SUKOON TAKAFUL

Detailed Analysis of Accumulated Losses	
Date	01 February 2024
Name of the Listed Company	**Arabian Scandinavian Insurance Company (PLC)-Takaful-ASACANA Insurance** ***Rebranded as Sukoon Takaful***
Define the period of financial statement	31st December 2023
Value of Accumulated losses to paid capital	AED 51.4 million
Accumulated losses to paid up capital ratio (%)	33.39%
Reason for accumulated losses and the period in which these losses began	The Company had positive retained earnings of AED 1.96 million as at 2Q 2023. The move to an accumulated loss position is predominantly due to adverse experience in Motor and Medical businesses. Post 2H 2023, pricing has been adequately adjusted and is now being closely monitored.
Summary of the steps & initiative taken by the company to address the accumulated losses	• The Company was acquired by Sukoon Insurance Company with majority shareholding of 93.04% from 18 May 2023. Post-acquisition following actions have been implemented: • Corrective actions have now been taken on the insurance portfolio along with solvency bolstering steps which includes the divestment of non-core assets. • Initiated a comprehensive assessment of our operations, identifying inefficiencies and devising strategic measures to enhance our operational efficacy. This endeavor led to a significant restructuring, optimizing our resources, cost efficiencies and focusing on core competencies. • The effects of these actions will start resonating in our results positively in 2024. • In Q3 2023, Sukoon Takaful received 'A' (Stable) rating by S&P. • Rebranded the Company to "Sukoon Takaful". This strategic branding bolstered our market presence and positioning and has paved the way for sustainable growth aligning ourselves with our parent company's brand identity, further showcasing our Sharia-compliant takaful solutions under the larger Sukoon umbrella. • The transformation journey we have embarked on will continue with full momentum, where the strategic initiatives implemented this year will fully start delivering results. We are confident that the company is expected to turnaround by end of the financial year 2024 coupled with new product offerings expected to be launched during the same period.

May God; The Almighty; guide our steps.

Ahmed M.A. Abushanab
Chief Executive officer
01 February 2024