Detailed analysis of accumulated losses

(If the accumulated losses 50% and above 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 (50%) or more of their paid-up capital.

Date:	13/11/2026
Name of the Listed Company:	Al Sagr National Insurance Company
Define the period of the financial statements:	30-09-2026
Value of the Accumulated losses:	411,908,577/-
Accumulated losses to paid-up capital ratio (%):	179%
The main reasons for 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):	The main reasons of accumulated losses: **- Investment Portfolio Valuation:** The decline in the market value of certain investments during previous financial years contributed to the accumulated losses and impacted the company's historical financial performance. **- Operating Expenses:** Historical increases in operating costs contributed to the accumulated losses; however, recent periods have shown a positive trend, with operating expenses decreasing as a result of improved cost management and operational efficiency. **- Motor Line of Business (LOB) Technical Performance:** Historical high production volumes in the Motor LOB contributed to increased claims exposure and the need for additional technical reserves, impacting the financial results. However, underwriting measures and improved portfolio management have since brought production levels under control. - Losses began to appear in the result of the period ended on December 31, 2019
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	• **Investment Portfolio Management:** Strengthening investment monitoring and portfolio management practices to mitigate market risks and enhance investment performance. • **Cost Optimization:** Implementing cost-control measures and enhancing operational efficiency, resulting in a recent downward trend in operating expenses.

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	• **Motor LOB Underwriting Improvements:** Strengthening underwriting policies and risk assessment procedures, alongside improved portfolio management, to control production levels, enhance portfolio quality and reduce technical losses. • **Technical Reserves Adequacy:** Reviewing and strengthening technical reserves to ensure adequate coverage of historical claims exposure and support the company's financial stability. • **Ongoing Financial Performance Monitoring:** Enhancing financial monitoring and performance assessment to ensure timely identification of potential risks and implementation of appropriate corrective actions
The date on which the company's general assembly approved the plan for dealing with accumulated losses:	**The company is working on a comprehensive recovery plan which will be submitted to CBUAE very shortly.**

The Measures that will be taken to deal with the accumulated losses and the approved plan				
Actions	**The time frame for implementing the action according to the approved plan**	**The implemented action and the percentage of implementation**	**Reasons for not implementing the action or delaying**	**Any modifications or changes made to the action**
Action 1				
Action 2				

The Name of the Authorized Signatory	**Nader Ibrahim**
Designation	**Acting CEO**
Signature and Date	**13-11-2026**
Company's Seal	AL SAGR NATIONAL INSURANCE CO. P.O. BOX 14614, DUBAI, U.A.E. الصقر للتأمين AL SAGR INSURANCE

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