Takaful Emarat to raise its capital to support ongoing growth in UAE

Dubai, UAE, 18 October 2015: Takaful Emarat ("the Company"), the DFM-listed, Shariah-compliant Life and Health Takaful provider, invites shareholders to subscribe to its Rights Issue, which will increase the Company's capital by AED 50 million initially. Takaful Emarat's shareholders approved a capital raising of up to AED 100million at its Extraordinary General Assembly Meeting held on 22 of December 2014.

Takaful Emarat's existing shareholders are entitled to subscribe to one new share for every two shares held, at a price of AED 1 each. The Rights Issue will open on 1 November 2015 and will close on 15 November 2015. The Subscription for the newly issued shares will open on 9/11/2015, and will close on 22/11/2015, Takaful Emarat has published the schedule for the subscription process as required by law, and informed its shareholders through the news paper's announcement on how to exercise their rights to subscribe for shares or trade the rights.

This is the first time a sharia compliant insurance company in the UAE has issued rights that may be publicly traded on an exchange.

The proceeds will be used to capitalize on the Company's recent restructuring under a new management team and its return to operating a profitable underwriting model. Building on this growth, the new capital will be used to strengthen Takaful Emarat's back office function, grow and develop its distribution channels and sales network across the UAE in particular in the Northern Emirates, and invest in the Company's digital and interactive client service technologies to ensure optimal customer service and efficient policy management. In addition, the funds will be used to streamline Takaful Emarat´s " investments ensuring a more stable and predictable income and return on investment.

Over the last two years, Takaful Emarat, under a strong new management team which includes 12 senior executives recruited from globally respected insurance businesses, has been re-organized and streamlined and is now focused on growth in its domestic market. For the first half of 2015, the Company reported a 187% increase in sales to AED164 million with underwriting profit up 82% to AED17.3 million. For the same period, Net Premiums Earned increased 271% to AED 141 million for the half year ended June 2015.

In line with its on-going growth strategy and the development of its channels to market, the Company recently announced a major distribution agreement with Wahat Al Zaweya Company for Investment and Real Estate Development to act as the exclusive Takaful provider to cover thousands of Wahet Al Zaweya home mortgage clients in case of death and disability. This complements Takaful Emarat's existing partnership and distribution agreements with major financial institutions such as RAK Bank and Emirates Islamic Bank, with further partnerships expected.

Added to this, as one of only two Takaful providers approved by the Dubai Health Authority to provide Takaful health insurance as part of its current roll out of mandatory health insurance, Takaful Emarat is uniquely well positioned for continued domestic market growth. In addition,

reported potential new regulatory changes including the proposed creation of a single federal Sharia board to oversee the UAE's financial services sector, enhanced requirements for liquid assets and more stringent corporate governance requirements, will also benefit insurers, like Takaful Emarat, which have robust capital structure, experienced management teams and diverse product distribution channels.

Takaful Emarat's Chief Executive Officer Wael Al-Sharif commented:

"As a business, we have been completely restructured over the last 24 months with a new management team on board with extensive insurance experience who are tasked with growing the business. We have delivered significant progress to date from both a financial and customer acquisition perspective as we expand both our distribution channels and physical presence across the UAE."

"From a market perspective, the Takaful industry is set to continue the double-digit growth it has experienced over the last decade with EY predicting global Takaful contributions will reach US$20 billion by 2017 with significant opportunities here in the UAE and across the wider GCC.

"As we continue to invest in our business, we are now well positioned to continue our growth trajectory as we focus on delivering maximum value for our shareholders and investors."

Mohammad Alhawari, Executive Board Member & Managing Director of Takaful Emarat, commented:-

"A recent report by Dubai Centre for Islamic Banking and Finance and aafaq Centre For Research in Islamic Economy, estimates total global Takaful contributions will reach $52.5 billion by 2020. Takaful Emarat is poised to benefit from the growing popularity of Sharia insurance and increasing importance of Islamic finance, allowing our shareholders to capitalize on this attractive opportunity. Also, this is the first time a sharia compliant insurance company in the UAE has issued rights that may be publicly traded on an exchange and we are pleased to offer shareholders this feature."

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About Takaful Emarat

Takaful Emarat PSC, established in 2008, is one of the leading Shariah -Compliant Life and Health Takaful Provider in UAE. Takaful Emarat market a wide range of life and health Takaful products including protection, savings and investments plans through variety of distribution channels. Takaful Emarat is also one of the two Takaful providers approved by Dubai Health Authority to provide Basic Mandatory Health Insurance in the Emirate of Dubai."

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