takaful emarat

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Detailed analysis of accumulated losses

Date:	31st of March 2021
Listed Company Name:	TAKAFUL EMARAT – INSURANCE PSC
Define the period of the financial statements	Q4 2020 (For period ended 31 December 2020)
Accumulated losses:	AED 67,254,090
Accumulated losses to capital ratio:	44.84%
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:	All measures have been taken to reduce the general and administrative expenses in addition to the indirect business expenses. Further work is underway to take other measures such as reviewing the underwriting guidelines and portfolio losses with a view to pricing modules appropriately. The company's management and its vigorous follow-up of all operational activities will contribute effectively to increasing the profitability of the insurance activity.

Authorized to signatory
Chief Executive Officer
Wael Al Sharif

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