

Al Sagr National Insurance Company (PSC)

**Independent auditor's review report and
condensed interim financial information**

**For the three months period ended March 31,
2026**

Al Sagr National Insurance Company (PSC)

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Al Sagr National Insurance Company (PSC)

General information

Head Office - Dubai: <i>(Main office of all branches)</i>	:	Al Sagr National Insurance Building Diplomatic Area, Al Seef Road, Bur Dubai P.O. Box: 14614 T: +971 04 7028500 F: +971 4 3968442 Dubai, United Arab Emirates
Auditor	:	Crowe Mak Level 21, The Prism, Business Bay P.O. Box: 6747, Dubai, U.A.E T: +9714 447 3951
Main Banks	:	Abu Dhabi Commercial Bank (P.J.S.C) Bank of Sharjah (P.J.S.C) Emirates NBD Bank (P.J.S.C) Commercial Bank International (P.J.S.C) Emirates Islamic Bank (P.J.S.C) Invest Bank (P.J.S.C)

Ref: KM/A3485/May'2026

Report on review of condensed interim financial information**To the Shareholders of Al Sagr National Insurance Company (PSC)****Introduction**

We have reviewed the accompanying condensed interim statements of financial position of Al Sagr National Insurance Company (PSC) (the "Company"), as at March 31, 2026, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows for the three months period then ended and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of 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.

Basis for Disclaimer of Conclusion

The Company has accumulated losses of the AED 326.48 million as at 31 March 2026, which represents 142% of the share capital and the Company reported a net deficit of AED 83.86 million.

Further, as disclosed in Note 26, the Company is not in compliance with the solvency requirements of Central Bank of the U.A.E (CBUAE).

We have not been provided with sufficient appropriate information to support the Company's ability to continue as a going concern. These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, we were unable to conclude on the appropriateness of the going concern basis of preparation of this condensed interim financial information or determine whether any adjustments were necessary in respect of this matter.

Disclaimer of Conclusion

Due to the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate information to provide a conclusion on the accompanying condensed interim financial information. Accordingly, we do not express a conclusion on this condensed interim financial information as at 31 March 2026.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 to the condensed interim financial information, which describes the outcome of the Annual General Assembly meeting held on 30 April 2026, wherein the shareholders did not approve, among other matters, the audited financial information of the Company for the year ended 31 December 2025 and certain related resolutions.

For, Crowe Mak



Khalid Mehmood Chaudhry
Senior Partner
Registration Number: 635
Dubai, U.A.E
May 15, 2026

Al Sagr National Insurance Company (PSC)**Condensed interim statement of financial position as at March 31, 2026
In Arab Emirates Dirham**

		March 31, 2026	December 31,
	Notes	(Unaudited)	2025
			(Audited)
Assets			
Property and equipment	5	755,704	783,441
Right-of-use assets	7	4,610,997	5,018,766
Intangible assets		1,454,466	1,551,433
Investments in associates	8	116,920,565	116,694,572
Financial assets at fair value through profit or loss (FVTPL)	9	10,107,504	12,501,274
Investment property	10	157,931,895	157,931,895
Statutory deposits	11	10,300,000	10,300,000
Insurance contract assets	6	8,278,372	8,042,983
Reinsurance contract assets	6	64,181,370	72,762,913
Fixed deposits	13	253,836,748	257,233,851
Other receivables and prepayments	14	14,951,798	13,701,708
Cash and bank balances	15	8,711,831	7,860,150
Total assets		652,041,250	664,382,986
Equity and liabilities			
<i>Equity</i>			
Share capital	16	230,000,000	230,000,000
Fair value reserve		6,255,541	6,243,058
Accumulated losses		(326,487,278)	(328,782,189)
Reinsurance reserve	18	6,372,137	6,372,137
Total Equity		(83,859,600)	(86,166,994)
<i>Liabilities</i>			
Lease liabilities	7	4,417,077	4,847,515
Employees' end of service benefits	19	5,332,968	6,093,307
Bank borrowings	20	240,636,235	239,527,756
Insurance contract liabilities	6	317,014,977	349,979,839
Reinsurance contract liabilities	6	123,160,223	125,721,313
Other current liabilities	21	45,339,370	24,380,250
Total liabilities		735,900,850	750,549,980
Total equity and liabilities		652,041,250	664,382,986

The accompanying notes form an integral part of these condensed interim financial information.
The review report of the auditor is set out on page 2.

The condensed interim financial information was authorised for issue in accordance with a resolution of the Directors on 15 May 2026:

Abdel Muhsen Jaber
CEO

Al Sagr National Insurance Company (PSC)

Condensed interim statement of profit or loss and other comprehensive income for the three months period ended March 31, 2026

In Arab Emirates Dirham

	Notes	Three months period ended March 31, 2026 (Unaudited)	Three months period ended March 31, 2025 (Unaudited)
Insurance revenue	22	120,383,270	219,657,603
Insurance service expenses	22	(93,840,473)	(229,144,980)
Insurance service result before reinsurance contracts held		26,542,797	(9,487,377)
Allocation of reinsurance premiums		(30,144,575)	(50,557,659)
Amounts recoverable from reinsurance for incurred claims		10,665,237	64,719,497
Net (expense) / income from reinsurance contracts held		(19,479,338)	14,161,838
Insurance service result		7,063,459	4,674,461
Finance (expenses) from insurance contracts issued	6	(3,666,138)	(4,592,382)
Finance income / (expense) from reinsurance contracts held	6	1,094,132	1,931,151
Net insurance finance (expenses)		(2,572,006)	(2,661,231)
Net Investment income	23	3,339,404	3,115,295
Net insurance and investment results		7,830,857	5,128,525
Other operating expenses		(2,947,872)	(12,174,626)
Finance costs		(2,569,789)	(2,287,593)
Profit/(loss) for the period before tax		2,313,196	(9,333,694)
Corporate tax	24	(18,285)	-
Profit/(loss) for the period after tax		2,294,911	(9,333,694)
Other comprehensive income		12,483	-
Total comprehensive profit/(loss) for the period		2,307,394	(9,333,694)
Basic and diluted loss per share	25	0.01	(0.04)

The accompanying notes form an integral part of these condensed interim financial information.

The review report of the auditor is set out on page 2.

Al Sagr National Insurance Company (PSC)

Condensed interim statement of changes in equity for the three months period ended March 31, 2026
In Arab Emirates Dirham

	Share capital	Statutory reserve	Reinsurance reserve	Fair value reserve	Accumulated losses	Total equity
Balance as at 1 January 2025 (Audited)	230,000,000	-	5,596,894	3,798,154	(184,214,748)	55,180,300
Loss for the period	-	-	-	-	(9,333,694)	(9,333,694)
Total comprehensive loss for the period	-	-	-	-	(9,333,694)	(9,333,694)
Balance as at 31 March 2025 (Unaudited)	230,000,000	-	5,596,894	3,798,154	(193,548,442)	45,846,606
Balance as at 1 January 2026 (Audited)	230,000,000	-	6,372,137	6,243,058	(328,782,189)	(86,166,994)
Profit for the period	-	-	-	-	2,294,911	2,294,911
Other comprehensive income for the period	-	-	-	12,483	-	12,483
Total comprehensive loss for the period	-	-	-	12,483	2,294,911	2,307,394
Transfer to reinsurance reserve (Note 18)	-	-	-	-	-	-
Balance as at 31 March 2026 (Unaudited)	230,000,000	-	6,372,137	6,255,541	(326,487,278)	(83,859,600)

The accompanying notes form an integral part of these condensed interim financial information.

The review report of the auditor is set out on page 2.

Al Sagr National Insurance Company (PSC)

Condensed interim statement of cash flows for the three months period ended March 31, 2026

In Arab Emirates Dirham

		Three months ended 31 March 2026 (Unaudited)	Three months ended 31 March 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
Profit/(loss) for the period before tax		2,313,196	(9,333,694)
Adjustment for:			
Net realised / unrealised loss from investments in financial assets at FVTPL	9	2,124,844	565,956
Share of (profit) / losses from equity accounted investees	8	(213,510)	810,000
Impairment of investment in associate		-	150,000
Depreciation and amortization		610,209	269,683
Finance costs	6	3,666,138	2,287,593
Interest income		2,968,193	(2,150,618)
Dividend income from investment in financial assets at FVTPL		(109,338)	(566,512)
(Reversal)/provision for employees' end of service benefits	19	(542,948)	139,910
Interest on lease liabilities	7	70,765	94,251
Operating cash flows before movements in working capital		10,887,549	(7,733,431)
Changes in working capital			
Insurance contract assets and liabilities-net	6	(33,200,251)	(16,952,146)
Reinsurance contract assets and liabilities-net	6	6,020,453	53,026,485
Due from related parties		-	8,793,779
Change in other receivables and prepayments	14	(1,250,090)	(1,188,943)
Change in other payables	21	20,940,835	(3,008,710)
Cash used in operations		3,398,496	32,937,034
Employees' end of service benefits paid	19	(217,391)	(422,786)
Net Cash (used in)/generated from operating activities		3,181,105	32,514,248
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(77,736)	-
Net proceeds from sale of financial assets at FVTPL		268,926	-
Dividends received from investment in financial assets at FVTPL		109,338	566,512
Net movement in fixed deposits with maturity over 3 months	13	3,397,103	-
Interest received		(2,968,193)	2,150,618
Net cash generated from investing activities		729,438	2,717,130
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid	6	(3,666,138)	(2,287,593)
Payment of lease liabilities	7	(501,203)	(501,203)
Bank borrowing	20	1,108,479	-
Net cash generated from/(used in) financing activities		(3,058,862)	(2,788,796)
Net changes in cash and cash equivalents		851,681	32,442,582
Cash and cash equivalents at the beginning of the period		7,860,150	19,767,974
Cash and cash equivalents at the end of the period	15	8,711,831	52,210,556
Cash and cash equivalents			
Cash in hand		136,244	240,661
Cash at banks		8,575,587	51,969,895
		8,711,831	52,210,556

The accompanying notes form an integral part of these condensed interim financial information.

The review report of the auditor is set out on page 2.

1 Legal status and business activities

1.1 Al Sagr National Insurance Company (PSC), (the "Company") was incorporated on 25 December 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates under registration No. (16). The Company's address in Dubai is P.O. Box: 14614, Dubai, U.A.E. The Company is a subsidiary of Gulf General Investments Company (the "Parent Company"), a public company incorporated in U.A.E. The Company is subject to the regulations of the U.A.E Federal Decree Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the Central Bank of U.A.E and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the U.A.E, under the registration number 16.

1.2 The principal activity of the Company is writing all classes of general and life insurance. The Company operates through its head office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi, Al Ain and Ras Al Khaimah in the U.A.E.

2 Approval Status of Prior Year Financial Statements

On 30 April 2026, the Annual General Assembly of the Company was held and the shareholders did not approve the following matters relating to the financial year ended 31 December 2025:

- Board of Directors' report on the Company's activities and financial position;
- Audited financial statements for the year ended 31 December 2025;
- Directors' remuneration;
- Discharge of the members of the Board of Directors; and
- Governance and Sustainability Report.

Management is currently assessing the implications of the above matters and will take the necessary actions in accordance with the applicable regulatory requirements and the Company's Articles of Association.

3 Basis of preparation

These condensed interim financial information have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity. These condensed interim financial information have been prepared on the historical cost basis.

The accounting policies and methods of computation adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2025.

The accounting policies and methods of computation adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2025, except for the adoption of new standards effective as of 1 January 2026 where appropriate. The Entity has not adopted any other standard, interpretation or amendment that has been issued that is not yet effective. Several amendments apply for the first time in 2026 and adopted by the Entity. These amendments do not have significant impact on the condensed interim financial information of the Group and therefore further disclosures have not been made wherever necessary.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended December 31, 2025.

These condensed interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2025.

The condensed interim financial information does not include all the information required in annual financial statements in accordance with IFRS 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.

The interim result for the three month period ended March 31, 2025 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2026.

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

In preparing these 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 to the audited financial statements for the year ended December 31, 2025.

4 Material accounting policy information

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 2025. There have been no changes in any risk management policies since the year end.

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Notes to the condensed interim financial statements for the three months period ended March 31, 2026

In Arab Emirates Dirham

5 Property and equipment

	Office fixture	Furniture and equipment	Motor vehicles	Total
Cost				
As at 1 January 2025 (Audited)	8,477,805	11,007,635	450,945	19,936,385
Additions during the year	-	305,746	-	305,746
Disposals during the year	-	(5,030)	-	(5,030)
As at 31 December 2025 (Audited)	8,477,805	11,308,351	450,945	20,237,101
Additions during the period	-	77,736	-	77,736
As at 31 March 2026 (Unaudited)	8,477,805	11,386,087	450,945	20,314,837
Accumulated depreciation				
As at 1 January 2025 (Audited)	8,010,143	10,580,186	254,652	18,844,981
Charge for the year	115,059	441,322	52,298	608,679
As at 31 December 2025 (Audited)	8,125,202	11,021,508	306,950	19,453,660
Charge for the period	28,680	64,635	12,158	105,473
As at 31 March 2026 (Unaudited)	8,153,882	11,086,143	319,108	19,559,133
Carrying value as				
As at 31 March 2026 (Unaudited)	323,923	299,944	131,837	755,704
As at 31 December 2025 (Audited)	352,603	286,843	143,995	783,441

6 Insurance and reinsurance contracts

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

	31-Mar-26			31-Dec-25		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	-	30,477,993	30,477,993	-	7,459,293	7,459,293
General and Motor	(8,278,372)	286,536,984	278,258,612	(8,042,983)	342,520,546	334,477,563
Total insurance contracts issued	(8,278,372)	317,014,977	308,736,605	(8,042,983)	349,979,839	341,936,856
Reinsurance contracts held						
Life and Medical	3,368,636	(61,321,290)	(57,952,654)	2,614,509	(79,051,742)	(76,437,234)
General and Motor	60,812,733	(61,838,933)	(1,026,200)	70,148,404	(46,669,571)	23,478,834
Total reinsurance contracts held	64,181,370	(123,160,223)	(58,978,853)	72,762,913	(125,721,313)	(52,958,400)

AI Sagr National Insurance Company (PSC)

Notes to the condensed interim financial statements for the three months period ended March 31, 2026
In Arab Emirates Dirham

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

	Life and Medical				General and Motor				Total
	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at 1 January 2026	(46,437,278)	-	52,774,620	1,121,951	(7,656,432)	8,294,346	328,026,462	13,856,170	349,979,839
Insurance contract assets as at 1 January 2026	-	-	-	-	(10,445,589)	-	2,294,195	108,411	(8,042,983)
Net insurance contract (assets)/liabilities as at 1 January 2026	(46,437,278)	-	52,774,620	1,121,951	(18,102,021)	8,294,346	330,320,657	13,964,581	341,936,856
Insurance revenue	(47,007,533)	-	-	-	(73,375,736)	-	-	-	(120,383,269)
Insurance service expenses	3,628,373	-	39,634,503	(538,262)	10,550,222	(2,828,482)	47,032,897	(3,638,778)	93,840,473
Incurring claims and other expenses	-	-	32,444,339	75,912	-	-	52,627,329	757,790	85,905,370
Amortisation of insurance acquisition cash flows	3,628,373	-	-	-	10,550,222	-	-	-	14,178,595
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	(2,828,482)	-	-	(2,828,482)
Changes to liabilities for incurred claims	-	-	7,190,164	(614,175)	-	-	(5,594,432)	(4,396,568)	(3,415,011)
Insurance service result	(43,379,160)	-	39,634,503	(538,262)	(62,825,514)	(2,828,482)	47,032,897	(3,638,778)	(26,542,796)
Insurance finance expenses	-	-	511,781	12,252	-	-	2,989,614	152,491	3,666,138
Total changes in the statement of profit or loss and OCI	(43,379,160)	-	40,146,284	(526,010)	(62,825,514)	(2,828,482)	50,022,511	(3,486,287)	(22,876,658)
Cash flows									
Premiums received	70,107,783	-	-	-	74,733,910	-	-	-	144,841,693
Claims and other expenses paid	-	-	(41,905,941)	-	-	-	(104,210,668)	-	(146,116,609)
Insurance acquisition cash flows	(1,424,256)	-	-	-	(7,624,421)	-	-	-	(9,048,677)
Total cash flows	68,683,527	-	(41,905,941)	-	67,109,489	-	(104,210,668)	-	(10,323,593)
Net insurance contract (assets)/liabilities as at 31st March 2026	(21,132,911)	-	51,014,963	595,941	(13,818,046)	5,465,864	276,132,500	10,478,294	308,736,605
Insurance contract liabilities as at 31st March 2026	(21,132,911)	-	51,014,963	595,941	(3,310,990)	5,465,864	273,989,437	10,392,673	317,014,977
Insurance contract assets as at 31st March 2026	-	-	-	-	(10,507,056)	-	2,143,063	85,621	(8,278,372)
Net insurance contract (assets)/liabilities as at 31st March 2026	(21,132,911)	-	51,014,963	595,941	(13,818,046)	5,465,864	276,132,500	10,478,294	308,736,605

6 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor				Total
	Assets for remaining coverage	Loss component	Amounts recoverable on incurred claims	Risk adjustment	Assets for remaining coverage	Loss component	Amounts recoverable on incurred claims	Risk adjustment	
	Excluding loss component		Estimates of the present value of future cash flows		Excluding loss component		Estimates of the present value of future cash flows		
Reinsurance contract assets as at 1 January 2026	116,964	-	2,486,088	11,457	(11,580,413)	10,171	77,564,042	4,154,604	72,762,913
Reinsurance contract liabilities as at 1 January 2026	(99,919,001)	-	20,405,316	461,944	(54,317,136)	-	7,338,167	309,397	(125,721,313)
Net reinsurance contract assets/(liabilities) as at 1 January 2026	(99,802,037)	-	22,891,404	473,401	(65,897,549)	10,171	84,902,209	4,464,001	(52,958,400)
An allocation of reinsurance premiums	(12,024,500)	-	-	-	(18,120,075)	-	-	-	(30,144,575)
Amounts recoverable from reinsurers for incurred claims	-	-	15,882,300	(133,631)	-	381,884	(4,565,336)	(899,980)	10,665,237
Amounts recoverable for incurred claims and other expenses	-	-	9,700,632	45,577	-	-	3,965,486	15,788	13,727,483
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	381,884	-	-	381,884
Changes to amounts recoverable for incurred claims	-	-	6,181,668	(179,208)	-	-	(8,530,822)	(915,768)	(3,444,130)
Net income or expense from reinsurance contracts held	(12,024,500)	-	15,882,300	(133,631)	(18,120,075)	381,884	(4,565,336)	(899,980)	(19,479,338)
Reinsurance finance income	-	-	216,330	5,169	-	-	783,316	48,746	1,053,561
Effect of changes in non-performance risk of reinsurers	-	-	(58)	-	-	-	40,629	-	40,571
Total changes in the statement of comprehensive income	(12,024,500)	-	16,098,572	(128,462)	(18,120,075)	381,884	(3,741,391)	(851,234)	(18,385,206)
Cash flows									
Premiums paid	28,432,331	-	-	-	5,059,424	-	-	-	33,491,755
Amounts received	-	-	(13,893,363)	-	-	-	(7,233,641)	-	(21,127,004)
Total cash flows	28,432,331	-	(13,893,363)	-	5,059,424	-	(7,233,641)	-	12,364,751
Net reinsurance contract assets/(liabilities) as at 31st March 2026	(83,394,206)	-	25,096,613	344,939	(78,958,200)	392,055	73,927,177	3,612,767	(58,978,855)
Reinsurance contract assets as at 31st March 2026	245,220	-	3,109,728	13,689	(10,461,734)	392,056	67,495,714	3,386,697	64,181,370
Reinsurance contract liabilities as at 31st March 2026	(83,639,426)	-	21,986,886	331,250	(68,496,466)	-	6,431,463	226,070	(123,160,223)
Net reinsurance contract assets/(liabilities) as at 31st March 2026	(83,394,206)	-	25,096,614	344,939	(78,958,200)	392,056	73,927,177	3,612,767	(58,978,853)

Al Sagr National Insurance Company (PSC)

Notes to the condensed interim financial statements for the three months period ended March 31, 2026
In Arab Emirates Dirham

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

	Life and Medical				General and Motor				Total
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at 1 January 2025	(76,943,932)	3,208,350	75,430,894	1,506,307	112,219,255	9,857,116	178,714,868	7,794,215	311,787,073
Insurance contract assets as at 1 January 2025	-	-	-	-	(243,694,222)	1,363,236	113,468,947	3,670,163	(125,191,876)
Net contract liabilities as at 1 January 2025	(76,943,932)	3,208,350	75,430,894	1,506,307	(131,474,967)	11,220,352	292,183,815	11,464,378	186,595,197
Insurance revenue	(232,705,415)	-	-	-	(524,661,294)	-	-	-	(757,366,709)
Insurance service expenses	16,402,428	(3,208,350)	225,643,519	(416,264)	85,873,270	(2,926,006)	480,701,913	2,032,959	804,103,469
Incurred claims and other expenses	-	-	146,714,201	1,379,074	-	-	522,522,563	20,105,584	690,721,422
Amortisation of insurance acquisition cash flows	16,402,428	-	-	-	85,873,270	-	-	-	102,275,698
Reversals of losses on onerous contracts	-	(3,208,350)	-	-	-	(2,926,006)	-	-	(6,134,356)
Changes to liabilities for incurred claims	-	-	78,929,318	(1,795,338)	-	-	(41,820,650)	(18,072,625)	17,240,705
Insurance service result	(216,302,987)	(3,208,350)	225,643,519	(416,264)	(438,788,024)	(2,926,006)	480,701,913	2,032,959	46,736,760
Insurance finance expenses	-	-	1,566,755	31,908	-	-	10,677,305	467,244	12,743,212
Total changes in the statement of comprehensive income	(216,302,987)	(3,208,350)	227,210,274	(384,356)	(438,788,024)	(2,926,006)	491,379,218	2,500,203	59,479,972
Cash flows									
Premiums received	261,173,540	-	-	-	607,821,734	-	-	-	868,995,274
Claims and other expenses paid	-	-	(249,866,548)	-	-	-	(453,242,376)	-	(703,108,924)
Insurance acquisition cash flows	(14,363,899)	-	-	-	(55,660,764)	-	-	-	(70,024,663)
Total cash flows	246,809,641	-	(249,866,548)	-	552,160,970	-	(453,242,376)	-	95,861,687
Net insurance contract liabilities as at 31 December 2025	(46,437,278)	-	52,774,620	1,121,951	(18,102,021)	8,294,346	330,320,657	13,964,581	341,936,856
Insurance contract liabilities as at 31 December 2025	(46,437,278)	-	52,774,620	1,121,951	(7,656,432)	8,294,346	328,026,462	13,856,170	349,979,839
Insurance contract assets as at 31 December 2025	-	-	-	-	(10,445,589)	-	2,294,195	108,411	(8,042,983)
Net insurance contract liabilities as at 31 December 2025	(46,437,278)	-	52,774,620	1,121,951	(18,102,021)	8,294,346	330,320,657	13,964,581	341,936,856

Al Sagr National Insurance Company (PSC)

Notes to the condensed interim financial statements for the three months period ended March 31, 2026
In Arab Emirates Dirham

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

	Life and Medical				General and Motor				Total
	Assets for remaining coverage	Amounts recoverable on incurred claims			Assets for remaining coverage	Amounts recoverable on incurred claims			
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 1 January 2025	-	-	-	-	(18,048,498)	788,570	83,958,418	3,840,887	70,539,377
Reinsurance contract liabilities as at 1 January 2025	(132,400,500)	1,189,780	35,541,766	702,259	(113,068,570)	204,484	28,188,841	1,413,081	(178,228,859)
Net reinsurance contract assets as at 1 January 2025	(132,400,500)	1,189,780	35,541,766	702,259	(131,117,068)	993,054	112,147,259	5,253,968	(107,689,482)
An allocation of reinsurance premiums	(81,326,836)	-	-	-	(88,475,187)	-	-	-	(169,802,023)
Amounts recoverable from reinsurers for incurred claims	-	(1,189,780)	92,185,485	(244,410)	-	(982,883)	36,288,776	(1,037,158)	125,020,030
Amounts recoverable for incurred claims and other expenses	-	-	50,738,173	610,737	-	-	180,226,445	8,939,421	240,514,776
Loss-recovery on onerous underlying contracts and adjustments	-	(1,189,780)	-	-	-	(982,883)	-	-	(2,172,663)
Changes to amounts recoverable for incurred claims	-	-	41,447,312	(855,147)	-	-	(143,937,669)	(9,976,579)	(113,322,083)
Net income or expense from reinsurance contracts held	(81,326,836)	(1,189,780)	92,185,485	(244,410)	(88,475,187)	(982,883)	36,288,776	(1,037,158)	(44,781,993)
Reinsurance finance income	-	-	786,952	15,551	-	-	4,928,273	247,191	5,977,967
Effect of changes in non-performance risk of reinsurers	-	-	116,729	-	-	-	341,689	-	458,418
Total changes in the statement of comprehensive income	(81,326,836)	(1,189,780)	93,089,166	(228,859)	(88,475,187)	(982,883)	41,558,738	(789,967)	(38,345,608)
Cash flows									
Premiums paid	113,925,299	-	-	-	153,694,707	-	-	-	267,620,006
Amounts received	-	-	(105,739,528)	-	-	-	(68,803,788)	-	(174,543,316)
Total cash flows	113,925,299	-	(105,739,528)	-	153,694,707	-	(68,803,788)	-	93,076,690
Net reinsurance contract assets as at 31 December 2025	(99,802,037)	-	22,891,404	473,400	(65,897,548)	10,171	84,902,209	4,464,001	(52,958,400)
Reinsurance contract assets as at 31 December 2025	116,964	-	2,486,088	11,457	(11,580,413)	10,171	77,564,042	4,154,604	72,762,913
Reinsurance contract liabilities as at 31 December 2025	(99,919,001)	-	20,405,316	461,943	(54,317,135)	-	7,338,167	309,397	(125,721,313)
Net reinsurance contract assets as at 31 December 2025	(99,802,037)	-	22,891,404	473,400	(65,897,548)	10,171	84,902,209	4,464,001	(52,958,400)

7 a) Right-of-use assets

The carrying value of the right-of-use assets is as follows:

	<u>Properties</u>	<u>Total</u>
Cost		
As at 1 January 2025 (Audited)	9,125,030	9,125,030
As at December 31, 2025 (audited)	9,125,030	9,125,030
As at March 31, 2026 (unaudited)	9,125,030	9,125,030
Accumulated depreciation		
As at 1 January 2025 (Audited)	2,281,258	2,281,258
Charge for the year	1,825,006	1,825,006
As at December 31, 2025 (audited)	4,106,264	4,106,264
Charge for the period	407,769	407,769
As at March 31, 2026 (unaudited)	4,514,033	4,514,033
Carrying value as at March 31, 2026 (unaudited)	4,610,997	4,610,997
Carrying value as at December 31, 2025 (audited)	5,018,766	5,018,766

b) Lease liabilities

	<u>March 31, 2026 (Unaudited)</u>	<u>December 31, 2025 (audited)</u>
Balance at the beginning of the period / year	4,847,515	6,672,521
Add: Interest charge during the period / year	70,765	342,182
Less: payments during the period / year	(501,203)	(2,167,188)
Balance at the end of the period / year	4,417,077	4,847,515

8 Investments in associates

	<u>March 31, 2026 (Unaudited)</u>	<u>December 31, 2025 (audited)</u>
	AED	AED
Al Sagr Cooperative Insurance Company, KSA	146,350,963	146,124,970
Less: Impairment loss on investment in associates	(29,430,398)	(29,430,398)
	116,920,565	116,694,572
Sogour Al Khaleej General Trading L.L.C., U.A.E	150,000	150,000
Green Air Technology L.L.C., U.A.E	16,716	16,716
Less: Impairment loss on investment in associates	(166,716)	(166,716)
	116,920,565	116,694,572

As at 31 December 2025, the Company holds 26% shares of Al Sagr Cooperative Insurance Company ("Al Sagr Cooperative"). Out of the 26% shares, the Company holds 4.4% shares for the beneficial interest of other individuals. The Company accounts for the 21.6% holding as an investment in associate as the Company has significant influence over Al Sagr Cooperative under the equity method as follows:

The Company holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned by the Parent Company.

The Company holds 50% and the Parent Company holds 25% ownership respectively in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates.

The impairment of investment in associates includes full impairment of Sogour Al Khaleej General Trading L.L.C. and Green Air Technology L.L.C., both based in the U.A.E.

8 Investments in associates (continued)

	March 31, 2026 (Unaudited)	December 31, 2025 (audited)
	AED	AED
Movement during the period/year is as follows:		
Al Sagr Cooperative Insurance Company, KSA		
As at the beginning of the period/year	116,694,572	148,307,774
Share of (loss) / profit from equity accounted investees	213,510	(14,884,703)
Share of OCI from equity accounted investees	12,483	2,444,904
Impairment charged during the year	-	(19,173,403)
As at the end of the period/year	<u>116,920,565</u>	<u>116,694,572</u>

9 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss (FVTPL)	<u>10,107,504</u>	<u>12,501,274</u>
Movement during the period/year is as follows:		
As at the beginning of the period/year	12,501,274	20,008,354
Disposals during the period/year	(294,740)	(6,635,518)
Change in fair value	(2,099,030)	(871,562)
As at the end of the period/year	<u>10,107,504</u>	<u>12,501,274</u>

10 Investment property

Investment property is in Al Barsha First, Dubai. The fair value of the property is based on valuation performed by accredited independent valuer as at 31 December 2025. Management have reviewed the fair value of investment property as at 31 March 2026 and are of the opinion that there is no significant change in the fair value compared to previous valuation carried at 31 December 2025.

11 Statutory deposits

Statutory deposit held with a local bank in Dubai, U.A.E represents deposits held under a lien in favour of the Central Bank of the United Arab Emirates ("CBUAE") in accordance with Article (92) of the Federal Decree Law No. (6) of 2025. The deposit cannot be withdrawn without prior approval from the Central Bank of the United Arab Emirates ("CBUAE").

12 Related party transactions

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as contained as IAS 24. These transactions are carried out at terms mutually agreed between the parties on an arm's length basis. Key management personnel comprise of Chief executive officer, Executive Vice President.

a) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	Three months period ended March 31, 2026 (Unaudited)	Three months period ended March 31, 2025 (Unaudited)
Entities under common control		
Insurance premium	989,503	1,295,936
Insurance service expenses	(106,187)	(402,686)

b) Key management personnel compensations

The compensation of key management personnel is as follows:

Salaries and related benefits	<u>742,563</u>	<u>714,836</u>
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13 Fixed deposits

	March 31, 2026 (Unaudited)	December 31, 2025 (audited)
Fixed deposits	<u>253,836,748</u>	<u>257,233,851</u>
	<u>253,836,748</u>	<u>257,233,851</u>

Management has concluded that the expected credit loss for all fixed deposits is immaterial as these balances are held with banks whose credit risk rating by international rating agencies has been assessed as low.

14 Other receivables and prepayments

Deferred TPA fees	8,302,198	7,764,727
Accrued interest income	3,279,156	3,839,345
Prepayments	1,115,226	914,043
Staff advances	87,900	34,406
Other receivables	5,543,619	5,538,345
Less: Expected credit losses	<u>(3,376,301)</u>	<u>(4,389,158)</u>
	<u>14,951,798</u>	<u>13,701,708</u>

15 Cash and bank balances

Cash in hand	136,244	133,581
Cash at banks	8,609,568	7,760,550
Less: Expected credit losses	<u>(33,981)</u>	<u>(33,981)</u>
	<u>8,711,831</u>	<u>7,860,150</u>

16 Share capital

Issued and fully paid 230,000,000 shares of AED 1 each	<u>230,000,000</u>	<u>230,000,000</u>
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17 Statutory reserve

In accordance with the U.A.E Federal Decree Law No. (32) of 2021 (as amended) and the Company's Articles of Association, 10% of the profit for the year should be transferred to statutory reserves. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law. During the period, no amount was transferred to the statutory reserve, as transfers are made on an annual basis (2025: nil).

18 Reinsurance reserve

Reinsurance reserve	<u>6,372,137</u>	<u>6,372,137</u>
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In accordance with Central Bank of United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 96,266 based on the reinsurance share of premium at a rate of 0.5% was transferred from accumulated losses to reinsurance reserve (2025: AED 775,243). The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of United Arab Emirates.

19 Employees' end of service benefits

Balance at the beginning of the period / year	6,093,307	6,372,860
(Reversal)/charge of provision for the period / year	(542,948)	1,221,650
Paid during the period / year	<u>(217,391)</u>	<u>(1,501,203)</u>
Balance at the end of the period / year	<u>5,332,968</u>	<u>6,093,307</u>

Amounts required to cover end of service indemnity at the condensed interim statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

20 Bank borrowings

	March 31, 2026 (Unaudited)	December 31, 2025 (audited)
Bank overdraft	<u><u>240,636,235</u></u>	<u><u>239,527,756</u></u>

The Company has bank facilities in the form of overdrafts payable upon demand and bearing interest ranging from 3.38% to 4.9% per annum (2025: 3.38% to 4.9%).

21 Other current liabilities

TPA payables	9,616,621	11,285,839
Accrued expenses	4,203,040	3,657,300
Payable to suppliers	2,142,346	3,421,545
Rental deposits	2,375,440	1,508,330
Others	27,001,923	4,507,236
	<u><u>45,339,370</u></u>	<u><u>24,380,250</u></u>

22 Insurance service result

	Three months period ended March 31, 2026 (Unaudited)	Three months period ended March 31, 2025 (Unaudited)
Insurance revenue	120,383,270	219,657,603
Insurance service expenses	(93,840,473)	(229,144,980)
	<u><u>26,542,797</u></u>	<u><u>(9,487,377)</u></u>

23 Income from investments - net

Amounts recognised in condensed interim statement of profit or loss and other comprehensive income

Interest income	2,968,193	2,150,618
Share of profit / loss from equity accounted investees	213,510	(810,000)
Rental income from investment property	2,281,535	1,924,121
Net unrealised loss from investments in financial assets at FVTPL	(2,233,172)	(565,956)
Dividend income	109,338	566,512
Impairment of investment in associate	-	(150,000)
	<u><u>3,339,404</u></u>	<u><u>3,115,295</u></u>

24 Corporate tax

Corporate tax expense recognised in profit or loss:

Current tax

Provision for tax	<u><u>18,285</u></u>	<u><u>-</u></u>
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Deferred tax

In respect of the current period	<u><u>-</u></u>	<u><u>-</u></u>
	<u><u>18,285</u></u>	<u><u>-</u></u>

24 Corporate tax (continued)

Relationship between tax expense and accounting profit:	Three months period ended March 31, 2026 (Unaudited)	Three months period ended March 31, 2025 (Unaudited)
Profit for the period before taxation	2,313,196	-
75% of profit before tax	<u>(1,734,897)</u>	<u>-</u>
	578,299	-
Basic exemption limit	<u>(375,000)</u>	<u>-</u>
Tax applicable profit	<u>203,299</u>	<u>-</u>
Tax at the applicable rate of 9%	18,285	-
Effect of items that are not considered in determining taxable income - net	-	-
Tax loss b/f	<u>-</u>	<u>-</u>
Corporate tax expense	<u><u>18,285</u></u>	<u><u>-</u></u>

The Company has carried forward tax losses from the tax period ended December 2024 amounting to AED 29.55 million. In accordance with the U.A.E Corporate Tax Law, such tax losses may be offset against up to 75% of the taxable income of subsequent tax periods, subject to meeting the prescribed conditions. Management has assessed that the Company satisfies the relevant conditions, and accordingly, the brought forward tax losses have been utilized in the current year's tax computation to the extent permitted.

No deferred tax asset or liability has been recognized for the period, as there are no temporary differences.

25 Basic and diluted loss per share

Profit/(loss) for the period before tax	<u>2,294,911</u>	<u>(9,333,694)</u>
Weighted average number of shares outstanding during the period	<u>230,000,000</u>	<u>230,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.01</u>	<u>(0.04)</u>

26 Capital risk management

The Company is subject to the solvency regulations issued by the applicable regulatory authorities in the United Arab Emirates. Such regulations require the Company to maintain, at all times, a prescribed level of solvency margin in excess of insurance liabilities, minimum capital requirement, minimum guarantee fund and solvency capital requirement.

During the three-month period ended 31 March 2026, the Company was not fully compliant with certain externally imposed capital and solvency requirements, including the solvency margin requirements, as prescribed by the applicable insurance regulations (31 December 2025: the Company was not fully compliant with certain capital management requirements).

Management is continuously monitoring the Company's solvency position and has implemented various measures, policies and procedures intended to improve and maintain compliance with the applicable regulatory capital requirements. The Company continues to assess and monitor its capital requirements in accordance with the applicable laws and regulations.

The Company manages its capital structure to ensure that it continues as a going concern while maximising returns to shareholders through the optimisation of the equity balance and maintaining compliance with statutory and regulatory capital requirements.

26 Capital risk management (continued)

The table below summarises the minimum required capital of the Branches' and the total capital held

	March 31, 2026 (unaudited)	December 31, 2025 (audited)
Total capital held	<u>230,000,000</u>	<u>230,000,000</u>
Total equity held	<u>(83,859,600)</u>	<u>(86,166,994)</u>
Minimum regulatory capital	<u>100,000,000</u>	<u>100,000,000</u>

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 31 March 2026, the Company had minimum capital requirement deficit, solvency capital requirement deficit, minimum guarantee fund deficit. The Company's ability to comply with the solvency requirements depends on the effective implementation of the business plan.

Minimum Capital Requirement (MCR)	<u>100,000,000</u>	<u>100,000,000</u>
Solvency Capital Requirements (SCR)	<u>149,982,000</u>	<u>160,998,000</u>
Minimum Guarantee Fund (MGF)	<u>127,773,000</u>	<u>147,804,000</u>
Basic Own Funds	<u>(310,164,000)</u>	<u>(287,189,000)</u>
MCR Solvency Margin - Minimum Capital Requirement deficit	<u>(410,164,000)</u>	<u>(387,189,000)</u>
SCR Solvency Margin - Solvency Capital Requirement deficit	<u>(460,146,000)</u>	<u>(448,187,000)</u>
MGF Solvency Margin – Minimum Guarantee Fund deficit	<u>(437,937,000)</u>	<u>(434,993,000)</u>

27 Contingent liabilities

Letters of guarantee	<u>11,842,726</u>	<u>11,842,726</u>
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The Company in common with other insurance companies, is involved as defendant in several legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and are liable estimate of the amount of outflow can be made.

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and capital commitments on the Entity's condensed interim financial information as of reporting date.

28 Subsequent event

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

29 Segment Information

An operating segment is a component of the Branches that engages in business activities from which the Branches may earn revenues and incur expenses and whose operating results are reviewed regularly by the Branches' chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available.

Accordingly, the Branches operates two main business segments: Underwriting and Investments.

Underwriting segment is further defined as General Insurance. Investments segment comprises Investments in fixed deposits.

	As at March 31, 2026 (Unaudited)			As at March 31, 2025 (Unaudited)		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	120,383,270	3,351,887	123,735,157	219,657,603	3,115,295	222,772,898
Segment results	4,491,453	3,351,887	7,843,340	2,013,230	3,115,295	5,128,525
<i>Unallocated:</i>						
Other income			-			-
General and administrative expenses			(5,535,946)			(14,462,219)
Net loss for the year			2,307,394			(9,333,694)
Segment assets	348,069,455	284,959,964	633,029,419	359,095,095	287,127,741	646,222,836
Unallocated assets	-	-	19,011,831	-	-	18,160,150
Total assets	348,069,455	284,959,964	652,041,250	359,095,095	287,127,741	664,382,986
Segment liabilities	735,900,850	-	735,900,850	750,549,980	-	750,549,980
Total liabilities	735,900,850	-	735,900,850	750,549,980	-	750,549,980

29.1 Gross written premium

Details relating to Gross written premium are given below to comply with the requirements of Central Bank of the U.A.E. and are not calculated as per requirements of IFRS 17.

Particulars	Life & Medical insurance	Fund Accumulation	Medical Insurance	Property & Liability	All types of business
	As at March 31, 2026 (Unaudited)				
Direct written premium	490,024	-	48,832,721	46,615,745	95,938,490
Assumed business:					
Foreign	-	-	-	-	-
Local	-	-	-	327,148	327,148
Total assumed business	-	-	-	327,148	-
Gross written premium	490,024	-	48,832,721	46,942,894	96,265,639
As at March 31, 2025 (Unaudited)					
Direct written premium	588,592	-	63,738,019	143,456,216	207,782,827
Assumed business:					
Foreign	-	-	-	40,148	40,148
Local	-	-	-	1,937,356	1,937,356
Total assumed business	-	-	-	1,977,504	1,977,504
Gross written premium	588,592	-	63,738,019	145,433,720	209,760,331