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takaful emarat

Detailed analysis of accumulated losses

(If the accumulated losses between 20% to less than 50% of the company's capital)

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:	**08/04/2025**
Name of the Listed Company:	**TAKAFUL EMARAT – INSURANCE (PSC)**
Define the period of the financial statements:	**Annual 2024**
Value of the Accumulated losses:	**AED 43,289 (in Thousands)**
Accumulated losses to paid-up capital ratio (%):	**20.6%**
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):	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:	1. On 21 October 2024, the Group completed the reduction of the accumulated losses and set off against share capital amounting to AED 124.3 million and on 6 December 2024, the Group issued 185 million ordinary shares by way of right issue of AED 1 per share which is equal to the nominal value of the Group ordinary shares. 2. Shareholders' equity turned positive, moving from a deficit of AED 39.7 million in 2023 to equity of AED 163.2 million in 2024 3. Building up a long-achievable business plan which will recover the accumulated losses through writing solid profitable business. 4. By implementing new investment strategies, we optimized our investment returns, resulting in a net investment income of AED 32 million for the year ending December 31, 2024. This represents a 106% growth compared to the AED 15.6 million achieved in 2023. 5. The company demonstrated remarkable growth in performance, achieving Takaful revenue of AED 420 million, an increase of 84% compared to AED 229 million last year.

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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	**08/04/2025** DocuSigned by: 8083B5C349B0479... Signed by:
Company's Seal	