دار التأمين
INSURANCE HOUSE
P.J.S.C - ش.م.ع

Detailed analysis of accumulated losses

Date	18/11/2026
Name of the Listed Company	Insurance House PJSC
Define the period of the financial statements	Q3 2026
Accumulated losses	AED 128,044,043
Accumulated losses to capital ratio	112.88%
The main reasons leading to these accumulated losses and their history	1. During 2023, the company identified the Motor Book of Business developed in 2022 as a key contributor to the company's losses during 2023 to 2024. This was driven by the aggressive market price competition together with unusually high acquisition costs, poor reporting and claim management practices. 2. The company had also identified errors in financial reporting, control issues, and accounting related to the period between 2020 and 2022 which led to the late realization of losses and a delayed management response.
Measures to be taken to address accumulated losses:	A detailed Recovery plan was prepared by the management under guidance from the Board and certified by the Appointed External Actuary M/s Deloitte was submitted to the CBUAE and was approved by them during January 2025. The Recovery Plan contained the following measures: 1. Developing a new strategy for Motor and Health insurance businesses to reverse the trend at each of topline and bottom line levels driven by key initiatives such as regular rate reviews, better risk selection, claims management and efficient reporting capabilities for key performance and early warning indicators.

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2. Improving distribution strategy to grow profitably in all lines of businesses - Motor, Health, Personal and Commercial lines.
3. Cost-efficiency programs and customer experience strategies driven by focused transformation projects.
4. Ongoing improvement of internal policies and procedures.
5. Embedding a culture of engagement and high performance.

The management has been constantly reviewing progress against the Recovery Plan recommendations to ensure that the agreed actions are being implemented. The following is update based on the Audited Financials as at 30 September 2026:

1. The successful implementation of the above measures has already been showing a positive impact on Company's profitability with the Company registering a Net comprehensive profit of AED 5.41 million during the year ended 31 December 2025 and AED 10.4 million in the 9 months ended 30 September 2026, thereby resulting in a reduction in the Accumulated losses from AED 140.4 million at 31 December 2024 to AED 128.04 million as at 30 September 2026.
2. The liquidity position of the company has improved considerably with the Cash and Cash equivalents as at 30 September 2026 accounting for over 35.5% of total assets as compared to 19% as at the end of December 2024.

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The Name of the Authorized Signatory	Mr. Mohammed Alqubaisi
Designation	Chairman
Signature and Date	18/11/2026
Company's Seal	

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