



This form has been prepared in accordance with the disclosure requirements included in the SCA Board of Directors' Decision No. (32/R.M.) of 2019 concerning procedures for companies whose shares are listed on the market, and whose accumulated losses amount to (20%) or more of their paid-up capital. Listed Companies are required to comply with the provisions of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

Date:	15/05/2025
Name of the Listed Company:	TAKAFUL EMARAT – INSURANCE (PSC)
Define the period of the financial statements:	Q1 2025
Value of the Accumulated losses:	AED 47,412 (in Thousands)
Accumulated losses to paid-up capital ratio (%):	22.5%
The main reasons for the accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	<ol style="list-style-type: none"> 1. The Company faced accumulated losses since 2019 due to higher-than-expected medical claims and lower investment returns. 2. Additional losses were incurred from declining business due to a merger and acquisition project between 2020 till 2022, revaluation of assets, and restated financial statements for equity investment impairments.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	<p>Despite the remaining losses accumulated, the company's transformation from a deficit to a surplus in the solvency position represents a fundamental turning point that significantly enhances its financial stability, regulatory standing, and market credibility.</p> <p>A sound financial position enhances the confidence of its stakeholders, including policyholders, investors, and partners, and demonstrates a company's ability to sustainably meet its obligations.</p> <p>This financial strength enables the company to actively pursue strategic growth opportunities, invest in innovation, and expand its product offerings.</p> <p>Furthermore, sound financial position facilitates improved underwriting capacity and operational flexibility, both of which are critical to increasing market share and maintaining long-term competitiveness in the UAE's dynamic insurance sector.</p>
Summary of the steps and initiatives undertaken by the company to address the accumulated losses: (Continued)	<ol style="list-style-type: none"> 1. Sustainable Business Development: The company is implementing a strategic plan aimed at building a strong and profitable business foundation, with an emphasis on sustainable growth and enhanced underwriting performance. 2. Enhanced Investment Returns:

	<p>By adopting revised investment strategies, the company has achieved a notable improvement in net investment income, demonstrating effective portfolio management and better alignment with market conditions.</p> <p>3. Revenue Growth:</p> <p>The company reported Takaful revenue of AED 136 million in Q1 2025, reflecting a 62% increase compared to AED 84 million in the same quarter of 2024. This growth underscores stronger business momentum and improved market positioning.</p>
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The Measures that will be taken to deal with the accumulated losses				
Actions	The time frame for implementing the action	What has been implemented of the action and the percentage of implementation	Reasons for not implementing or delaying	Any modifications or changes made
Increase Revenue	2025	Implementation of increasing revenue streams and creating new marketing strategies to enhance sales and boost income is under process.	N/A	N/A
Improve Operational Efficiency	2025	Implementation of enhanced operational processes and adopting new systems to increase productivity is under process.	N/A	N/A
Diversify Investments	2025 - 2026	Implementation of effective investment strategy to diversify the investment portfolio and increase returns on assets is under process.	N/A	N/A

The Name of the Authorized Signatory	Adnan Sameer Saba El Aish		
Designation	Acting Chief Executive Officer		
Signature and Date	15/05/2025	DocuSigned by: 	
Company's Seal		Signed by: 	

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