Detailed analysis of accumulated losses

Date:	12th August 2020
Listed Company Name:	TAKAFUL EMARAT – INSURANCE PSC
Define the period of the financial statements	Q2 2020 (For period ended 30 June 2020)
Accumulated losses:	AED 59,634,094
Accumulated losses to capital ratio:	39.76%
The main reasons leading to these accumulated losses and their history:	During 2019 the medical insurance portfolio has recorded losses due to reduced margin and incurred higher medical claims expenses than expected. The investments have generated lower returns during the period. Furthermore, in the past couple of years i.e., 2018 & 2017 the company had invested into technology digitizing its sales and operations processes. However, some of these investments did not yield the desired output leading to writing off these investments during 2019.
Measures to be taken to address accumulated losses:	Measures already taken such as reducing overhead and discretionary expenses. Further work is in progress for other measures such as reviewing underwriting guidelines and loss making portfolio with a view to appropriately price them during the year

Authorized to signatory
Chief Executive Officer
Wael Al Sharif

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