takaful emarat

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Detailed analysis of accumulated losses

Date:	November 28, 2022
Listed Company Name:	TAKAFUL EMARAT – INSURANCE PSC
Define the period of the financial statements	Q3 2022 (For period ended 30 September 2022)
Accumulated losses:	AED 81,908,901
Accumulated losses to capital ratio:	54.6%
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, the company historically 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 the previous periods. The Company's profitability also dropped due to a decrease in the medical business.
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, push the sales team to compensate the lost business through other lines and further work is underway to take other measures such as reviewing the underwriting guidelines and portfolio losses with a view to pricing modules appropriately.

Authorized to signatory
Chief Executive Officer
Wael Al Sharif

