53,472,857</b>

The notes from 1 to 22 form an integral part of these interim condensed financial statements.

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 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. Registered office of the Company is located at Office 407, Bloom Central Building, Airport Road, Al Manhal, Al Tibbiya, Abu Dhabi, United Arab Emirates. The Company’s ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

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

The Company is subject to the regulations of the UAE Federal Law No. (32) of 2021, as amended. On 16 September 2025, Federal Decree-Law No. (6) of 2025 regarding the Central Bank, the Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect. This new law repealed Federal Decree-Law No. 48 of 2023 concerning the Financial Regulations of Insurance Companies issued by the Central Bank of the United Arab Emirates. The Companies must within a period not exceeding twelve months from the date of the enforcement of its provisions from 16 September 2025 comply with the provisions of the UAE Federal Decree Law No (6) of 2025. The Company is currently evaluating the impact of the CBUAE Law and will implement required changes with in the transition period.

### 2 BASIS OF PREPARATION

This condensed interim financial information is for the three-month period ended 31 March 2026 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. These interim condensed financial statements 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.

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

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

These interim condensed financial statements does not include all the information required in annual financial statements in accordance with IFRSs and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2025. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of these interim condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2025, except for application of new standards effective as of 1 January 2026 and several amendments and interpretations apply for the first time in 2026.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

#### New and revised IFRS adopted in the condensed interim financial information

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

<u><i>New and revised IFRSs</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument and contracts referencing nature.	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

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

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

<u><i>New and revised IFRS</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027, earlier application is permitted
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027, earlier application is permitted
Translation to a Hyperinflationary Presentation Currency. Amendments to IAS 21	1 January 2027

Management anticipates that these new standards, interpretations, and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

### 4 INVESTMENT PROPERTIES

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

Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as level 3 in the fair value hierarchy as at 31 March 2026. (31 December 2025: Level 3).

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

**5 FINANCIAL INVESTMENTS**

**5.1 Financial assets at fair value through profit or loss (FVTPL):**

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Quoted bonds and mutual funds – inside UAE	<b>82,644,943</b>	97,254,381
Unquoted investments in real estate funds - outside UAE	<b>26,955,546</b>	28,686,127
Unquoted investments in real estate funds - inside UAE	<b>9,791,485</b>	9,862,075
Unquoted equity securities – outside UAE	-	2,340,351
Total	<b><u>119,391,974</u></b>	<b><u>138,142,934</u></b>

The gross movements in investments at FVTPL is as follows:

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Opening balance	<b>138,142,934</b>	154,527,065
Sold during the period/year	<b>(15,625,543)</b>	(15,076,546)
Changes in fair value during the period/year	<b>(3,125,417)</b>	(1,307,585)
Closing balance	<b><u>119,391,974</u></b>	<b><u>138,142,934</u></b>

**5.2 Financial assets at fair value through other comprehensive income (FVOCI):**

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Quoted equity securities – inside UAE	<b>97,217,173</b>	98,131,307
Quoted bonds – inside UAE	<b>19,902,301</b>	-
Quoted equity securities – outside UAE	<b>7</b>	343,184
Total	<b><u>117,119,481</u></b>	<b><u>98,474,491</u></b>

The gross movements in investments at FVOCI is as follows:

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Opening balance	<b>98,474,491</b>	126,972,140
Purchased during the period/year	<b>34,693,756</b>	-
Sold during the period/year	<b>(9,051,196)</b>	(38,171,969)
Changes in fair value during the period/year	<b>(6,997,570)</b>	9,674,320
Closing balance	<b><u>117,119,481</u></b>	<b><u>98,474,491</u></b>

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

6 INSURANCE AND REINSURANCE CONTRACTS

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

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

**Contracts measured under the PAA**

*31 March 2026 – (unaudited)*

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		<i>Total AED</i>
	<i>Excluding loss component AED</i>	<i>Loss component AED</i>	<i>Estimates of the present value of future cash flows AED</i>	<i>Risk adjustment AED</i>	
Insurance contract liabilities at start of period	179,718,582	18,460,387	266,426,407	9,500,078	474,105,454
<b>Insurance revenue</b>	<b>(176,394,573)</b>	-	-	-	<b>(176,394,573)</b>
<i>Insurance service expenses</i>					
Incurring claims and other expenses	-	-	178,708,038	3,867,122	182,575,160
Changes to liabilities for incurred claims	-	-	27,304,359	602,595	27,906,954
Amortisation of insurance acquisition cash flows	38,825,428	-	-	-	38,825,428
Losses on onerous contracts and (reversal of those) losses	-	(3,688,067)	-	-	(3,688,067)
<b>Insurance service result</b>	<b>(137,569,145)</b>	<b>(3,688,067)</b>	<b>206,012,397</b>	<b>4,469,717</b>	<b>69,224,902</b>
Insurance finance expense	-	-	2,275,263	78,784	2,354,047
<b>Total changes the income statement</b>	<b>(137,569,145)</b>	<b>(3,688,067)</b>	<b>208,287,660</b>	<b>4,548,501</b>	<b>71,578,949</b>
<i>Cash flows</i>					
Premiums received	198,117,543	-	-	-	198,117,543
Claims and other expenses paid	-	-	(120,923,989)	-	(120,923,989)
Insurance acquisition cash flows	(39,053,383)	-	-	-	(39,053,383)
<b>Total cash flows</b>	<b>159,064,160</b>	-	<b>(120,923,989)</b>	-	<b>38,140,171</b>
Insurance contract liabilities at end of the period	<b>201,213,597</b>	<b>14,772,320</b>	<b>353,790,078</b>	<b>14,048,579</b>	<b>583,824,574</b>

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

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 2025 – (audited)

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		
	<i>Excluding loss component Audited AED</i>	<i>Loss component Audited AED</i>	<i>Estimates of the present value of future cash flows Audited AED</i>	<i>Risk adjustment Audited AED</i>	<i>Total Audited AED</i>
Insurance contract liabilities at start of the year	131,137,234	27,792,709	503,686,792	32,915,943	695,532,678
Insurance revenue	(562,669,709)	-	-	-	(562,669,709)
<i>Insurance service expenses</i>					
Incurred claims and other expenses	-	-	366,258,820	4,806,395	371,065,215
Amortisation of insurance acquisition cash flows	127,965,248	-	-	-	127,965,248
Losses on onerous contracts	-	(9,332,322)	-	-	(9,332,322)
Changes to liabilities for incurred claims	-	-	(11,852,812)	(29,164,191)	(41,017,003)
Insurance service result	(434,704,461)	(9,332,322)	354,406,008	(24,357,796)	(113,988,571)
Insurance finance expense	-	-	12,636,243	941,931	13,578,174
Total changes in the income statement	(434,704,461)	(9,332,322)	367,042,251	(23,415,865)	(100,410,397)
<i>Cash flows</i>					
Premiums received	623,498,618	-	-	-	623,498,618
Claims and other expenses paid	-	-	(604,302,636)	-	(604,302,636)
Insurance acquisition paid	(140,212,809)	-	-	-	(140,212,809)
Total cash flows	483,285,809	-	(604,302,636)	-	(121,016,827)
Insurance contract liabilities at end of the year (audited)	179,718,582	18,460,387	266,426,407	9,500,078	474,105,454

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

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**

31 March 2026 – (unaudited)

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		<i>Total AED</i>
	<i>Excluding loss recovery component AED</i>	<i>Loss component AED</i>	<i>Estimates of the present value of future cash flows AED</i>	<i>Risk adjustment AED</i>	
Reinsurance contract assets at start of the period	(28,844,502)	(9,377,040)	(213,505,029)	(7,876,512)	(259,603,083)
Reinsurance contract liabilities at start of the period	4,167,184	(64)	(2,138,557)	(92,469)	1,936,094
<b>Net reinsurance contract assets</b>	<b>(24,677,318)</b>	<b>(9,377,104)</b>	<b>(215,643,586)</b>	<b>(7,968,981)</b>	<b>(257,666,989)</b>
Allocation of reinsurance premiums	55,229,347	-	-	-	55,229,347
Amounts recoverable from reinsurers for incurred claims	-	-	(135,926,588)	(4,200,886)	(140,127,474)
Amortisation of insurance acquisition cash flows	(1,188,382)	-	-	-	(1,188,382)
Loss-recovery on onerous underlying contracts and adjustments	-	2,625,392	-	-	2,625,392
Changes to amounts recoverable for incurred claims	-	-	19,536,114	(395,172)	19,140,942
<b>Net income or expense from reinsurance contracts held</b>	<b>54,040,965</b>	<b>2,625,392</b>	<b>(116,390,474)</b>	<b>(4,596,058)</b>	<b>(64,320,175)</b>
Reinsurance finance income	-	-	(1,891,463)	(67,053)	(1,958,516)
<b>Total changes in income statement</b>	<b>54,040,965</b>	<b>2,625,392</b>	<b>(118,281,937)</b>	<b>(4,663,111)</b>	<b>(66,278,691)</b>
<b>Cash flows</b>					
Premiums paid	(62,739,611)	-	-	-	(62,739,611)
Amounts received	(2,819,877)	-	41,526,204	-	38,706,327
<b>Total cash flows</b>	<b>(65,559,488)</b>	<b>-</b>	<b>41,526,204</b>	<b>-</b>	<b>(24,033,284)</b>
Reinsurance contract assets at end of the period	(63,892,510)	(6,251,525)	(278,800,657)	(12,321,342)	(361,266,034)
Reinsurance contract liabilities at end of the period	27,696,669	(500,186)	(13,598,662)	(310,750)	13,287,071
<b>Net reinsurance contract assets at the end of the period</b>	<b>(36,195,841)</b>	<b>(6,751,712)</b>	<b>(292,399,319)</b>	<b>(12,632,092)</b>	<b>(347,978,964)</b>

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

**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 2025 – (audited)

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		
	<i>Excluding loss recovery component Audited AED</i>	<i>Loss component Audited AED</i>	<i>Estimates of the present value of future cash flows Audited AED</i>	<i>Risk adjustment Audited AED</i>	<i>Total Audited AED</i>
Reinsurance contract assets at start of the year	(61,007,941)	(12,050,545)	(350,915,967)	(26,888,267)	(450,862,720)
Reinsurance contract liabilities at start of the year	13,926,350	(140,617)	(9,979,686)	(915)	3,805,132
Net reinsurance contract assets	(47,081,591)	(12,191,162)	(360,895,653)	(26,889,182)	(447,057,588)
Allocation of reinsurance premiums	208,792,129	-	-	-	208,792,129
Amounts recoverable from reinsurers for incurred claims	-	-	(141,727,355)	(3,979,658)	(145,707,013)
Loss-recovery on onerous underlying contracts and adjustments	-	2,814,054	-	-	2,814,054
Changes to amounts recoverable for incurred claims	-	-	34,106,262	23,704,222	57,810,484
Amortisation of insurance acquisition cash flows	(4,061,428)	-	-	-	(4,061,428)
Net income or expense from reinsurance contracts held	204,730,701	2,814,054	(107,621,093)	19,724,564	119,648,226
Reinsurance finance income			(9,824,477)	(804,363)	(10,628,840)
Total changes in the statement of comprehensive income	204,730,701	2,814,054	(117,445,570)	18,920,201	109,019,386
<i>Cash flows</i>					
Premiums paid	(184,015,133)	-	-	-	(184,015,133)
Amounts received	1,688,702	-	-	-	1,688,702
Total cash flows	(182,326,431)	-	262,697,635	-	80,371,204
Reinsurance contract assets at end of the year	(28,844,502)	(9,377,040)	(213,505,029)	(7,876,512)	(259,603,083)
Reinsurance contract liabilities at end of the year	4,167,184	(64)	(2,138,557)	(92,469)	1,936,094
Net reinsurance contract assets at end of the year	(24,677,318)	(9,377,104)	(215,643,586)	(7,968,981)	(257,666,989)

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 7 STATUTORY DEPOSITS

As at 31 March 2026, deposit of AED 10,000,000 (31 December 2025: AED 10,000,000) has been placed with one of the Company's bank in accordance with UAE Federal Law No. 6 of 2025. 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 3.7% per annum (2025: 4.7% per annum).

### 8 BANK BALANCES AND CASH

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Bank balances and cash with local banks in UAE	<b>125,962,234</b>	79,612,747
Less: Bank deposits with original maturities over 3 months	<b>(41,847,627)</b>	(31,507,034)
<b>Cash and cash equivalents</b>	<b>84,114,607</b>	48,105,713

The interest rates on deposits with banks range between 3.3% to 3.8% per annum (31 December 2025: 3.6% to 4.2% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

### 9 SHARE CAPITAL

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Issued and fully paid:		
190,000,000 ordinary shares of AED 1 each (2025: 160,000,000 ordinary shares of AED 1 each)	<b>190,000,000</b>	160,000,000

The Company raised capital amounting to AED 30 million through a right issue to its existing shareholders, issuing 30 million shares of AED 1 each. The right issue was approved in the General Assembly Meeting of the Company dated 13 October 2025 and the allotment of shares was finalised on 15 January 2026.

### 10 STATUTORY RESERVE

In accordance with the UAE Federal Decree Law No. (32) of 2021, as amended, the Company has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the three-month period ended 31 March 2026, as this will be affected at the year-end based on the Company's results for the year ending 31 December 2026.

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

**11 BASIC AND DILUTED LOSS PER SHARE**

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026</i>	<i>2025</i>
Loss for the period - (AED)	<b>(1,252,404)</b>	(11,316,025)
Weighted average number of shares*	<b>185,000,000</b>	160,000,000
Loss per share (AED)	<b>(0.007)</b>	(0.071)

\*During the period, on 15 January 2026, the Company allotted 30 million ordinary shares. Accordingly, the weighted-average number of ordinary shares outstanding for the purpose of earnings per share calculation was 185 million.

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

**12 INSURANCE SERVICE EXPENSES**

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026 AED</i>	<i>2025 AED</i>
Incurring claims and other expenses	<b>182,575,160</b>	88,662,164
Amortisation of insurance acquisition cash flows	<b>38,825,428</b>	29,720,583
Losses on onerous contracts	<b>(3,688,067)</b>	(704,560)
Changes to liabilities for incurred claims	<b>27,906,954</b>	22,541,879
<b>Insurance service expenses</b>	<b>245,619,475</b>	140,220,066

**13 INVESTMENT INCOME AND INSURANCE FINANCE RESULTS**

**Investment income:**

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026 AED</i>	<i>2025 AED</i>
Rental income from investment properties	<b>282,840</b>	766,603
Investment property expenses	<b>(213,739)</b>	(250,921)
<b>Income from investment property – net</b>	<b>69,101</b>	515,682
Dividend income	<b>4,988,273</b>	2,987,441
Fair value (loss)/gain on investments at FVTPL – net of expenses	<b>(3,242,359)</b>	35,925
Interest income from bonds	<b>1,433,693</b>	1,402,972
Interest income fixed deposits	<b>484,337</b>	191,538
<b>Net investment income</b>	<b>3,733,045</b>	5,133,558

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

**13 INVESTMENT INCOME AND INSURANCE FINANCIAL RESULTS (continued)**

**Insurance finance expense and reinsurance finance income:**

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
Finance expenses from insurance contracts issued	(2,354,047)	(4,979,567)
Finance income from reinsurance contracts held	1,958,516	4,019,234
<b>Net insurance finance expenses</b>	<b>(395,531)</b>	<b>(960,333)</b>

**14 INCOME TAX BENEFIT**

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

	<i>Three-month period ended 31 March (unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
<b>Statement of profit or loss</b>		
<i>Deferred tax:</i>		
Income tax credit on taxable losses	577,402	1,387,533
<b>Statement of other comprehensive income</b>		
<i>Deferred tax:</i>		
Temporary differences originating from net change in fair value of investments designated at FVOCI	629,780	21,195

During the current period, adjusted taxable losses amounted to AED 6,415,573 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:

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Deferred tax asset	8,410,410	7,833,008
Deferred tax liability	(2,299,807)	(2,929,587)
<b>Net deferred tax asset</b>	<b>6,110,603</b>	<b>4,903,421</b>
<b>Movement in net deferred tax asset:</b>		
At 1 January	4,903,421	5,353,916
Income tax credit on taxable losses	577,402	420,191
Net change in the fair value of equity securities designated at OCI	629,780	(870,686)
<b>Closing balance</b>	<b>6,110,603</b>	<b>4,903,421</b>

United Fidelity Insurance Company (P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

**15 RELATED PARTY BALANCES AND TRANSACTIONS**

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

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

	<i><b>31 March 2026 AED (unaudited)</b></i>	<i><b>31 December 2025 AED (audited)</b></i>
<i>Affiliates of major shareholders:</i>		
Insurance contract liabilities	<u><b>(2,343,749)</b></u>	<u>(3,187,271)</u>
Liability for incurred claims	<u><b>(788,556)</b></u>	<u>(2,408,666)</u>
Other receivables	<u><b>593,411</b></u>	<u>578,081</u>

**Transactions**

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

	<i><b>Three-month period ended 31 March (unaudited)</b></i>	
	<i><b>2026 AED</b></i>	<i><b>2025 AED</b></i>
<i>Affiliates of major shareholders:</i>		
Insurance revenue	<u><b>2,107,510</b></u>	<u>4,121,088</u>
Insurance service expenses	<u><b>(8,618,576)</b></u>	<u>(6,749,421)</u>
Net payments to reinsurance brokers	<u><b>(4,198,434)</b></u>	<u>(267,394)</u>
Employee benefits to key management personnel	<u><b>1,921,987</b></u>	<u>2,276,763</u>

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 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:

<i>31 March 2026 (unaudited)</i>	<i>Commercial AED</i>	<i>Consumer AED</i>	<i>Employee benefits AED</i>	<i>Total AED</i>
Insurance revenue	29,903,615	85,184,162	61,306,796	176,394,573
Insurance service expenses	(109,893,526)	(101,383,552)	(34,342,397)	(245,619,475)
<b>Insurance service result before reinsurance contracts held</b>	<b>(79,989,911)</b>	<b>(16,199,390)</b>	<b>26,964,399</b>	<b>(69,224,902)</b>
Allocation of reinsurance premiums	(16,869,579)	(3,761,866)	(34,597,902)	(55,229,347)
Amounts recoverable from reinsurance for incurred claims	95,408,701	9,990,258	14,150,563	119,549,522
<b>Net recovery/(expenses) from reinsurance contracts held</b>	<b>78,539,122</b>	<b>6,228,392</b>	<b>(20,447,339)</b>	<b>64,320,175</b>
<b>Insurance service result</b>	<b>(1,450,789)</b>	<b>(9,970,998)</b>	<b>6,517,060</b>	<b>(4,904,727)</b>
Investment income	632,851	1,802,755	1,297,439	3,733,045
Net insurance finance expenses	(117,370)	(226,859)	(51,302)	(395,531)
<b>Net insurance and investment result</b>	<b>(935,308)</b>	<b>(8,395,102)</b>	<b>7,763,197</b>	<b>(1,567,213)</b>
Other operating expense	(44,517)	(126,811)	(91,265)	(262,593)
Loss before tax	<b>(979,825)</b>	<b>(8,521,913)</b>	<b>7,671,932</b>	<b>(1,829,806)</b>
<i>31 March 2025 (unaudited)</i>	<i>Commercial AED</i>	<i>Consumer AED</i>	<i>Employee benefits AED</i>	<i>Total AED</i>
Insurance revenue	29,685,929	55,733,816	48,589,430	134,009,175
Insurance service expenses	(44,234,249)	(51,227,631)	(44,758,186)	(140,220,066)
Insurance service result before reinsurance contracts held	(14,548,320)	4,506,185	3,831,244	(6,210,891)
Allocation of reinsurance premiums	(15,975,196)	(16,489,688)	(29,786,783)	(62,251,667)
Amounts recoverable from reinsurance for incurred claims	25,311,732	3,593,518	21,939,638	50,844,888
Net recovery/(expenses) from reinsurance contracts held	9,336,536	(12,896,170)	(7,847,145)	(11,406,779)
Insurance service result	(5,211,784)	(8,389,985)	(4,015,901)	(17,617,670)
Investment income	1,137,194	2,135,024	1,861,340	5,133,558
Net insurance finance expenses	(365,123)	(244,343)	(350,867)	(960,333)
Net insurance and investment result	(13,852,996)	2,913,979	(2,505,428)	(13,444,445)
Other operating income	164,122	308,132	268,633	740,887
Loss before tax	<b>(13,688,874)</b>	<b>3,222,111</b>	<b>(2,236,795)</b>	<b>(12,703,558)</b>

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 16 SEGMENT INFORMATION (continued)

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

	<i>As at 31 March 2026 (unaudited)</i>			
	<i>Commercial AED</i>	<i>Consumer AED</i>	<i>Employee benefits AED</i>	<i>Total AED</i>
Insurance contract liabilities	<u>(237,151,252)</u>	<u>(256,069,163)</u>	<u>(90,604,159)</u>	<u>(583,824,574)</u>
Reinsurance contract assets - net	<u>176,409,440</u>	<u>28,420,289</u>	<u>143,149,235</u>	<u>348,050,012</u>
	<i>As at 31 December 2025 (audited)</i>			
	<i>Commercial AED</i>	<i>Consumer AED</i>	<i>Employee benefits AED</i>	<i>Total AED</i>
Insurance contract liabilities	<u>(159,683,808)</u>	<u>(212,072,557)</u>	<u>(102,349,089)</u>	<u>(474,105,454)</u>
Reinsurance contract assets - net	<u>130,314,297</u>	<u>51,420,051</u>	<u>75,932,650</u>	<u>257,666,998</u>

### 17 BANK BORROWING

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Opening balance	<u>37,500,000</u>	20,000,000
Net movement during the period / year	<u>7,700,000</u>	17,500,000
Closing balance	<u>45,200,000</u>	<u>37,500,000</u>

The Company entered into a term loan facility with a Bank in United Arab Emirates for an amount of AED 50,000,000, out of which AED 45,200,000 has been drawn as of 31 March 2026. The facility carried an effective interest rate of 3-month EIBOR + 0.65% and penal interest of 2% per annum (2025: 3-month EIBOR + 0.65% and penal interest of 2% per annum).

Bank borrowing is secured by assignment of custody/lien over the financial investments amounting to AED 71.4 million (2025: AED 71.4 million). Bank borrowings are utilised for Company's operational activities.

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 18 CONTINGENT LIABILITIES

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (audited)</i>
Letters of guarantee	<u>11,114,948</u>	<u>11,114,948</u>

Letters of guarantee includes AED 10 million (31 December 2025: AED 10 million) issued in favour of the CBUAE. The Company in common with the significant majority of insures, is subject to litigation in normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

### 19 FINANCIAL INSTRUMENTS

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

<u>Financial assets</u>	<u>Fair value as at</u>		<u>Fair value hierarchy</u>	<u>Valuation techniques and key inputs</u>
	<i>31 March 2026 (unaudited) AED</i>	<i>31 December 2025 (audited) AED</i>		
<i>Investments at FVTPL</i>				
Quoted bonds and mutual funds	<b>82,644,943</b>	97,254,381	Level 1	Quoted bid prices in an active market
Unquoted investments in real estate funds	<b>36,747,031</b>	38,548,202	Level 3	Net assets valuation method
Unquoted equity securities	-	2,340,351	Level 3	Net assets valuation method
<i>Investments at FVTOCI -</i>				
Quoted bonds and equity securities	<b>117,119,481</b>	98,474,491	Level 1	Quoted bid prices in an active market.

# United Fidelity Insurance Company (P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2026 (unaudited)

### 20 RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended 31 December 2025. There have been no changes in any risk management policies since the year end.

Ongoing geopolitical tensions in the Middle East have caused regional uncertainty. Given the evolving nature of the situation, management is currently unable to reliably quantify any potential financial impact, whether adverse or favourable. Accordingly, no adjustments have been made to the financial statements as at the reporting date. Management will continue to monitor developments and assess any potential implications for the Company's operations, financial position, and performance.

#### 20.1 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 (preliminary position).

	<i>31 March 2026 AED (unaudited)</i>	<i>31 December 2025 AED (unaudited)</i>
Minimum Capital Requirement (MCR)	<b>100,000,000</b>	100,000,000
Solvency Capital Requirement (SCR)	<b>139,551,002</b>	120,771,349
Minimum Guarantee Fund (MGF)	<b>107,029,907</b>	94,305,250
Basic Own Funds	<b>18,681,108</b>	(5,796,688)
MCR Solvency Margin Deficit	<b>(81,318,891)</b>	(105,796,688)
SCR Solvency Margin Deficit	<b>(120,869,888)</b>	(126,568,037)
MGF Solvency Margin Deficit	<b>(88,348,799)</b>	(100,101,938)

As per Article (8) of Section 2 of the financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the solvency requirements. As of 31 March 2026, the Company had a deficit of AED 120,869,888 against the solvency capital requirement of AED 139,551,002 and the Company's ability to comply with the solvency capital requirements depends on the effective implementation of the solvency recovery plan, including capital injection. The Company has submitted updated solvency recovery plan to the Central Bank of UAE.

### 21 SUBSEQUENT EVENTS

There have been no other events subsequent to the interim condensed statement of financial position date that would significantly affect the amounts reported in these interim condensed financial statement as at and for the three-month period ended 31 March 2026.

### 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 May 2026.